

Trade Facilitation Roadmap in Lao PDR (2017-2022)

Sub-regional Workshop
Fostering Structural Transformation and Export Diversification
in Selected Asian Landlocked Developing Countries
16-17 October 2018, Ulaanbaatar, Mongolia

Outline

1. Current Situation
2. Vision
3. Strategic Measures
4. Targets



1. Current Situation

The objectives of the Trade Facilitation Strategic Plan (2011-2015) were as below:

1. To make international trade and customs procedures simple and easy; and
2. To reduce the cost of trading in order to enhance its effectiveness and competitiveness of business

In order to meet the above objectives, the Plan had recommended following six strategic measures:

1. Mainstream Trade Facilitation across line ministries
2. Simplification, harmonization and modernization of trade and customs procedures
3. Implement WTO, ASEAN and GMS commitments
4. Develop private sector capacity to trade efficiently in compliance with rules and regulations
5. Provide the right equipment and facilities to ensure the smooth and efficient administration of trade and customs procedures
6. Create a national trade facilitation body

1. Current Situation (Cont.)

- **Challenges:**

1. Lack of coordination among concerned agencies
 - Lack of coordination among line departments, also between central and provincial levels.
2. Implementation of legislation by different agencies not aligned
 - Absence of integration in implementation by line departments
3. Document inspection checkpoints remain many and collection of fees overlaps
 - There is NO “One Point Payment of all the duties, taxes, fees and other charges”
4. Lack of collaboration with the private sector
 - There is no regular platform where line departments can interact with the private sector in provinces.
5. Weak monitoring mechanism
 - The TFS’s roles are not yet cover all the Sub-Committee responsible for trade facilitation in the country.
6. Lack of transparency and predictability
 - Most of the departments have not publicly displayed their detailed procedures and documentary requirement.

2. Vision

The Trade Facilitation Road Map for 2017-2022 will:

1. simplify and streamline clearance procedures improving the service delivery.
 - Making the exports trade competitive by reducing the time and cost of exports through reduction in Non-Tariff Measures and implementation of trade facilitation measures.
2. improve business environment
 - Fully implement the WTO's Trade Facilitation Agreement latest by 2020.
 - Improve coordination at sub-national level

3. Strategic Measures

The new Road Map would have following seven strategic measures:

1. Developing institutional mechanism for effective coordination among line departments
 - Set up a Trade Facilitation Implementation Unit.
2. Strengthening governance structure at sub-national level for improved communication, monitoring and implementation of the trade facilitation measures
 - Create a sub-national governance structure.
3. Cross-border cooperation and regional integration
 - Fully implement bilateral, regional and sub-regional agreements in cross border trading matters
4. Collaboration with the private sector
 - Provide/link more platforms with private sector to hear views of implementing trade facilitation measures.

3. Strategic Measures (Cont.)

5. Priority measures for publication of Service Charters, simplification of procedures, like Single Window, One Stop Inspection and One Point Payment
 - All publications should be available on the websites
6. Review of Non-Tariff Measures (NTMs) for their drastic reduction and streamlining compliance procedures
 - 253 NTMs identified in the country.
7. Full implementation of TFA in an accelerated time-bound manner
 - WTO's Trade Facilitation Agreement (TFA), S&D provisions for LDCs.
 - Considering that the TFA has entered into force from 22 February 2017, Lao PDR started to implement from 21 February 2018.

4. Targets in 2022

1. Reducing the time of export by 50%
 - Average time taken on export in the country is 23 days, which includes predominant time spent on documentary compliance.
2. Cutting the cost of export by 20%
 - Establishment of national single window and streamlining of NTMs relating to exports, particularly of minerals and agricultural products.
3. Reducing the time of import by 50%
 - Most of the time taken on import relates to the documentary compliance on NTMs being enforced by non-customs departments, the establishment of Single Windows will help in reducing the time to import.
4. Reducing the number of import documents by 30%
 - Provide online information and link to concerned agencies.



Ministry of Industry and Commerce
Department of Planning and Cooperation
Trade and Economic Cooperation Division

Thank You