

**Speaking Note for Dr. Bounthavy SISOUPHANTHONG for
Ministerial Roundtable
16 October 2014 (Speaking time 7 minutes)**

Mr. Chairman, Excellencies, ladies and gentlemen,

It is a great honor for me to participate in this world investment forum and particularly in this ministerial roundtable. Let me present the situation of my country.

Laos is one of East Asia's poorest countries. It is a small landlocked country located in the centre of South-East Asia. It is a mountainous country, population density is low, with approximately 27 people per square kilometer and more than 70 per cent of the total population live in rural areas and rely mainly on natural resources for their survival.

The government plan to achieve economic growth that benefits the entire population through poverty reduction, minimizing inequality in society, and maintaining good conditions for the environment and natural resources. In other words, economic growth must meet human needs, improve living standards, and provide us with the financial resources that make environmental protection possible.

Recently, Laos has pursued significant economic and institutional reforms through the implementation of a more efficient market-orientated economy. Our cooperation with ASEAN has proved beneficial in terms of economic growth and human resource development. Another milestone in the international economic integration of Laos was its accession to the WTO in 2013.

The development goal of the Government is to emerge from the least developed countries by 2020. This is an ambitious target, but we see good chances that it can be achieved. The stable political situation is a considerable asset for our domestic economic development.

Laos has abundant natural resources, such as forest and mining. Indeed, almost 60% of FDI is related to the country's natural resources. These resources are key for our development. Moreover, Laos has a rich cultural heritage with a traditional life style, which can make it an attractive tourist destination.

The geographical location, which connects Laos to the most dynamic South-East Asian markets, including China, is a further important asset. Laos is now becoming a land-linked country, known as the land-bridge among the Greater Mekong Subregion.

We will enhance investment through an attractive incentives packages, provided in the revised Law on Investment Promotion.

Excellencies, ladies and gentlemen

Despite this encouraging outlook, our country also faces a number of important challenges in its sustainable development strategy.

First, our economic growth path puts considerable pressure on our ecosystems. A major problem is deforestation. This can significantly affect the living conditions of the rural population. The Government has therefore developed a wide array of legislation and action plans for environmental conservation and protection. Another critical issue relates to assessment of the construction of hydropower systems due to the changes in the quantity, quality, and timing of water flows. Also here, we need to make sure that growth does not come at the expense of essential interests of the affected population. The economic integration aims at more investment inflows. But this will increase environmental pressure, so these challenges have to be addressed properly.

Second, despite its considerable economic growth rates, Laos remains a country with an underdeveloped infrastructure, particularly in rural areas. A huge part of Laos's public investment programme, financed mainly by foreign aid, goes into infrastructure construction, including roads, bridges, irrigation, airport and electricity networks, but we still need to do more to develop remote areas and to reduce income inequality. This will need more international road connections and access to the sea.

Third, we also invest with assistance of development partners- in education and health care as other critical pillars of sustainable development. Skills development is crucial for economic upgrading and for enabling us to move to higher segments within global value chains. For this we will promote more private engagement in this field.

Fourth, for poverty reduction and rural development, community participation has become an effective method for sustainable development of Laos. In the implementation of our "Poverty Reduction Fund", we attach importance to the capacity of the local community to be aware of an investment project and to have a voice in its implementation. Such community participation also helps for the capacity building of local people, for skills development and awareness of gender equality.

Excellencies, ladies and gentlemen,

Laos greatly welcomes UNCTAD's Investment Policy Framework for Sustainable Development, which serves us as a practical guidance in our reform efforts. I do believe that UNCTAD will help us achieving our goal of graduation from LDC. I would like to recognize the high quality of the annual World Investment Reports, notably for the 2014 volume that is devoted to an action plan for investing in the SDGs. Carrying this action

plan forward, as it is being done here in this forum, is a concrete step in the right direction. It is a great pleasure for me to contribute to this endeavor here today.

In conclusion, let me say that sustainable development figures highly on Laos' development agenda. The challenges are big, but we are convinced that sustainable economic growth can be achieved with the help of specific and deliberate policy interventions in all areas of economic development.

Lastly, I would like to thank organizer for inviting me and delegations. I wish the forum big success.

Thank you very much for your attention.