

## Malaysia and Lao PDR Set to Foster Closer Bilateral Ties

Strong turnout of 400 was recorded at the Malaysia-Lao PDR Business Forum held at MATRADE hall today indicating a strong interest by Malaysian business community to do business with Lao PDR. The forum was officiated by H.E. Dr. Thongloun Sisoulith, the Prime Minister of Lao PDR., H.E. Mrs. Khemmani Pholsena the Minister of Industry and Commerce was also present as well as a number of other Lao PDR Ministers.

Malaysia's trade with Lao PDR is currently on the way upward trend. In 2016, our total trade

has grown by 76% to USD30.9 million from 2015. Moving forward, among key areas in which we are targeting to boost our exports to Lao PDR are building materials, machinery tools, consumer products and medical disposable products.

Minister of International Trade and Industry, YB Dato' Sri Mustapa Mohamed said, "Both Malaysia and Lao PDR are currently undergoing economic liberalization initiatives at the national and regional level. We need to continuously promote strategic partnership between Malaysian and Laotian companies by leveraging on our economic complementarities. Our countries are working closely with the rest of ASEAN member states to promote closer economic integration and boost intra-ASEAN trade as well as investment".

On the investment front, in the period of 2011-2015, Malaysia has invested USD570 million in Lao PDR. We are currently the fourth largest foreign investor in their country. Malaysia's presence in Lao PDR continues to grow from strength to strength over the last 10 years. To date, there are over 25 Malaysian companies which are actively operating in the country, in key areas such as hydropower, mining, development of specific economic zones, and infrastructure projects, especially railway. YAB Prime Minister Dato' Sri Najib Razak met with the representatives of Malaysian companies in Lao PDR on 6 September 2016 during the ASEAN Summit. The companies informed YAB Prime Minister that they are happy with the business conditions in Lao PDR.

Out of 12 Specific Economic Zones (SEZs) established or being planned by Lao PDR, it should be noted that three of them are being developed by Malaysian companies. The most notable one is the Savan Park – a joint venture development between the Lao Government and Savan Pacifica Development. There are currently 55 licensed investors from various countries (5 of them from Malaysia) operating in Savan Park with the investment value of USD132 million. It is currently in the fourth and last phase of its development.

In the area of banking, out of 34 banks operating in Lao PDR, four of them are Malaysian banks namely Public Bank, Maybank, CIMB Thai and RHB Bank. Public Bank is among the oldest banks established in Lao PDR and it is currently ranked 10th in term of total assets.

Dato' Sri Mustapa added, "Lao PDR is among the countries in ASEAN forecast to grow beyond 7% per annum over the next few years, which speaks volumes about the huge potential that this resource-rich country could bring. Malaysian companies should continue to play an active role in the economic and social development of Lao PDR".

Ministry of International Trade and Industry  
9 May 2017

