

FOREIGN DIRECT INVESTMENT OF REPUBLIC OF KOREA IN LAO PEOPLE'S DEMOCRATIC
REPUBLIC

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การลงทุนโดยตรงในต่างประเทศของสาธารณรัฐเกาหลี
ในสาธารณรัฐประชาธิปไตยประชาชนลาว



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สมหวัง สุลละมะณี : การลงทุนโดยตรงในต่างประเทศของสาธารณรัฐเกาหลีในสาธารณรัฐประชาธิปไตยประชาชนลาว (FOREIGN DIRECT INVESTMENT OF REPUBLIC OF KOREA IN LAO PEOPLE'S DEMOCRATIC REPUBLIC) อ.ที่ปรึกษาวิทยานิพนธ์หลัก: รศ. ดร. พุทธกาล รัชธร, 84 หน้า.

วิทยานิพนธ์ฉบับนี้มีวัตถุประสงค์เพื่อ (1) ศึกษาภาพรวมการลงทุนโดยตรงในต่างประเทศของสาธารณรัฐเกาหลี ในสาธารณรัฐประชาธิปไตยประชาชนลาว (สปป.ลาว) (2) วิเคราะห์ความสามารถทางการแข่งขันของสปป.ลาว ที่ดึงดูดการลงทุนโดยตรงในต่างประเทศของสาธารณรัฐเกาหลี และ ระบุอุปสรรคในการลงทุนในสปป.ลาว (3) ศึกษาแนวโน้มในอนาคตของการลงทุนโดยตรงในต่างประเทศของสาธารณรัฐเกาหลี ในสปป.ลาว และ (4) เสนอแนวทางการพัฒนาด้านเศรษฐกิจสังคมเพื่อดึงดูดการลงทุนโดยตรงจากต่างประเทศในภายภาคหน้า

วิทยานิพนธ์ฉบับนี้ ใช้ข้อมูลทุติยภูมิจากแหล่งที่น่าเชื่อถือ อาทิ หนังสือ รายงาน บทความวารสาร หนังสือพิมพ์ งานวิจัยที่เกี่ยวข้อง และ อินเทอร์เน็ต พร้อมทั้งข้อมูลจากการสัมภาษณ์บริษัทสาธารณรัฐเกาหลีในสปป.ลาว จำนวน 3 แห่ง ได้แก่ บริษัทโคลาวฟาร์มแอนด์ไบโออีเนอร์จี (KOLAO Farm & Bio Energy Company) และ บูยองลาวแบงก์จำกัด (Booyoung Lao Bank co.,ltd) และ วิทยาลัยลาวท็อป (Lao - Top College) เพื่อสนับสนุนให้งานวิจัยนี้มีประสิทธิภาพมากขึ้น วิทยานิพนธ์ฉบับนี้ชี้ให้เห็นว่า ในช่วง 2 ทศวรรษที่ผ่านมา การลงทุนโดยตรงในต่างประเทศของสาธารณรัฐเกาหลี ในสปป.ลาว มีการเพิ่มขึ้นอย่างต่อเนื่อง และถูกจัดเป็นประเทศที่เข้ามาลงทุนในสปป.ลาวมากเป็นอันดับ 4 ทั้งยังมีแนวโน้มว่าจะขยายตัวขึ้นเรื่อยๆในอนาคต นอกจากนี้ยังสามารถวิเคราะห์ความสามารถทางการแข่งขันของสปป.ลาวโดยใช้โดมอนโมเดล ได้ทั้งหมด 9 ปัจจัยย่อยจากผลการวิเคราะห์ก็ยังพบว่า สปป.ลาวมีจุดด้อยที่เป็นอุปสรรคต่อการดึงดูดการลงทุนโดยตรงในต่างประเทศของสาธารณรัฐเกาหลี 3 ประการ ได้แก่ (1) การขาดแรงงานที่มีฝีมือ (2) โครงสร้างพื้นฐานยังไม่ดีเท่าที่ควร และ (3) งานวิจัยและข้อมูลที่เกี่ยวข้องกับการลงทุนโดยตรงจากต่างประเทศในสปป.ลาวยังมีอย่างจำกัด จึงได้เสนอแนวทางเพื่อแก้ไขอุปสรรคดังกล่าวไว้ด้วย.

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SOMVANG SOULAMANY: FOREIGN DIRECT INVESTMENT OF REPUBLIC OF KOREA IN LAO PEOPLE'S DEMOCRATIC REPUBLIC. ADVISOR: ASSOC. PROF. BUDDHAGARN RUTCHATORN, Ph.D., 84 pp.

The objectives of this research were: (1) to study overview of foreign direct investment of Republic of Korea in Lao PDR, (2) to analyze the competitiveness of Lao PDR in attracting foreign direct investment of Republic of Korea and obstacles for investment in Lao PDR, (3) to study the future trends for foreign direct investment of Republic of Korea in Lao PDR and (4) to provide suggestions for Lao social-economic development to attract further foreign direct investment.

. This thesis adopted the secondary data from reliable sources such as, books, reports, treatises, magazines, newspapers, various researches and internet, together with the interview from 3 Republic of Korea' companies in Lao PDR; For example, KOLAO Farm & Bio Energy Company, Booyoung Lao Bank.co,.ltd and Lao – Top College. This thesis presented the steady increase of foreign direct investment of Republic of Korea and ranked the 4th largest investor in Lao PDR. Furthermore, Diamond Model of Michael E. Porter has been used to analyze the competitiveness of Lao PDR, which received 9 sub-factors of competitiveness and 3 obstacles for investment in Lao PDR: (1) insufficiency of skilled labors, (2) poor infrastructure, and (3) limited researched and information that relating foreign direct investment in Lao PDR. The thesis ended by providing suggestions for Lao social-economic development to attract further foreign direct investment

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CHAPTER I

INTRODUCTION

1.1. Background

Foreign direct investment or FDI plays important role in international economic integration and means the moving of firms abroad for business engagement replacing exports. Foreign direct investment is considered as a significant factor in social economic development and it plays an important role to stimulate an economic growth. Flow of foreign direct investment refers to Outward Foreign Direct Investment [OFDI] and Inward Foreign Direct Investment [IFDI], in which both types would lead country to development and increase country's competitiveness that has an effect on social-economic development and other fields, such as technology and knowledge. The developed countries play an important role for outward foreign direct investment in developing countries. The foreign direct investment significance for developing countries is much greater and It also means transferring production technology, skills, innovative capacity, and organizational and managerial practices between locations, as well as of accessing international marketing networks (Sauvant 1999).

Lao People's Democratic Republic or Lao PDR is known as a land linked country in Southeast Asia, it's bordered to the north by China; to the east by

Vietnam, to the south by Cambodia, to the northwest by Myanmar and to the west by Thailand. Lao PDR is a small country with population of 6.8 million, the most is agriculturists. However, after independence of Lao PDR in 1975, the economy became the planned economic system, replacing the private sector by the state enterprises and created barriers to foreign trade but, this type of economic system was insulating rather than stimulating and growing the economy. Until 1986, New Economic Mechanism (NEM) was announced to shift from planned economy to market oriented economy, made the conditions leading to private sector activities and official opened for foreign direct investment in 1988.

Lao PDR is plenty of natural resources, political stability and beautiful culture. These things become the important components in attracting tourists and foreign investors. In 2009, Lao government imposed a revised law on investment promotion as more incentive for local and foreign investment, the number of procedural steps and investment barriers have been eliminated, including taxes holidays, offers long breaks and lower taxes for investor who invested in rural areas and offers foreign investor the right to own residential land in Lao PDR if they invested US\$500.000 or over. Lao government sees that FDI contributes Lao GDP growth, in 2013 grew at 8.5% from 8.0% in 2011 and 2012 (The World Bank 2013).

Republic of Korea is the one of many countries who is interested in investment in Lao PDR and started to invest in Lao PDR in 1994, the investment declined after Asian Financial Crisis In 1997 and reactivated in 2006. In the present

time, Republic of Korea is ranked the fourth largest investor in Lao PDR after Vietnam, Thailand and China (Department of Investment Promotion 2014). There are 257 Republic of Korea's projects in Vientiane capital and 12 provinces of the Lao PDR with total investment value more than US\$880 million and the most of total investment projects is on agriculture and service.

1.2. Research Objectives

1. This research aims to study overview of foreign direct investment of Republic of Korea in Lao PDR.
2. To analyze the competitiveness of Lao PDR in attracting foreign direct investment of Republic of Korea and obstacles for investment in Lao PDR.
3. To study the future trends for foreign direct investment of Republic of Korea in Lao PDR.
4. To provide suggestions for Lao social-economic development to attract further foreign direct investment.

1.3. Research Questions

1. Why does Republic of Korea choose to flow out foreign direct investment to Lao PDR?
2. What are the obstacles for investment in Lao PDR?

3. What are the future trends for foreign direct investment of Republic of Korea in Lao PDR?
4. What should Lao PDR develop on social-economic field to attract further foreign direct investment?

1.4. Scope of Research

This research concentrates on foreign direct investment of Republic of Korea in Lao PDR to understand what stimulates Republic of Korea to invest in Lao PDR.

1.5. Expected Benefit of Research

1. To perceive the development ways on social economic field of Lao PDR to attract further foreign direct investment.
2. This research will provide the useful information and guidance to people who are interested in foreign direct investment of Republic of Korea in Lao PDR and related sectors.

1.6. Outline

This research consists of 5 chapters as follows:

Chapter 1 begins by background, research objectives, research questions, scope of research, expected benefit of research and outline of research.

Chapter 2 reviews the theories of foreign direct investment, overview of foreign direct investment of Republic of Korea in Lao PDR and the previous researches.

Chapter 3 explains the research methodology.

Chapter 4 analyzes the competitiveness of Lao PDR in attracting foreign direct investment of Republic of Korea by using the Diamond Model together with identifying some obstacles for investment in Lao PDR. In addition, this chapter provides an explanation about future trend of foreign direct investment of Republic of Korea in Lao PDR.

Chapter 5 Provides the conclusion of this research, discussion and recommendations for the ways to develop on socio-economic field to attract further foreign direct investment.

CHAPTER II

RELATED THEORIES AND LITERATURE REVIEWS

There are two important parts in this chapter: a review of related theories and a review of related researches.

2.1. Related Theories

This part presents two important points on foreign direct investment, they served as the significant objectives of the study: foreign direct investment and overview of foreign direct investment of Republic of Korea in Lao PDR.

Foreign direct investment

In the present time, the issue of foreign direct investment is paid more attention at both national and international level. There are many scholars have tried to explain what foreign direct investment is, when and why the firms choose to invest abroad rather than export. Organization for Economic Co-operation and Development (OECD Factbook 2013) defines foreign direct investment as “cross-border investment by a resident entity in one economy with the objective of obtaining a lasting interest in an enterprise resident in another economy”. According to Shenkar & Luo (2007), “Foreign direct investment occurs when a firm invests directly in production of other facilities in a foreign country over which it has effective control” (Shenkar 2007). Stopford, John M.; Susan Strange; John S. Henley

(1991) explained that the basic driving forces propelling firms abroad come from manager' desires for growth, for cost reduction and for control (Stopford 1991) Meanwhile, Shenkar & Luo (2007) identified the motivations for conducting international business as three motives: market motive, economic motive, and strategic motive. **Market motive** includes offensive and defensive motive, offensive motive is to seize the market opportunities in foreign countries through trade or investment; such as Amway; Avon; and Mary Kay, defensive motive is to interdict or restrict the export but replaced by investing abroad. **Economic motive** is the firm's desire to gain the profits through higher revenue and/or lower costs; such as labor costs; natural resources; capital; and lower taxes in host countries. **Strategic motive** lead the firms to participate in international business for seeking the distinctive resources and capabilities development at home such as technologies and economies of scale. (Shenkar 2007)

However, Dunning (1993) found that the motivations for engaging in foreign direct investment depend on the host country's economic environment. He suggests four foreign direct investment motivations: **resource-seeking** is decision for firm to invest in the country where is rich by the natural resources for cost reduction, **market-seeking** is decision for firm to invest abroad to exploit the foreign market for serving the exports or to follow their customers overseas, **efficiency-seeking** is decision for firm to invest in the country where is the most productive capability, and

strategic asset-seeking is decision for firm to invest abroad to promote their long term strategic objectives (Dunning 1993).

According to above several economists' definition, foreign direct investment comprises of many components, such as foreign firms, host country, production factors, capitals, etc. The foreign investors flow the capital to the host country for investment base on different incentives from host country, the investors might be ordinary person, legal person, as well as government sector, but mostly is private sector.

Impact of foreign direct investment on the host country

The economists believe that foreign direct investment plays a significant role to affect positively in both home and host countries and leads the country to the key transformation for economic development, particularly in the host countries. According to Shenkar.& Luo. (2007), the firms invest directly in production or other facilities in the foreign country and the host country would get benefit of inward foreign direct investment from employment creation. In addition, foreign direct investment also has an effect on domestic enterprises in the host country, the foreign firms are powerful competitors to local business and local companies may be able to learn from the techniques employed by foreign firms to become more globally competitive (Shenkar 2007).

Kurtishi (2013) concludes the benefits of foreign direct investment for host country's economy into five effects: **resource-transfer effects** foreign direct

investment can make a positive contribution to the host country's economy by supplying capital, technology and management resources; **employment effects** is one of the most important impacts of foreign direct investment, especially in developing countries where capital is relatively scarce but labor is abundant; **balance of payments effects** occurs in three circumstances: when the firm established a foreign subsidiary and the capital account of the host countries benefit from the initial capital inflow, when imports of goods or services is replaced by foreign direct investment, and when the firm uses the foreign subsidiary to export goods or services to the other countries; **effect on international trade** foreign direct investment have a great contribution to economic growth in the host countries by supporting exports growth; and **effect on competition** in the host country markets may be particular important in the case of services, such as retailing, telecommunication and many financial services. Domestic competition stimulation by the foreign firms may contribute the economic development (Kurtishi 2013).

Nimal (2011) mentions to the relationship between foreign direct investment and host country economic growth that in order to grow the economy by 7 to 8 percent a year, it needs to invest 35 to 40 percent of GDP. He also added that the effects of foreign direct investment provides the knowledge and advanced technology, employment creation, foreign exchanges earning, and increases in incomes to the host countries (Nimal 2011). Nevertheless, Andreas Johnson (2005) found that there are differences in the effects of foreign direct investment between

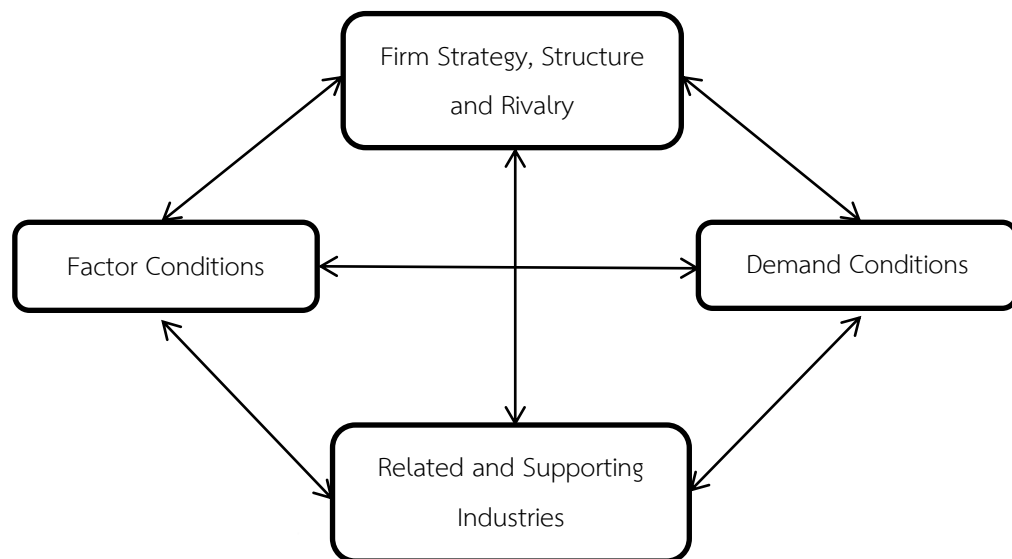
developed and developing countries, foreign direct investment inflows have a positive effect on host country economic growth for developing countries but not for developed countries (Johnson 2005).

Theories of foreign direct investment

There are several foreign direct investment theories were applied to explain the firm's objectives to flow out the investment in foreign countries for seeking to benefit and the ways firms create their competitive advantages. To illustrate, Michael E. Porter (1990) presented **Diamond Model for Competitive Advantage** in his book "The Competitive Advantage of nation" where he developed his theory of why particular industries become competitive in particular locations (W. Bruce Traill 1998). In the present time, Diamond Model is considered as the most up-to-date model and has become a key tool in analysis of competitiveness.

Diamond model is an economic model that can analyze the causes of particular industries become competitive in particular locations and the causes of competitiveness of one country over other countries, it has shown the main determinants that create the competitiveness to national industry and encourage further development. Diamond Model is classified into four main determinants, i.e. (1) Factor Conditions, (2) Demand Conditions, (3) Related and Supporting Industries, and (4) Firm Strategy; Structure and Rivalry, as shown in figure 1.

Figure 1: Diamond Model for Competitive Advantage



Source: Michael E. Porter, 1990

Michael E. Porter identified these four main determinants of Diamond Model as follows:

(1). Factor conditions or factor of productions is capability of country in transforming the basic resources to achieve the competitiveness, such as natural resources, land, and labor. Factor conditions consists of two factors: basic factor and advanced factor; basic factor is built by nature, such as natural resources, geography, climate and labor, while advanced factor is more important than basic factor and it needs for much effort and intention by both private and public sector to build this factor, such as skilled labor, raw material, technologies, knowledge, capital and infrastructure.

(2). Demand conditions are the nature of home-market demand for the industry's product or service. Demand conditions are more important in helping the

nation's firms create the competitiveness to enter the foreign market, the competitive advantage occurs when the home-market consumers pressure firms to develop faster and create more advanced products than their competitors.

(3). Related and supporting industries mean the ability of suppliers and related industries to produce inputs, machines and instruments that are important for innovation and rise in value of the industry's products.

(4). Firm strategy, structure and rivalry is the condition in the nation governing how firms are created, set goal, organized, and managed. Furthermore, the domestic rivalry would create pressure to innovate in order to upgrade the competitiveness.

These four determinants can be used to upgrade the firm's competitiveness at both national and international levels.

2.1.2. Overview of foreign direct investment of Republic of Korea in Lao PDR

Republic of Korea started to invest in Lao PDR in 1994 but the volume of investment was still low, foreign direct investment of Republic of Korea slightly declined after Asian financial crisis in 1997 and reactivated in 2006 with the 6th rank of 10 largest investors in Lao PDR. From 2001 to 2009, foreign direct investment of Republic of Korea inflows to Lao PDR reached almost US\$ 400 million by 137 projects as shown in table 1 (Oraboune 2010) and jumped to the 4th rank in 2007 (Angsakunwong 2010).

To achieve the goal of socio-economic development and poverty eradication in 2020, Lao government imposed a revised law on investment promotion to create better investment climate. In December 2012, Korea Trade-Investment Promotion Agency (KOTRA) took 18 Korean businessmen to Vientiane Capital in Lao PDR to seek investment opportunities and expand their businesses (Department of Investment Promotion 2012).

In the present time, Republic of Korea ranks the 4th largest investor in Lao PDR, after Vietnam, Thailand and China. The value of investment reached around US\$ 880 million, there are 257 Republic of Korea's projects in 13 provinces in Lao PDR: Vientiane Capital, Attapeu, Salavan, Champasak, Savannakhet, Khammouan, Bolikhamsai, Vientiane, Xiengkhuang, Luangprabang, Bokeo, Oudomxay and Houaphan province (Department of Investment Promotion 2014) as shown in table 2. The electricity generation is top in term of value of investment, followed by construction, service and agriculture as shown in table 3. Although Republic of Korea stays in the 4th rank of top ten foreign direct investments in Lao PDR, it is a second largest investor after China in Lao PDR if comparing to three countries in ASEAN plus three.

Table 1 : Top Ten Foreign Direct Investment Countries in Lao PDR (2001-2009) US\$

No	Country	2005		2006		2007		2008		2009(Mar)		2001-2009(Mar)	
		Projects	Value of Investment	Projects	Value of Investment	Projects	Value of Investment	Projects	Value of Investment	Projects	Value of Investment	Projects	Value of Investment
1	Thailand	25	450,905,419	30	655,229,967	31	92,720,384	31	375,197,133	33	1,572,403,889	233	3,309,650,617
2	Vietnam	23	43,266,879	23	261,176,139	35	155,913,820	39	149,425,319	42	1,363,343,585	201	2,055,348,476
3	China	33	58,123,360	54	423,231,606	47	496,055,204	41	107,246,034	37	234,576,597	314	1,543,272,250
4	France	6	370,250,000	11	12,143,611	10	13,143,068	2	500,000	5	2,501,567	65	444,642,746
5	Japan	5	4,400,000	2	401,500,000	7	6,110,970	3	846,850	5	2,830,000	41	424,434,403
6	Korea	10	10,219,855	15	163,741,000	24	82,154,400	16	59,932,810	16	29,775,000	137	396,933,515
7	India	-	-	1	350,000,000	-	-	-	-	2	848,000	5	351,178,000
8	Australia	8	21,286,864	5	1,390,000	5	13,620,000	2	1,900,000	2	666,000	31	333,953,528
9	Malaysia	6	3,374,200	5	3,150,155	3	53,210,000	2	130,000	6	9,924,582	41	150,167,974
10	Singapore	3	1,200,000	5	43,465,000	4	15,909,000	3	1,407,500	3	5,621,500	28	107,873,000
Total FDI in Lao PDR		128	968,156,577	171	2,338,258,788	191	971,471,905	152	956,260,646	179	3,297,203,632	1,255	9,654,117,550

Source: S. Vongsaysavanh, 2009 and Department of Promotion, 2009. Cite in Syviengxai Oraboune, 2010.

Table 2 : Approved Foreign Direct Investment of republic of Korea in Lao PDR by Provinces

No.	Provinces / Sector	Unit	Value (US\$)
1	Attapeu Electricity generation	1	1,000,000
2	Bokeo Hotel & Restaurant Service Education	1 1 1	41,836,400 500,000 100,000
3	Bolikhamisai Hotel & Restaurant	1	3,750,000
4	Champasak Electricity generation Agriculture Construction Trading Industry & Handicraft Education	1 10 1 1 1 1	196,608,938 8,383,950 4,700,000 500,000 400,000 120,776
5	Houaphan Mining	1	4,500,000
6	Khammouan Industry & handicraft	1	1,000,000
7	Luangprabang Service	1	5,000,000

	Hotel \$ Restaurant	2	600,000
	Education	1	100,000
8	Oudomxay		
	Education	1	71,400
9	Salavan		
	Wood industry	1	400,000
10	Savannakhet		
	Industry & Handicraft	2	70,000,000
	Agriculture	2	9,500,000
	Mining	1	300,000
11	Vientiane Capital		
	Construction	5	146,765,000
	Service	45	140,851,990
	Agriculture	42	54,677,750
	Banking	3	38,483,275
	Hotel & Restaurant	21	22,340,714
	Trading	36	21,041,000
	Industry & Handicraft	20	13,082,000
	Education	16	6,955,000
	Culsultances	16	5,874,700
	Garment	3	1,150,000
	Wood industry	1	200,000
12	Vientiane		
	Agriculture	4	42,302,000
	Electricity generation	1	15,414,000

	Mining	2	7,500,000
	Wood industry	1	3,000,000
	Industry & handicraft	1	459,855
	Service	1	200,000
13	Xiengkhuang		
	Agriculture	2	6,300,000
	Mining	1	3,500,000
	Service	1	996,000
	Trading	1	300,000

Source: Department of Investment Promotion, 2013

Table 3 : Approved Foreign Direct Investment of Republic of Korea in Lao PDR by Sector

No.	Sectors	Projects	Value of Investment (US\$)
1	Electricity Generation	3	213.022.938
2	Construction	6	151.465.000
3	Service	49	147.547.990
4	Agriculture	61	121.163.700
5	Industry and Handicraft	25	84.941.855
6	Hotel and Restaurant	25	68.527.119
7	Banking	3	38.483.275
8	Trading	38	21.841.000
9	Mining	5	15.800.000

10	Education	20	7.347.176
11	Consultances	16	5.874.700
12	Wood Industry	3	3.600.000
13	Garment	3	1.150.000
Total		257	880.764.748

Source: Department of Investment Promotion, 2014

2.2. Related Studies

To help in supporting this study, I review 4 previous researches that related to this topic as follows:

To understand the reasons why Republic of Korea choose to invest in foreign countries, I reviewed the research **'Trends and Determinants of South Korean Outward Foreign Direct Investment'** by Jung Min Kim and Dong Kee Rhe, (2009).

This research shows that "Many South Korean firms have rapidly developed from being domestic players that lacked competitive advantages into being strong global players"(Rhe 2009). Thus, they decided to expand their businesses abroad for enhancing their competitiveness. To illustration of South Korean firms' outward FDI, The authors refer to four factors of Porter's Diamond Model. First, factor conditions include cost reduction and technology learning. For demand conditions consist market seeking, local presence requirements, production creation and market learning. For related and supporting sectors include follow-the-customer strategies,

infrastructure and regulation by passing. For the last factor is strategy, structure and rivalry consist labor management relations, catch-up and strategic location. However, in terms of traditional outward FDI theories, they found the behavior of South Korean firms does not completely comply with the traditional theory of FDI. Moreover, South Korean government policy may have led to distinctive pattern of South Korean outward FDI, even though there has been no obvious regulation of outward FDI since the 1990s.

At the same time, there are many outward FDI-supporting organizations that promote investment overseas, such as The Export-Import Bank of Korea, Korea Export Company, Economic Development Cooperating Fund (EDCF), Korea Overseas Company Assistance Center, Exemption on Overseas Paid Tax, etc. Meanwhile, the research also presents the different motivations of South Korean outward FDI according to the host countries, South Korean outward FDI in developing countries prioritize efficiency to reduce the production costs, while South Korean outward FDI in developed countries prioritize market seeking to access to markets. For instance, South Korean firms that invest in China and ASEAN for deducing of production costs, invest in EUROPE and North America for access the markets and technology, invest in Latin America because of FDI policy in the host country.

In addition, the authors conclude the differences between motivations relative to developed countries and developing countries, South Korean outward FDI to developed countries functions as a way for the firms, by compensating for their

competitive disadvantages, to expand their share of the market and South Korean outward FDI to developing countries functions as a way for firms, by using their ownership advantage, to expand their share of the market.

The next paper that related to foreign direct investment in Lao PDR is **‘Trends and Patterns of Foreign Direct Investment in Lao PDR’ by Pemasiri J. Gunawardana and Sommala Sisombat, (2008)**. The paper examines the trends of foreign capital inflows to Lao PDR after the promulgation of foreign direct investment law in 1988, together with describes the sources and types of foreign direct investment in Lao PDR. Pemasiri and Sommala stated that “in early 1990s, foreign investment in Lao PDR concentrated on the hydropower sector and the mining sector” (Sisombat 2008). Foreign direct investment inflows to Lao PDR have noticeable increased during 2000-2004 with a growth of more than 30 percent per year and the main drivers of rise in foreign direct investment in Lao PDR have been investment in industries and service.

They suggest that Lao PDR is becoming a desirable investment location for ASEAN investors. While European investment has downward trends in Lao PDR as they have been replaced by Newly Industrialized Economies, such as China, Taiwan, Malaysia, and South Korea. The majority of the foreign firms located in the central and region or metropolitan area of Laos, even though the Lao government started to encourage foreign direct investment outside of Vientiane capital in the middle of 1990s.

Finally, this paper found that foreign direct investment flows have assisted the Lao economy in poverty eradication and brought the country to the socio-economic development, foreign exchange earnings, increment in GDP, employment creation, and technological advantages. It concludes that Lao PDR is the one of the least developed countries that has been successful in attracting foreign capital of the multinational enterprises seeking new markets, resources and low cost of production to manufacture products and services

Another influential work related to foreign direct investment of Republic of Korea in Lao PDR that I reviewed is **'Lao PDR and Its North East Asian Development Partners: China, Japan and Korea'** by Syviengxay Oraboune, (2010). This paper focuses on (1) the relations between Lao PDR and North East Asian region regarding foreign direct investment (FDI), official development assistance (ODA) and foreign trade; (2) compares the different relations between Lao PDR and the North East Asian nations, i.e. China, Japan and Korea; and (3) discusses case studies on foreign direct investment from North East Asian nations (Oraboune 2010).

In terms of the value of FDI and foreign trade, Lao PDR considers the North East Asian region as second rank after ASEAN. Total FDI value in Lao PDR from 2001 to March 2009 reached more than US\$ 2 billion. The paper shows that FDI from China, Japan and Korea have dramatically increased from 2006 onward. By comparing different relations between Lao PDR and the North East Asian nations, these three nations ranked in top five of largest investors in Lao PDR and the foreign trade

between Lao PDR with the North East Asian nations has not been very developed if comparing with ASEAN. In terms of ODA, the North East Asian region has been the top source of ODA to Lao PDR.

Lastly, the paper concludes that FDI flow from North East Asian nations, i.e. China, Japan and Korea, has been looked as very important for economic development in Lao PDR. Thus, the author gives the suggestions as follows:

1. FDI from Japan: According to geographical proximity of Lao PDR, moving labor-intensive production blocks to Lao PDR where lower cost is a competitive advantage for Japan to consider.
2. FDI from China: Due to Lao PDR borders to some provinces of China, together with the good relationship between two countries should be tapped to the fullest to attract investors from North East Asian nations in order to support the development in border areas of Lao PDR.
3. FDI from Korea: In supporting for development and expansion of manufacturing industries from Korea such as the automobile industry is significant to support the industrialization process of Lao PDR. Moreover, the financial services from Korea are also important in providing the better investment climate that will support FDI in Lao PDR.

The last research that I reviewed is **'Foreign Aid, Foreign Direct Investment and Economic Growth of Lao PDR'** by Vattanamixay Chansomphou and Masaru

Ichihashi, (2011). This research aims to examine the effects of foreign aid and foreign direct investment on economic growth of Lao PDR (Ichihashi 2011), The study shows that during 1975-1987, private investment was not allowed until after the foreign direct investment and domestic investment promotion laws were promulgated in 1988. The foreign direct investment started inflows to Lao PDR in 1988 by the value only about US\$ 2 million and started to gradually increase around US\$ 6-7 million during 1989-1992. From 1993, the value of foreign direct investment inflows increased significantly and reached US\$ 160 million in 1996. At the same time, the amount of total foreign aid inflows started to increase from about US\$ 45 million in 1986 to US\$ 140 million in 1989, it kept increasing but slightly declined after 1997. Since 2006, the amount of aid had dramatically increased and reached almost US\$ 500 million in 2008.

The authors used annual data of the period 1970-2008 from both United Nations' statistical division (UN) and World Development Indicators (World Bank). They also formulate a modification of Solow model; then employ a co-integration technique to carry out the long-run relationship and employ an error correction model to estimate the short-run growth effects

This research found that foreign aid has strong contribution to long-run income per capita and leads instantaneous growth of Lao PDR in the short-run. Surprisingly, foreign direct investment has strong negative impact on long-run income per capita and small positive impact on income growth of Lao PDR in the short-run.

The long-run negative impact of foreign direct investment might be due to its concentration only on mining and hydropower sector. In addition, Vatthanamixay and Masaru suggest Lao government to promulgate the Policies to promote foreign direct investment in many sectors.



CHAPTER III

RESEARCH METHODOLOGY

3.1 Research Methodology

This study used the qualitative method to answer the research questions. Qualitative research is especially effective in obtaining culturally specific information about the values, opinions, behaviors, and social contexts of particular populations (Mack N. 2005). The qualitative method mostly ask the open-ended questions and the responses tend to be more complex than simply 'yes' or 'no', and this study purpose to answer these questions as follows:

- Why does Republic of Korea choose to flow out foreign direct investment to Lao PDR?
- What are the obstacles for investment in Lao PDR?
- What are the future trends for foreign direct investment of Republic of Korea in Lao PDR?
- What should Lao PDR develop on social economic field to attract further foreign direct investment?

3.2 Data Collection

The qualitative method is adopted to collect the data from both primary data and secondary data. Secondary data that are used in this study consist of books, reports, treatises, magazines, newspapers, previous researches and they are mostly from the reliable sources on internet. Furthermore, primary data is obtained by interviewing, which would help this research become more credible.

3.3 Secondary Data

The secondary data is used to review the background of foreign direct investment of Republic of Korea in Lao PDR in chapter 1, and related theories and literature reviews in chapter 2. It is reviewed to perceive about the overview of foreign direct investment of Republic of Korea in Lao PDR, cultural and socio-economic background of Lao PDR is reviewed as part in analysis the competitiveness along with the perspective on future trend of foreign direct investment of Republic of Korea in Lao PDR.

3.4 Interviews

This study used semi-structured interviews as a method to collect the data, the targets in this research are 3 Republic of Korea's Companies in Lao PDR, including Kolao Farm & Bio Energy Co.,Ltd, Booyoung Lao Bank Co.,Ltd, and Lao – Top College.

These 3 companies are famous Republic of Korea's companies in Lao PDR, especially Kolao Farm & Bio Energy Co.,Ltd is a subsidiary of Kolao group, which is one of oldest and biggest Republic of Korea's companies in Lao PDR. Booyoung Lao Bank Co.,Ltd is a new bank that was established in 2009 and is the second largest Republic of Korea's investor in Lao PDR. Lastly, Lao – Top College is a famous college in Lao PDR, which was developed from a small school that offers English and Computer lessons to college that offers Bachelor of Arts in English.

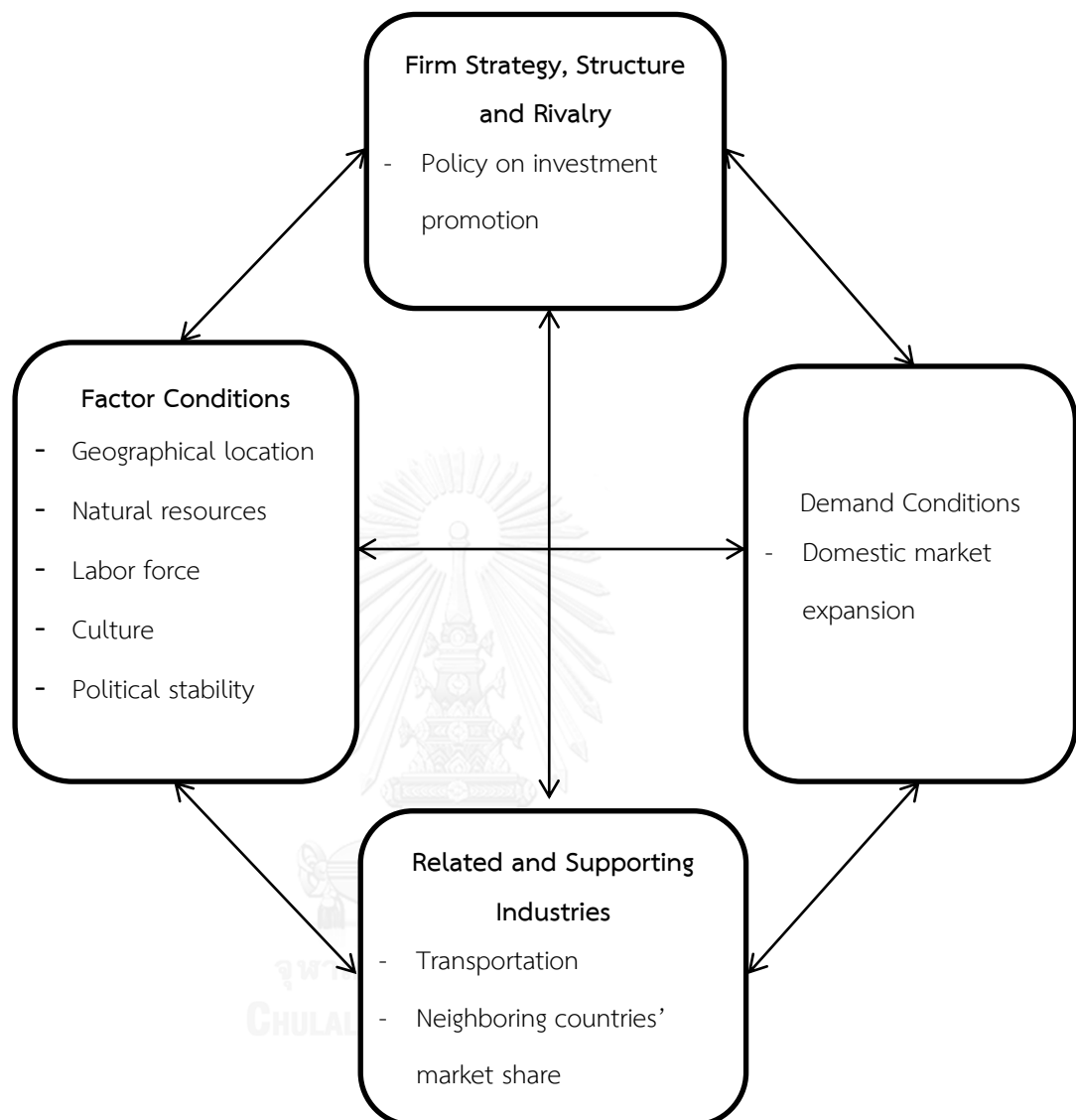
The content of interviews focused on the reasons to invest in Lao PDR and the future trend of foreign direct investment in Lao PDR by semi-structured interview questions.

3.5 Conceptual Framework

In this study, Diamond Model of Michael E. Porter (1990) is applied as an important component of the framework in this study in order to analyze the competitiveness of Lao PDR in attracting foreign direct investment of Republic of Korea (Porter 1990).

The analysis results of competitiveness of Lao PDR in attracting foreign direct investment of Republic of Korea have been received by interview of 3 Republic of Korea's companies and other reliable sources, such as books, magazines and previous researches. The analysis was presented by figure 2 below

Figure 2 : Diamond Model of Michael E. Porter for Competitiveness of Lao PDR



(1). Factor conditions or factors of production refers to geographical location, natural resources, human resources, infrastructure, culture, and political stability of Lao PDR.

(2). Demand Conditions represent the nature of home demand for the industry's products and service. Lao people's demand have a major influence to

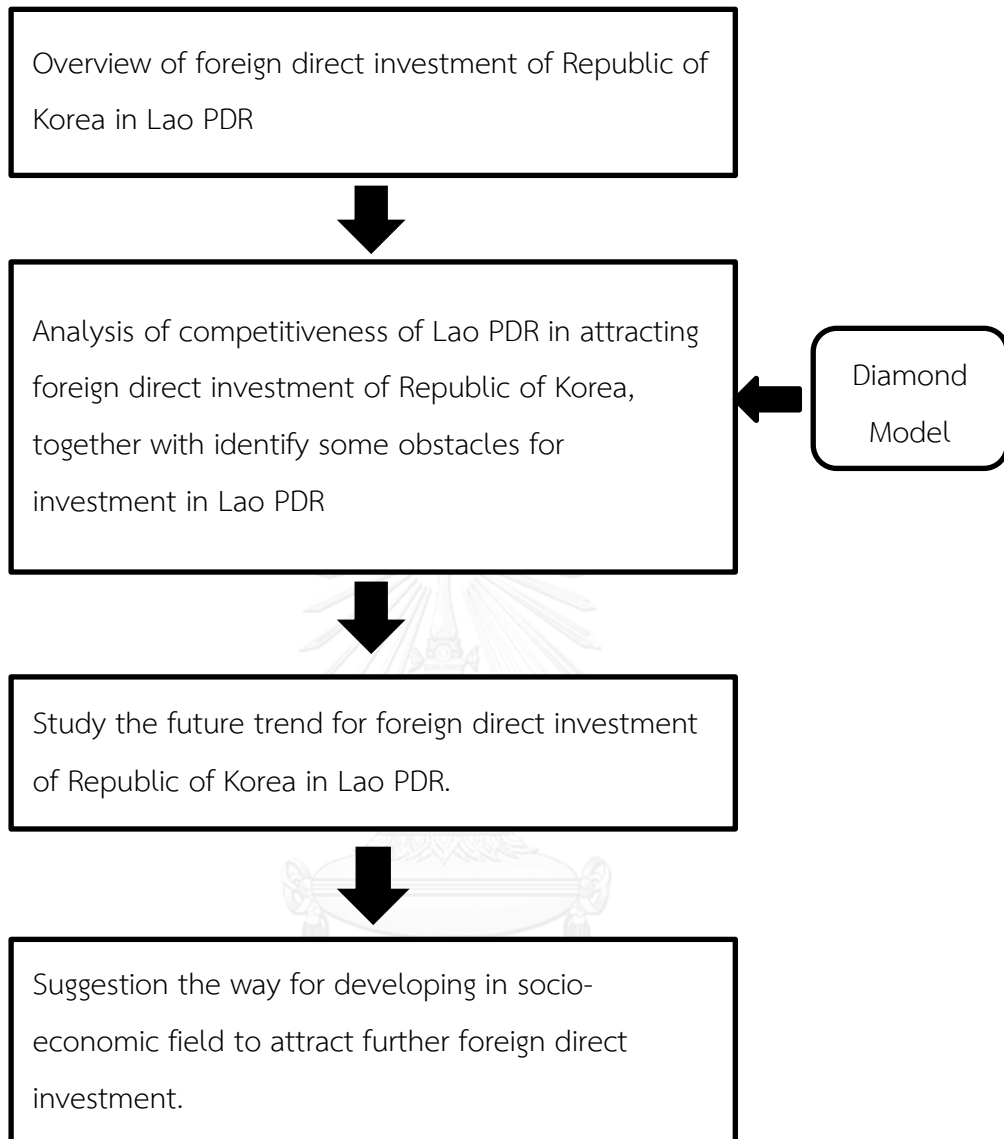
foreign companies' expansion, which means that the Lao market can help companies create more advantages among the other competitors.

(3). Related and Supporting Industries represents the ability of suppliers and related industries in Lao PDR to facilitate for investment that are important for innovation and internationalization.

(4). Firm Strategy, structure and rivalry is the last determinant of national competitiveness, it represents the policy of investment promotion of Lao PDR that is important to create the competitive advantage to the investors, along with the methods of running local companies and rivalry between them.

This analysis separated into 4 parts, the first part is study overview of foreign direct investment of Republic of Korea in Lao PDR, for the second part is analysis on the competitive advantages of Lao PDR in attracting foreign direct investment of Republic of Korea, together with identify some obstacles for investment in Lao PDR, the third part is study the future trend of foreign direct investment of Republic of Korea in Lao PDR and the last part is to suggest the ways for development in socio-economic field to attract further foreign direct investment.

Figure 3 : Conceptual Framework of This Study



CHAPTER IV

ANALYSIS OF THE COMPETITIVENESS OF LAO PDR AND FUTURE TREND FOR FOREIGN DIRECT INVESTMENT OF REPUBLIC OF KOREA IN LAO PDR

4.1. Diamond Model of the Competitiveness of Lao PDR in Attracting Foreign Direct Investment of Republic of Korea

This chapter applies Diamond Model of Michael E. Porter to analyze the competitiveness of Lao PDR in attracting foreign direct investment from Republic of Korea. The model consists in four main determinants: factor conditions; demand conditions; related and supporting industries; and firm strategy, structure and rivalry (Porter 1990).

4.1.1. Factor conditions

In this part will mention to five sub-factors as the determinants of competitiveness of Lao PDR: geographical location, natural resources, labors, culture, and political stability.

4.1.1.1. Geographical location

Geographical location is the first thing that was mentioned in this part. Lao PDR is a land-linked country in South East Asia region (Tolentino 2008). It's bordered to the north by China, to the east by Vietnam, to the south by Cambodia, to the

northwest by Myanmar and to the west by Thailand. Lao PDR is located in the center of the Greater Mekong Subregion (GMS) and among of rising economies, such as China, Thailand, Vietnam and Cambodia.

Mekong River is a main river of the country that forms the large part of the western boundary with Thailand, there are also several major rivers, which are appropriate for electricity generation, inland fisheries and water transport. Moreover, Lao PDR has about 5.9 million hectares of cultivable land and the climate of Lao PDR is tropical monsoon that is a cause of fertile land, which is suitable for agriculture sector. In addition, Lao PDR is a country has no the border to the sea where has low risk of the natural disasters whether earthquake or terrible Tsunami wave (Department of Investment Promotion 2015).

4.1.1.2. Natural resources

Natural resources are considered as significant assets of country. Lao PDR is a country in Southeast Asia, where is plentiful with natural resources, such as forest, minerals, and water. The forest covers 41.2% of total area in Lao PDR (Tong 2009) and is abundant with valuable timbers, such as rosewood, teakwood, and agarwood., including with minerals, such as lead, steel, copper, gold, silver, coal, gemstones, etc. In addition, there are also several rivers; for instance, Mekong river, Ngeum river, Khan river, Tha river, Sebanghieng river, etc. These are giving development potential in agriculture, wood industry, mining and hydropower. In addition, these natural

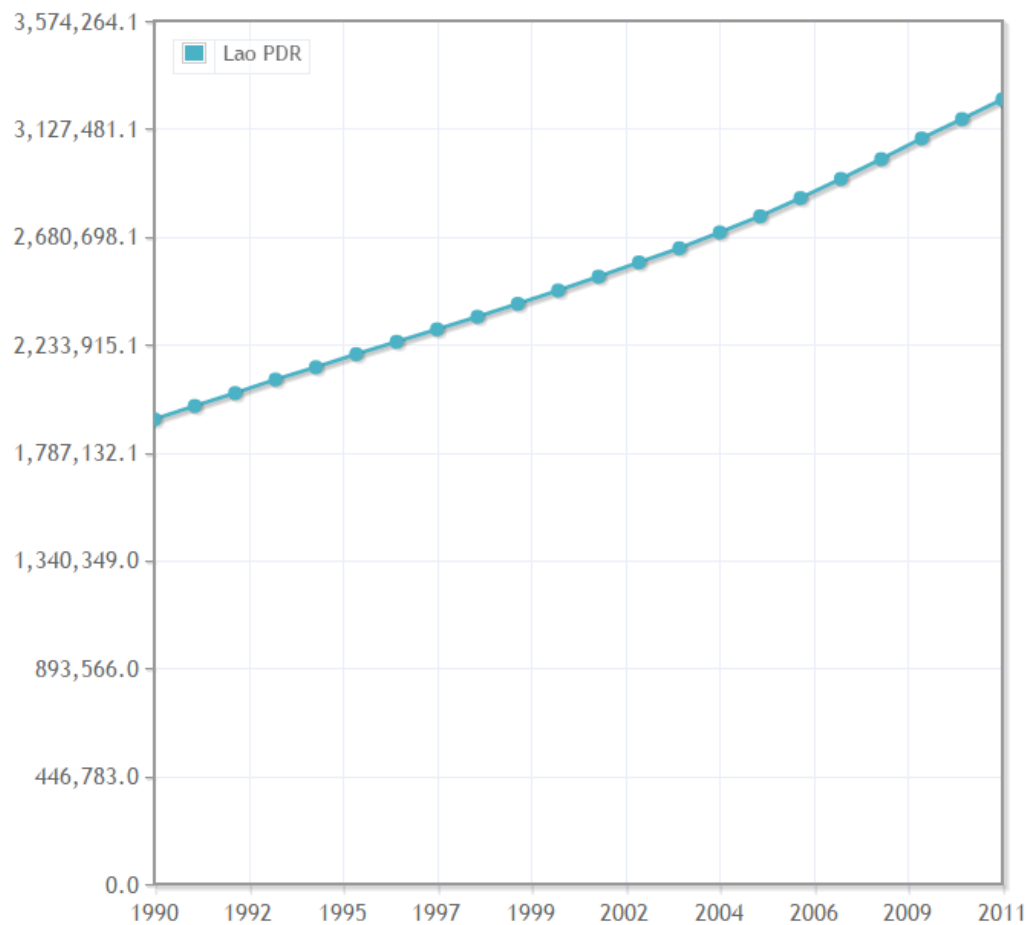
resources, such as minerals, raw materials and agriculture products are wanted from foreign direct investment inflow (Dunning 1993).

4.1.1.3. Labor force

Labor is considered as essential factor in production process. Lao PDR is one country that has lowest labor wage in Asia, although the Lao government has set the national minimum wage from 348,000 Kip/month or about US\$ 47 to 626,000 Kip/month or US\$ 84 in 2012 and to 900,000 Kip/month or US\$ 112.5 in 2015 (The Nation 2015), it's still very low if comparing to some neighbor countries. Moreover, cheap labor is one of four major motivations for outward foreign direct investment of Republic of Korea (Rhe 2009).

In addition, total labor of Lao PDR covers 50% of total population, which plays an important role for socio-economic development of country. Figure 4 shows the graph of Lao labor force increase every year from 1990-2011. In 2011, Lao labor has 3,249,331 people and increased to 3,409,503 people in 2013 (The World Bank 2014).

Figure 4 : Lao Labor Force (1990-2011)



Source: World Bank, World Development Indicators, cited in Index mundi (Index Mundi 2013).

4.1.1.4. Culture

Another sub-factor of this factor conditions is culture, culture can imply the characteristics of each countries. Thus, Lao Culture also implies the identity of Lao PDR. The politeness, kindness and beautiful smile are attractiveness of Lao people. In addition, culture is also a key factor in tourism promotion in Lao PDR. There are 2 valuable historical places which have been designated by UNESCO as world heritage

site: town of Luangprabang and Wat Phou Champasak where attract the tourists in every year.

Therefore, cultural factor attracts the investment in service, and hotel and restaurant sector, which Republic of Korea invest in service sector in Lao PDR by 49 projects and in hotel and restaurant by 25 projects (Department of Investment Promotion 2014).

4.1.1.5. Political stability

The last sub-factor of factor conditions that enhance the competitiveness of Lao PDR is political stability, this does not create benefits to the production process directly but it can built trust for both local and foreign investors who need to invest in Lao PDR.

Lao PDR is known as a peaceful and relatively safe country and devoid any violence that has negative effect to socio-economy, it is the 3th rank of the most peaceful countries in ASEAN (Institute for Economics & Peace 2015). Politics of country is the most necessary for creating the stability in socio-economy. Meanwhile, there have been no the incidents of political violence since the independence in 1975. Therefore, the tourists and foreign investors can trust in security of their lives and properties.

Table 4 : ASEAN Peace Ranking by Institute for Economics and Peace, 2015

Country	Overall Rank	ASEAN Rank
Singapore	24	1
Malaysia	28	2
Lao PDR	41	3
Indonesia	48	4
Vietnam	56	5
Timor-Leste	58	6
Cambodia	111	7
Thailand	126	8
Myanmar	130	9
Philippines	141	10

Source: Global Peace Index 2015

4.1.2. Demand conditions

In this factor, I focused on domestic market expansion as competitiveness of Lao PDR that can create competitive advantage to both local and foreign investors in the country.

4.1.2.1. Domestic market expansion

The sub-factor of demand conditions for competitiveness of Lao PDR is domestic market expansion. Trend of domestic consumers and growth tendency of

market has influence to economic growth. Although, Lao PDR is a small country with the population about 6.8 million and relies on imports from foreign countries, its economy has been growing steadily.

Table 5 : Lao Economic Growth Statistic (2007-2010)

Statistic	2007	2008	2009	2010
GDP growth (annual %)	7.8	7.8	7.6	7.8
GDP per capita (US\$)	714	882	914	986
Population (million)	5.8	6.0	6,1	6,8
Export value (US\$ million)	925.6	828.3	1,237.1	1788.9
Import value (US\$ million)	916.4	1,803.2	1,065.8	1,670.9

Source: Ministry of Industry and Commerce of Lao PDR, Ministry of Planning and Investment, Bank of Lao PDR, cited in Department of Export Promotion, Thailand (2011).

Table 5 shows that the Lao GDP along with export and import values have increased continuously. This indicates the positive transition of Lao economy and growth tendency of domestic market in the future and increment of export and import values also raise the income and increase the employment creation of Lao people. Furthermore, increased purchasing power of Lao people has influence to domestic market expansion in Lao PDR, which GDP per capita increased from US\$ 714 in 2007 to US\$ 986 in 2010 (Department of Export Promotion 2011), though it is

not very high number if comparing to other developing countries but it can have an effect on investment in Lao PDR.

Therefore, the needs for goods and productions, and purchasing power of people in the country affect to the growth tendency of domestic market, which it is important to create the competitive advantage to investors in entering to foreign markets.

4.1.3. Related and supporting industries

For related and supporting industries, I addressed to 2 points: transportation and neighboring countries' market share.

4.1.3.1. Transportation

The industry relating to the competitiveness for Lao PDR is transportation because Lao PDR is a land-linked country that does not have access to the sea. Hence, the transportation mainly relies on land and air transportation. Lao PDR is the center of land transportation in transport passengers and goods among Greater Mekong Subregion.

Land transportation: In 2007, the total length of roads across the country is 37,322 km, national highway number 2, 8, 9, 12, 13, 18 have been improved and new projects of national highway number 4, 4 (ADB 11), 16A, 1B, 16B were approved in 2012 (Ministry of Planning and Investment 2013). Presently, there are 17 border crossings between Lao PDR and its neighboring countries, 1 Lao PDR-China border

crossing, 1 Lao PDR-Cambodia border crossing, 8 Lao-Thailand border crossings and 7 Lao PDR-Vietnam border crossings. For Lao-Myanmar border crossing is building (Ministry of Planning and Investment 2013).

Table 6 : Lists of Lao-neighboring countries' border crossing

No.	Country	Border crossing	Connecting towns
1	Lao PDR-Cambodia	Non Nok Khiene/Trapeang Kriel	Si Phan Don, Stung Treng
2	Lao PDR-China	Boten/Mohan	Luang Nam Tha, Mengla
3	Thailand	Nong Khai/Tha Na Leng	Nong Khai, Vientiane
		Paksan/Beung Kan	Paksan, Beung Kan
		Huay Xai/Chiang Khong	Huay Xai, Chiang Rai
		ThaKhaek/NakhonPhanom	ThaKhaek, NakhonPhanom
		Savannakhet/Mukdahan	Savannakhet, Mukdahan
		Vang Tao/Chong Mek	Pakse, Ubon Ratchathani
		Muang Ngeun/Huay Kon	Hongsa, Phrae
		Kaen Thao/Tha Li	Pak Li, Loei
4	Vietnam	Dansavanh/Lao Bao	Savannakhet, Dong Ha
		Phou Keua/Bo Y	Attapeu, Kontum
		Na Phao/Cha Lo	Tha Khaek, Dong Hoi
		Nong Haet/Nam Can	Phonsavan, Vinh

		Nam Phao/Cau Treo	Tha Khaek, Vinh
		Na Meo/Nam Soi	Sam Neua, Thanh Hoa
		Pang Hok/Tay Trang	MuangKhua, Dien BienPhu

Source: <https://www.lonelyplanet.com/laos/transport/getting-there-away/land>

Retrieved May 8, 2015.

This type of transportation is the best choice for passengers and goods transport because of the low transport cost and the connection of the roads from north to south and east to west. In addition, the Land transportation is the main transportation system in Lao PDR. Therefore, it is good opportunity for Republic of Korea's investors in getting automobile market share in Lao PDR, KOLAO is the famous company in Lao PDR that sells Republic of Korea's automobiles, which is ranked same as Japanese automobile companies in Lao PDR (KOLAO)

Air transportation: Air transportation is another choice for people who want to save time in travelling. In the present time, there are 4 international airports in Lao PDR, i.e. Wattay International Airport in Vientiane, Luangprabang International Airport, Savannakhet International Airport, and Pakse International Airport. Lao Airlines is the main airline of the country that serves for both domestic and international flights. For international flights, there are 11 destinations in 6 countries, such as Cambodia, China, Republic of Korea, Singapore, Thailand and Vietnam (Lao Airlines 2014).

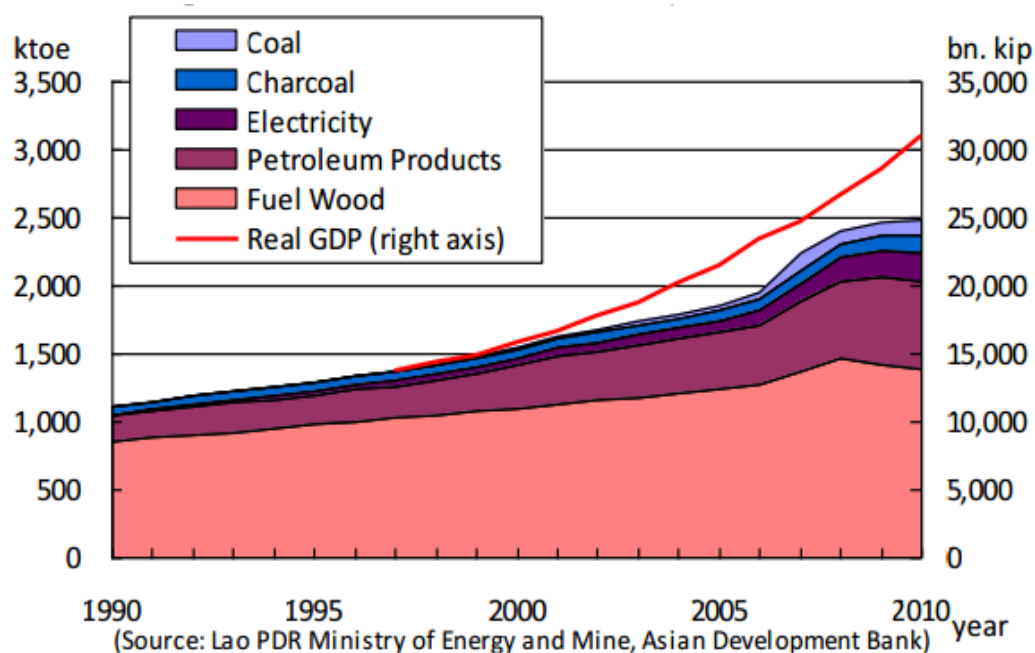
In addition, Lao PDR has Mekong River as the main water transport to link with outside countries, which shares the large border with Thailand and flows through Cambodia and Vietnam into the South China Sea, this type of transport is famous for people who lives nearby borders.

4.1.3.2. Neighboring countries' market share

Another sub-factor of this demand conditions that support competitiveness for Lao PDR is neighboring countries' market share, neighboring countries have influence to the determinations of investment in Lao PDR. In this part, the focus is on four rising economies that share border with Lao PDR, these four countries are China, Thailand, Vietnam and Cambodia.

Lao PDR is recognized as "Battery of ASEAN". Hence, the major export of Lao PDR to neighboring countries are fuel wood, petroleum products, electricity, charcoal and coal (Sasaki 2013) as shown in figure 5. In addition, the other categories of product are exported to neighboring countries as well. Among four rising economies, Thailand is the largest export destination of Lao PDR, followed by Vietnam, China and Cambodia (table 7).

Figure 5 : Total Final Energy Consumption by Energy Source (1990-2010)



Source: Ministry of Energy and Mine, Asian Development Bank of Lao PDR.

Cited in Sasaki, H., Yamaguchi, K., Yoshizawa, G., Sakata, I., Shiroyama, H., 2013

Table 7 : Export from Lao PDR four rising economies In 2011-2012

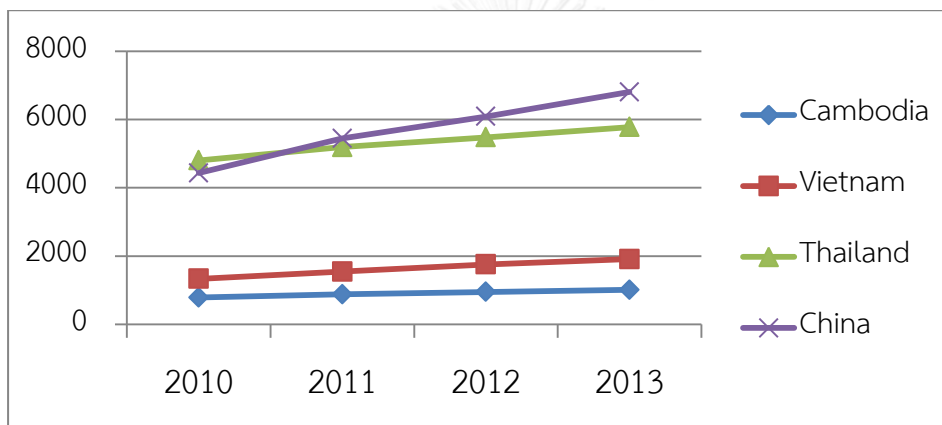
No.	Country	Type	Value (US\$)
1	Cambodia	Electricity	695,776
		Industry and handicraft	104,362
Total value = US\$ 800,138			
2	China	Agricultural products	20,704,395
		Timbers and Wood products	16,517,919
		Minerals and mineral products	25,316,443
		Forestry products	2,284,612

		Industry and handicraft	5,808,122
Total value = US\$ 70,631,491			
3	Vietnam	Agricultural products	35,186,477
		Timbers and wood products	20,081,183
		Minerals and mineral products	78,587,407
		Forestry products	1,526,276
		Metal	346,377
		Industry and handicraft	39,176,816
Total value = US\$ 174,904,536			
4	Thailand	Agricultural products	66,021,646
		Timbers and wood products	33,002,139
		Minerals and mineral products	538,887,660
		Forestry products	553,954
		Electricity	253,004,094
		Metal	548,573
		Industry and handicraft	44,737,592
Total value = US\$ 936,755,658			

Source: Foreign Trade Policy Department, 2013

In addition, continued growing GDP per capita of these four neighboring countries also indicates the economic growth and their domestic markets expansion that has an effect on income and purchasing power of people in these countries. According to figure above, China has the highest GDP per capita growth, followed by Thailand; Vietnam and Cambodia.

Figure 6 : GDP per capita of Thailand, China, Vietnam and Cambodia (2010-2013) US\$



Source: The World Bank 2014.

Finally, the needs of neighboring countries in goods and products from Lao PDR contributed Lao PDR to get more market shares in these countries. It has become a key factor that has influence to competitiveness for Lao PDR.

4.1.4. Firm strategy, structure and rivalry

Here, I pointed to policy of investment promotion from Lao government as the last factor of Diamond model.

4.1.4.1. Policy of investment promotion

Due to the objective of poverty eradication of Lao PDR In 2020, the government has focused on socio-economic development by paying special attention on investment promotion. To achieve the target of foreign investment promotion, Lao government revised investment law by combination of internal investment law and external investment law into investment promotion law in 2009 as equality in rights for both domestic and foreign investors.

This revised investment promotion law has attracted more and more investors from many countries to invest In Lao PDR, such as policy on profit tax, policy on tax and non-tax and policy on specific promotion. Investment promotion from Lao government is divided into 3 different levels based on prioritized activities of government, activities related to poverty reduction; job creation; improvement of living condition of people; etc. (Department of Investment Promotion 2009). These activities are fully supported by government and are exempted on profit tax as shown in the table below.

Table 8 : Profit Tax Incentive (Based On Article 50 and 51 of Investment Promotion Law)

Promoted Sectors	Zone	Level	Period of exempt (years)
Agriculture Industry Handicraft Service	1	1	10
		2	6
		3	4
	2	1	8
		2	4
		3	2
	3	1	4
		2	2
		3	1

- Zone 1 is mountain or plateau zones with no economic infrastructure to facilitate investment.
- Zone 2 is mountain or plateau zones with moderate level economic infrastructure to accommodate investment.
- Zone 3 is mountain or plateau zones with good economic infrastructure available for investment.

Source: Investment Promotion law, 2009

Policy on tax incentives, such as exemption from export duties for exportation of general goods and products, exemption from import duties and taxes for importation of raw materials, equipment and vehicles for production, addition tax holidays, reduce tax rates for large projects. For non-tax incentives, such as protecting the rights and benefits of investors, rights to use the land from given by

state according to the term of the investment for projects with registered capital US\$ 500,000 and more (Department of Investment Promotion 2009).

Specific promotion incentive focuses on investment in education and healthcare sectors, such as the construction of hospitals, kindergartens, schools, colleges, universities, research centers and public utilities can be exempted profit tax for 5 years and obtain the exemption on land leasing or concession from state as follows:

- Investment in zone 1 will be exempted on land leasing or concession up to 15 years;
- Investment in zone 2 will be exempted on land leasing or concession up to 10 years;
- Investment in zone 3 will be exempted on land leasing or concession up to 3 years.

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Furthermore, Lao government sets up ten special and specific economic zones in Savannakhet, Luang Namtha, Bokeo, Vientiane Capital and Khammouan provinces (Department of Investment Promotion 2015). Doing business in these zones is easier to obtain investment permission, and import and export easily. Therefore, foreign investors eye these zones as important zones for their investment. For Republic of Korea's investors enter to Bokeo province to elaborate the contract on

renting the land nearby the 4th Mekong Bridge to invest in building the hotels and duty free shop.

Table 9 : Special Economic Zones (SEZ) in Lao PDR

No.	Zones	Provinces	Objectives
1	Savan-Xeno Special - Economic zone (2003)	Savannakhet	Accommodating a commercial center, service areas and processing plants.
2	Boten Golden Land Special Economic Zone (2003)	Luang Namtha	Accommodating a commercial and service area.
3	Golden Triangle Special Economic Zone (2007)	Bokeo	
4	Vientiane-Nonthong Industrial Park (2011)	Vientiane Capital	Accommodating a commercial and processing industry center.
5	Xaysettha Integrated Development Zone (2010)	Vientiane Capital	
6	Phoukhiew Specific Economic Zone (2010)	Khammouan	Accommodating a commercial center, service areas and processing plants.
7	Thatluang Lake Specific Economic Zone (2011)	Vientiane Capital	

8	Longthanh-Vientiane Specific Economic Zone (2012)	Vientiane Capital	Accommodating a commercial and service area.
9	Dongphosy Specific Economic Zone (2012)	Vientiane Capital	Accommodating a commercial, service area and processing industry center.
10	Thakhek Specific Economic Zone (2012)	Khammouan	Accommodating a commercial center, service areas and processing plants.

Source: Department of Investment Promotion, 2015

These policies can illustrate to the efforts of Lao government in facilitating in investment, they have become a significant strategy of Lao government in pushing the country to be able for competition with other countries.

4.2. Obstacles for Investment in Lao PDR

In addition, the competitiveness of Lao PDR still has some obstacles that can affect in the negative way to foreign direct investment. These obstacles are insufficiency of skilled labors, poor infrastructure, and limited researches and information relating foreign direct investment in Lao PDR.

Insufficiency of skilled labor: Labor is essential factor in production and economic system. Skilled labor is quality labor that can promote the work efficiency,

contribute to saving, and reduce time and raw materials waste in production. The number of the Lao labor covers more than 50% of total population but the skilled labor is still insufficiently. However, the Project of Capacity Building and Skills Development for Labours of Cambodia, Laos and Myanmar was established, but it was for economic development in the border areas (Ministry of Foreign Affairs 2014).

Poor infrastructure: Even though Lao PDR is the center of land transportation that facilitate for passengers and goods transports between the countries in Greater Mekong Subregion, several new roads were built, as well as good communication system but Lao PDR still has no electric trains for public transportation and has no the harbour due to 'land-locked'. However, the roads connecting to Thailand and Vietnam are considered as the main ways of Lao PDR to access to the sea (Lao Phatthana 2013). Furthermore, many dilapidated roads have not been repaired, especially in rural areas.

Limited researches and information relating foreign direct investment in

Lao PDR: The researches and information that are related to the foreign direct investment are needed as the guideline for investment. Foreign investors want the researches to study and consider the possibility of their investment. Nevertheless, the small number of researches related to foreign investment in Lao PDR owing to the limited sources of information along with Lao PDR does not pay fullest attention to develop on the research sector, which has become one obstacle of the country in attracting foreign direct investment. The investment researches are not only the

guideline for study but they will serve to promote the investment in Lao PDR and create the opportunity to the country in receiving more foreign direct investment.

4.3. Future Trend for Foreign Direct Investment of Republic of Korea in Lao PDR

According to 7th National Socio-Economic Development plan (2011-2015), it illustrates the expectation of government to bring country out from under development by focus on economic development and attract more foreign direct investment (Ministry of Planning and Investment 2011). From assessment of the past investment during 2006-2010, Lao PDR could attract 1,022 projects with approved investment value about US\$ 11.01 billion from local and foreign investors including investment in electricity US\$ 3.44 billion, in mine US\$ 2.88 billion, in service US\$ 1.48 billion and others US\$ 3.21 billion (Ministry of Planning and Investment 2006).

Table 10 : Local and Foreign Direct Investment in Lao PDR from 2006-2010 (US\$)

Year	Total Investment (billion)	Foreign Investment (billion)	Foreign Direct Investment of Republic of Korea (million)
2005-2006	2.70	2.30	157.8
2006-2007	1.14	0.94	65.0
2007-2008	1.22	0.92	80.2
2008-2009	4.31	3.41	41.0

2009-2010	1.64	1.34	137.2
Total	11.01	8.91	481.2

Source: 6th Socio-Economic Development Plan (2006-2010) and Department of Investment Promotion, 2014.

The table above shows the increasing of foreign direct investment of Republic of Korea in every year. From 2011-2014 the value of foreign direct investment of Republic of Korea inflows to Lao PDR was about US\$ 354.8 million with 22 projects and it is expected to increase steadily in the future (Department of Investment Promotion 2014).

To study the future trend for foreign direct investment of Republic of Korea in Lao PDR, I have additional interview of 3 Republic of Korea's companies in Lao PDR, i.e. Kolao Farm & Bio Energy Co., Ltd, Booyoung Lao Bank Co., Ltd, and Lao-Top College. The first company that I will mention is Kolao Farm & Bio Energy Co.,Ltd. Kolao Farm & Bio Energy Company is one of five companies of Kolao Group that invests in cultivating Jatropha which is the source of bio-diesel. According to interview, the officer of Kolao Farm & Bio Energy Company stated that Lao PDR is a country of rich natural resources and has large cultivated land. Hence, Kolao decided to invest in agriculture field through cultivation of Jatropha besides other fields, the company aims to make Lao PDR as an exporting country of world's uncontaminated agricultural products through modern manufacturing method. He also added that the company is in the process of developing 6 provinces in the northern part of Mekong

River as the world's largest Jatropha farm in the future including Luangprabang; Oudomxay; Luangnamtha; Bokeo; Xayaboury and Vientiane province. Apart from that, the company will step forward to expand the investment, and to become a global company.

The second company is Booyoung Lao Bank Co., Ltd. Booyoung Lao bank is a commercial bank that was established by Booyoung Housing Co., Ltd. The principle activities of the bank are to provide comprehensive banking and related financial service in Lao PDR. An officer of the bank explained the reasons for investment in Lao PDR that good economic conditions (growing steadily, no financial fluctuation), political stability and security, low labor wage and good English language skills are attractive for investment in Lao PDR. He also stated that Booyoung Lao bank has contributed to grow the Lao economy through employment creation and providing loans to small businesses. Finally, He ended the conversation with the future trade of investment in Lao PDR that Booyoung Lao Bank Co., Ltd is increasing the new branch and will be finished in end of 2015. Moreover, it is expected to expand the branches In Pakse and Luangprabang in the near future as well as the consultant for Republic of Korea's investors.

The last company that I interviewed is Lao-Top College. It offers Bachelor of arts in English, higher diploma in information technology, finance and accounting as well as Korean and Chinese language courses. Director of Lao-Top College said that building school was his dreams until he was visiting Lao PDR in 2000 and spotted the

opportunity to build a school. He said Lao PDR is a peaceful country and low labor wage and investment promotion law are the major incentives for investment in education sector in Lao PDR. Moreover, the target of college is to be a part of educational development and provides the Lao students with a better opportunity. He also added about the future trend that Lao-Top College will continue the primary objective of educating Lao students to fullest and develop the college to become national leading educator in the future.

From the interviews found that the future trend for foreign direct investment of these three Republic of Korea' companies are in the same direction. That is the expansion of investment and development of companies for growth. At the same time, overall foreign direct investment of Republic of Korea in Lao PDR is expected to increase steadily.

CHAPTER V

CONCLUSION AND SUGGESTIONS

5.1. Conclusion

In the era of globalization, many countries are now actively enhancing the competitiveness of their countries to receive more foreign direct investment. For developing countries, foreign direct investment is important for socio-economic growth, as well as knowledge and technology development, they need to promote their ability to attract foreign investors. Hence, it is necessary to understand the incentives that stimulate foreign direct investment of Republic of Korea in Lao PDR.

This thesis raised four questions: 1) Why does Republic of Korea choose to flow out foreign direct investment to Lao PDR?, 2) What are the future trend for foreign direct investment of Republic of Korea in Lao PDR?, 3) what are the obstacles for investment in Lao PDR? and 4). What should Lao PDR develop on social-economic field to attract further foreign direct investment?.

To answer the first research question, I examined the competitiveness of Lao PDR in attracting investors from Republic of Korea that is a key point of study by using Diamond Model of Michael E. Porter. I found that republic of Korea decided to flow out foreign direct investment in Lao PDR by 4 main factors: 1) factor conditions, 2) demand conditions, 3) related and supporting industries, and 4) firm strategy,

structure and rivalry. Firstly, in terms of the factor conditions, it found 5 sub-factors relating to Lao PDR location, i.e. geographical location; natural resources; labor force; culture and political stability. Secondly, demand conditions have one sub-factor, i.e. domestic market expansion, in which the host market size has positive influence on foreign direct investment of Republic of Korea. Thirdly, related and supporting industries consist of transportation and neighboring countries' market share. And lastly, firm strategy, structure and rivalry have investment promotion law as only one sub-factor. Foreign direct investment of Republic of Korea was also driven by the incentive on the Lao investment promotion law.

The examine also can answer the second question by identifying some obstacles of Lao PDR that has negative influence to foreign direct investment, there are the insufficiency of skilled labors, poor infrastructure, and limited researched and information relating to foreign direct investment in Lao PDR. Furthermore, although the Lao labor wage is very low and the number of labor covers 50% of total population, it is still very low when comparing with the number of labor in other neighboring countries, such as China, Vietnam, Cambodia, Thailand and Myanmar. Therefore, it is a reason of Republic of Korea came to invest in Lao PDR lately.

To answer the third research question, I interviewed 3 Republic of Korea's companies in Lao PDR, 2 main questions that have been used in interviewing are 1). Why the company choose to invest in Lao PDR if comparing to other ASEAN countries?; and 2). What is the future trend for foreign investment of Republic of

Korea in Lao PDR? The interview indicates that the decision for foreign direct investment of Republic of Korea is based on enhancement of competitiveness of Lao PDR and the future trend for foreign direct investment of Republic of Korea is likely to grow steadily.

To answer the last research question, I will take the obstacles for investment in Lao PDR to find the ways to develop on socio-economic field in attracting further foreign direct investment. As the results, Lao PDR needs to improve three main points as follows: Development for human resources, Improvement of infrastructure and related researches promotion and information dissemination.

1). Development of human resources: The important thing that should be developed is the skills of labor. Lao PDR should develop its vocational education by applying new technologies in teaching, along with the program to improve the skills of labor should be established and spread to every parts of country. For the firms should invite the foreign experts or specialists to educate their employees and send off the skilled employees to participate in training in foreign countries.

2). Infrastructure improvement: If Lao PDR has border to the sea, it would has positive effect to transportation system. However, the geography of country can't be changed. Hence, infrastructure should be improved by repairing the dilapidated roads, especially in the rural areas and expanding roads in accordance with the increase of vehicles.

3). Related researches promotion and information dissemination: Both private and government sectors of Lao PDR should widely disseminate the information that is necessary in doing researches, such as dissemination of information through the internet and such information should be updated constantly.

These three points are the ways in enhancing the competitiveness of Lao PDR as compared with other rivalries.

In summary, this thesis is consistent with ‘Diamond Model for Competitive Advantages’ of Michael E. Porter that can analyze the causes of particular industries become competitive in particular locations and the causes of competitiveness of one country over other countries. Lao PDR has some competitiveness that other countries don’t have and they stimulate the competitive advantages of foreign direct investment of Republic of Korea. Finally, the thesis also indicated that the competitiveness of Lao PDR does not attract only foreign direct investment of Republic of Korea but also attract foreign direct investment of other countries.

5.2. Suggestions

At the end part of the thesis, I would like to give some suggestions that might be useful for socio-economic development In Lao PDR to attract further foreign direct investment. In terms of trade and investment promotion, the Lao government should enhance more bilateral and multilateral trade, together with promote for

more exportation in goods and service. Increment of exportation will stimulate the economic growth that has positive influence to local and foreign direct investment in the country. Meanwhile, education should be developed in all around the country, especially in rural areas in order to develop human resources, along with creating good conditions in living of people.

Suggestion for further research

In this thesis, the problem that was found in study the foreign direct investment in Lao PDR is the limited information. However, people who are interested in this topic can use the information from this thesis to develop their further research. The suggestions for next research relating this topic is that foreign direct investment of Republic of Korea in Lao PDR divided by each province should be further studied to get deeper and greater details.

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APPENDIX A

Committee for Investment Promotion of Lao People's Democratic Republic

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I: Committee for Investment Promotion (CIP)

Its duty is to promote and facilitate domestic and foreign investment, organize meetings to consider the investment work, research, report, consider, approve or refuse application for investment, amendment, transfer of shares, renewal, improvement, change, cease or cancellation of investment activities or Memorandum of Understanding (MOU), Project Development Agreement (PDA) and Concession Agreement (CA) and others (Article 23: Rights and Duties of CIP in implementing Investment Promotion Law No. 119/PM).

The Lao government established CIP at the central and local levels as follows:

- CIP at central level:

Committee for Investment Promotion (CIP) is established to promote and facilitate the work related to domestic and foreign investments in Lao PDR. It consists of Minister, Deputy Ministers, Director-General and Deputy Director General, Chief, Vice Chief of Section and technical officers from concerned ministries appointed by the Prime Minister. The Chair of the central CIP is the Minister of Planning and Investment and the Vice Chair is the Deputy Minister of Planning and Investment who supervises investment work. There is also an Investment Promotion Department (IPD) acting as a Permanent Office with One-Stop-Service (OSS).



- CIP at local level:

Committee for Investment Promotion at local levels consists of Head/Section Committee and technical officers from concerned provincial sections appointed by provincial governors. CIP at local levels is presided by provincial governors, Major and vice-presided by provincial vice-governors, Vice Major directing economic work, which utilizes the Provincial Department for Planning and Investment (DPI) as permanent offices with One-Stop-Service (OSS) located in the Investment Unit of the Department for Planning and Investment.



II: Roles of Committee for Investment Promotion

(Article 22 of Decree on the Implementation of the Investment Promotion Law, No. 119/PM, dated 20 April 2011)

- a. The Chair of the central CIP is the Minister of Planning and Investment and the Vice Chair is the Deputy Minister of Planning and Investment who supervises investment work;
- b. The Chair of the provincial CIP is the Governor of the province, Mayor and the vice chair is the Vice Governor, Vice Mayor who supervises investment work;
- c. The members of both the central and local CIP are comprised of representatives of the following sectors: planning and investment,

industry and commerce, finance, public security, labor and social welfare, foreign affairs, agriculture and forestry, energy and mines, public works and transportation, telecommunications and post, education, public health, water resources and environment, sciences and technology, national tourism, national land management, national defense, information and culture, justice and banking in Lao PDR. At the central level, the Deputy Minister and selected officials at the level of Director General and division from relevant sectors make up the members of the central CIP. For local CIP, officials at division level are the members of the local CIP;

- d. The Investment Promotion Department of the Ministry of Planning and Investment and the provincial/ municipal planning and investment sector serve as the machinery to assist and be the “think tank” for the CIP in facilitating the organization and activities of the one-stop service office of the planning and investment sector;
- e. The one-stop service at the central and local levels of the planning and investment serves the secretariat of the CIP.

The central CIP uses the same seal as the Minister of Planning and Investment, while the local CIP uses the same seal as the Governor/Mayor in their activities in accordance with their authorities as defined in the Law.

III. Rights and duties of the Committee for Investment Promotion

(Article 23 of Decree on the Implementation of the Investment Promotion Law, No. 119/PM, dated 20 April 2011)

- a. Convene weekly meetings to consider investment related activities. Some meetings may be convened based on the periodic need of the activities;
- b. Examine, report, consider, approve or reject investment activities in accordance with the scope of its role;
- c. Examine, report, consider, approve or reject amendment, transfer of shares, renewal, modifications, changes, suspension or cancellation of investment activities or the MOU, project development agreement and other concession agreements in accordance with the scope of its rights;
- d. Consider approval of project lists or investment calling activities in accordance with the scope of its rights;
- e. Sign concession registration certificate or other authorization in accordance with the scope of its rights;
- f. Sign any legal document such as an MOU, project development agreement and other concession agreements as assigned by the government;
- g. Monitor, inspect, assess, encourage and provide guidance to business corporation to properly conduct business activities in accordance with the agreement, the Law and regulations of Lao PDR;

- h. Monitor and inspect the promotion and management of the process of issuing investment license by the CIP at each level;
- i. Notify the suspension or cancellation of concession registration certificate or other authorizations that violate the Law, regulations, MOU, project development agreement or concession agreement;
- j. Convene concluding meetings, evaluate and draw lessons learned from the implementation of the one-stop service, promotion work and investment management on a quarterly, semi-annual and annual basis;
- k. Approve rewarding and disciplinary sanctions toward officials of the one stop service office of the planning and investment sector; and - Perform other tasks as assigned by the government.

Appendix B

Approved Domestic and Foreign Investment Summary Report by Sector

From 1 January 1988 to 31 December 2014

The logo of Chulalongkorn University, featuring a central emblem with a sunburst and a tiered base, surrounded by a circular border.

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CHULALONGKORN UNIVERSITY

License Issued Date	Company Name / Representative	Project Location		Total Capital	Local Share		Foreign Share		Source Country	Licence Approved by
		District	Province		%	Amount	%	Amount		
Agriculture (61 Projects)										
				121,163,702	1,483,802			119,679,902		
01/21/1992	NAM SUNG LAO INTERNATIONAL CO.,LTD	Naxaythong	Vientiane Capital	125,000			100	125,000	Korea, South	₩ 193,000,000
03/19/1992	KOLAO DEVELOPMENT CO.,LTD	Chanthabouri	Vientiane Capital	5,000,000			100	5,000,000	Korea, South	₩ 193,000,000
03/30/1992	LAKO INTERNATIONAL TRADING INCORP.	Sikhottabong	Vientiane Capital	180,000			100	180,000	Korea, South	₩ 193,000,000
07/23/1997	Lahan Agr.Development & processing Co.,Ltd	Bachiangchareuns	Champasak	856,000	30	256,800	70	599,200	Korea, South	₩ 193,000,000
09/11/1998	Union Co.,Ltd.	Pakxe	Champasak	400,000			100	400,000	Korea, South	₩ 193,000,000
10/14/1998	Rockets Group Lao Co.,Ltd	Sikhottabong	Vientiane Capital	300,000			100	300,000	Korea, South	₩ 193,000,000
08/24/1999	K & C Lao Agriculture Co., Ltd.	Xaithani	Vientiane Capital	50,000			100	50,000	Korea, South	₩ 193,000,000
08/18/2000	RURAL FARMER ALLIANCE CO.,LTD	Xaithani	Vientiane Capital	1,678,750			100	1,678,750	Korea, South	₩ 193,000,000
05/18/2001	Y. J Corporation	Sisattanak	Vientiane Capital	250,000			100	250,000	Korea, South	₩ 193,000,000
07/18/2001	LaoKorea Agriculture Developing Co.,Ltd	Xaisettha	Vientiane Capital	100,000			100	100,000	Korea, South	₩ 193,000,000
09/09/2002	COSMO B & K CO.,LTD	Xaisettha	Vientiane Capital	100,000			100	100,000	Korea, South	₩ 193,000,000
02/25/2003	Geo Lao Farms Co., Ltd	Xaithani	Vientiane Capital	120,000			100	120,000	Korea, South	₩ 193,000,000
03/21/2003	SUH HYUN LAO FARMING & DEVELOPING CO.,LTD	Xaithani	Vientiane Capital	500,000			100	500,000	Korea, South	₩ 193,000,000
07/10/2003	BIO Company	Xaithani	Vientiane Capital	200,000			100	200,000	Korea, South	₩ 193,000,000
08/29/2003	Gyung Won Integrated Farm Co., Ltd	Sikhottabong	Vientiane Capital	100,000			100	100,000	Korea, South	₩ 193,000,000
05/12/2004	Industrial Plantation Co., Ltd	Chanthabouri	Vientiane Capital	1,000,000			100	1,000,000	Korea, South	₩ 193,000,000
02/10/2005	Sung Gin Agriculture Development Co.,Ltd	Xaithani	Vientiane Capital	2,500,000			100	2,500,000	Korea, South	₩ 193,000,000
02/14/2005	Manu Industry Plantation Co.,Ltd	Xaithani	Vientiane Capital	500,000			100	500,000	Korea, South	₩ 193,000,000
02/14/2005	Manu Industry Plantation Co.,Ltd	Xaisettha	Vientiane Capital	500,000	0	0	100	500,000	Korea, South	₩ 193,000,000
08/14/2005		PakNgum	Vientiane Capital	2,000,000			100	2,000,000	Korea, South	₩ 193,000,000
12/09/2005	SEJONG RUBER PLANTATION Co.,	PakNgum	Vientiane Capital	900,000			100	900,000	Korea, South	₩ 193,000,000
12/09/2005	Sejong rubber plantation Co.,Ltd		Vientiane Capital	900,000			100	900,000	Korea, South	₩ 193,000,000
12/12/2005	EU LEE FARM CO.,	Naxaythong	Vientiane Capital	100,000			100	100,000	Korea, South	₩ 193,000,000
01/04/2006			Vientiane Capital	20,500,000			100	20,500,000	Korea, South	₩ 193,000,000
03/09/2006		Sikhottabong	Vientiane Capital	500,000			100	500,000	Korea, South	₩ 193,000,000
05/09/2006	Manu Industry Plantation Co.,Ltd	Xaithani	Vientiane Capital	500,000			100	500,000	Korea, South	₩ 193,000,000

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06/12/2006	CB Lao Co.,Ltd	Xaithani	Vientiane Capital	100,000	49	49,000	51	51,000	Korea, South	☞ trjyee_ໂຄ
09/27/2006	COSMO Agriculture Development	Xaithani	Vientiane Capital	700,000			100	700,000	Korea, South	☞ trjyee_ໂຄ
10/23/2006	Green MTS Co.,Ltd	Sikhottabong	Vientiane Capital	500,000	0	0	100	500,000	Korea, South	☞ trjyee_ໂຄ
10/23/2006	Green MTS Co.,Ltd	Sikhottabong	Vientiane Capital	500,000			100	500,000	Korea, South	☞ trjyee_ໂຄ
01/25/2007	Opera Cooperation Co.,Ltd	Xaithani	Vientiane Capital	500,000			100	500,000	Korea, South	☞ trjyee_ໂຄ
01/25/2007	Opera Cooperation Co.,Ltd	Sikhottabong	Vientiane Capital	500,000			100	500,000	Korea, South	☞ trjyee_ໂຄ
03/09/2007	Manu International Co.,Ltd	Pathoumphon	Champasak	600,000			100	600,000	Korea, South	☞ trjyee_ໂຄ
03/09/2007		Pakxong	Champasak	1,000,000			100	1,000,000	Korea, South	☞ trjyee_ໂຄ
06/01/2007	Tae Yong CNL Co., Ltd	Sisattanak	Vientiane Capital	400,000			100	400,000	Korea, South	☞ trjyee_ໂຄ
07/12/2007	See Farm International Trading Co.,Ltd	Xaisettha	Vientiane Capital	500,000			100	500,000	Korea, South	☞ trjyee_ໂຄ
07/24/2007	Gru Torgi Co., Ltd	Xaithani	Vientiane Capital	500,000			100	500,000	Korea, South	☞ trjyee_ໂຄ
11/12/2007	Lao Bell Export Trading Company	Sisattanak	Vientiane Capital	500,000			100	500,000	Korea, South	☞ trjyee_ໂຄ
11/27/2007	LACOREE CO., LTD	Vengkhaim	Vientiane	1,500,000			100	1,500,000	Korea, South	☞ trjyee_ໂຄ
01/07/2008	Lao Life Co., Ltd	Pek	Xiangkhouang	400,000			100	400,000	Korea, South	☞ trjyee_ໂຄ
02/20/2008	Park's Farm Co.Ltd	Xaithani	Vientiane Capital	1,500,000			100	1,500,000	Korea, South	☞ trjyee_ໂຄ
02/20/2008	L.K.O Agricultural Co.,Ltd	Xaithani	Vientiane Capital	1,500,000			100	1,500,000	Korea, South	☞ trjyee_ໂຄ
02/27/2008	Erway Co.,Ltd	Xaisettha	Vientiane Capital	5,000,000			100	5,000,000	Korea, South	☞ trjyee_ໂຄ
02/27/2008	EARWAY TRADING COMPANY LIMITED	Kham	Xiangkhouang	5,500,000			100	5,500,000	Korea, South	☞ trjyee_ໂຄ
11/10/2008		Pek	Xiangkhouang	400,000			100	400,000	Korea, South	☞ trjyee_ໂຄ
11/25/2008	Share Development Lookorea Co., Ltd	Xepon	Savannakhet	8,000,000	10	800,000	90	7,200,000	Korea, South	☞ trjyee_ໂຄ
02/05/2009		Soukhouma	Champasak	900,000			100	900,000	Korea, South	☞ trjyee_ໂຄ
02/12/2009	Daum Agro Co.,Ltd	Sisattanak	Vientiane Capital	1,024,000			100	1,024,000	Korea, South	☞ trjyee_ໂຄ
03/03/2009	Laho Farm Co.,Ltd	Xaisettha	Vientiane Capital	1,200,000			100	1,200,000	Korea, South	☞ trjyee_ໂຄ
03/25/2009	Ecoprime Lao Co.,Ltd	Chanthabouri	Vientiane Capital	500,000	5	25,000	95	475,000	Korea, South	☞ trjyee_ໂຄ
04/22/2009		Soukhouma	Champasak	627,950			100	627,950	Korea, South	☞ trjyee_ໂຄ
06/30/2009	NONI LAO CO.,LTD	Naxaythong	Vientiane Capital	500,000	25	125,000	75	375,000	Korea, South	☞ trjyee_ໂຄ
08/25/2009	Koiso Farm & Bio Energy Co.,Ltd	Vientiane	Vientiane	40,000,000			100	40,000,000	Korea, South	☞ trjyee_ໂຄ
10/26/2009	FEI(Agricultural Industry Development Lao)Co.,Ltd	Xaiphouthong	Savannakhet	1,350,000	10	150,000	90	1,350,000	Korea, South	☞ trjyee_ໂຄ
01/05/2010		Pakxong	Champasak	500,000			100	500,000	Korea, South	☞ trjyee_ໂຄ

License Issued Date	Company Name / Representative	Project Location		Total Capital	Local Share		Foreign Share		Source Country	Licence Approved by
		District	Province		%	Amount	%	Amount		
10/20/2010		Thourakhom	Vientiane	312,000	25	78,000	75	234,000	Korea, South	ຂອງເຢຍ_ໄທ
02/16/2011		Pakxong	Champasak	500,000			100	500,000	Korea, South	ຂອງເຢຍ_ໄທ
03/07/2011		Phonhong	Vientiane	490,000			100	490,000	Korea, South	ຂອງເຢຍ_ໄທ
07/27/2011	LAO - KOREA AGRICULTURE DEVELOPING CO., LTD		Vientiane Capital	150,000			100	150,000	Korea, South	ຂອງເຢຍ_ໄທ
12/20/2011	MUNWOONG CO.,LTD	Pakxong	Champasak	2,000,000			100	2,000,000	Korea, South	ຂອງເຢຍ_ໄທ
04/04/2014	MUNWOONG CO.,LTD	Pakxong	Champasak	1,000,000			100	1,000,000	Korea, South	ຂອງເຢຍ_ໄທ
Banking (3 Project(s))				38,483,275	2,000,000			36,483,275		
12/26/2007	Koiso Bank Ltd	Sisattanak	Vientiane Capital	10,000,000	20	2,000,000	80	8,000,000	Korea, South	ຂອງເຢຍ_ໄທ
05/07/2009	BOYOUNG LAO BANK	Sikhottabong	Vientiane Capital	10,000,000			100	10,000,000	Korea, South	ຂອງເຢຍ_ໄທ
08/31/2011	INDOCHINA BANK LIMITED	Xaisettha	Vientiane Capital	18,483,275			100	18,483,275	Korea, South	ຂອງເຢຍ_ໄທ
Construction (6 Project(s))				157,465,000	1,410,000			156,055,000		
05/06/1994	DAEWON LAO CO.,LTD	Xaisettha	Vientiane Capital	1,465,000			100	1,465,000	Korea, South	ຂອງເຢຍ_ໄທ
01/04/2006			Vientiane Capital	129,500,000			100	129,500,000	Korea, South	ຂອງເຢຍ_ໄທ
05/15/2007	FTI Development Co., Ltd	Khong	Champasak	4,700,000	30	1,410,000	70	3,290,000	Korea, South	ຂອງເຢຍ_ໄທ
12/21/2007	Sunjin Lao Co., Ltd	Xaisettha	Vientiane Capital	10,000,000			100	10,000,000	Korea, South	ຂອງເຢຍ_ໄທ
04/10/2008	K C I LAO CO.,LTD	Sikhottabong	Vientiane Capital	5,000,000			100	5,000,000	Korea, South	ຂອງເຢຍ_ໄທ
03/20/2009	RIVER VIEW SOLE CO.,Ltd	Xalthani	Vientiane Capital	800,000			100	800,000	Korea, South	ຂອງເຢຍ_ໄທ
Consultancies (16 Project(s))				2,923,700	208,700			2,665,000		
09/14/1994	O.P.O.CONSUULTANT & SERVICE	Sikhottabong	Vientiane Capital	25,000	51	12,750	49	12,250	Korea, South	ຂອງເຢຍ_ໄທ
10/29/2002	LEE CONSULTING CO.,LTD	Sikhottabong	Vientiane Capital	100,000			100	100,000	Korea, South	ຂອງເຢຍ_ໄທ
04/23/2004	Luang Aohai Vision Co., Ltd	Sisattanak	Vientiane Capital	100,700	50	50,350	50	50,350	Korea, South	ຂອງເຢຍ_ໄທ
11/20/2006	Southeast Investment and Consulting Co.,Ltd	Chanthabouri	Vientiane Capital	100,000			100	100,000	Korea, South	ຂອງເຢຍ_ໄທ
11/20/2006	Southeast Investment and Consulting Co.,Ltd	Chanthabouri	Vientiane Capital	100,000	0	0	100	100,000	Korea, South	ຂອງເຢຍ_ໄທ
12/12/2006	Lao Land Vision Co.,Ltd	Sisattanak	Vientiane Capital	1,000,000			100	1,000,000	Korea, South	ຂອງເຢຍ_ໄທ
03/02/2007	Indochina Consulting Co.,Ltd	Xaisettha	Vientiane Capital	300,000			100	300,000	Korea, South	ຂອງເຢຍ_ໄທ
03/02/2007	Indochina Consulting Co.,Ltd	Xaisettha	Vientiane Capital	300,000			100	300,000	Korea, South	ຂອງເຢຍ_ໄທ
02/07/2008	K.L.T Co.,Ltd	Habayfong	Vientiane Capital	1,000,000	10	100,000	90	900,000	Korea, South	ຂອງເຢຍ_ໄທ
07/17/2008	Panco Consulting Co.,Ltd	Xalthani	Vientiane Capital	300,000			100	300,000	Korea, South	ຂອງເຢຍ_ໄທ
07/31/2008	NICE Consultant Co., Ltd	Xaisettha	Vientiane Capital	500,000			100	500,000	Korea, South	ຂອງເຢຍ_ໄທ

License Issued Date	Company Name / Representative	Project Location		Total Capital	Local Share		Foreign Share		Source Country	Licence Approved by
		District	Province		%	Amount	%	Amount		
06/05/2009	LAO-KOREA CONSULTING CO.,LTD	Xaisetha	Vientiane Capital	500,000	9	45,000	91	455,000	Korea, South	₩ mryesw_bin
08/28/2009	RAPINA Domestic and International Investment Consulting Co.,	Chanthabouri	Vientiane Capital	150,000			66	99,000	Korea, South	₩ mryesw_bin
12/21/2009	Chang Yu Co.,Ltd	Xaisetha	Vientiane Capital	1,000,000			100	1,000,000	Korea, South	₩ mryesw_bin
02/03/2010	JL Consultant on Mining, Trading and Construction Co.,Ltd	Ssattanak	Vientiane Capital	150,000			100	150,000	Korea, South	₩ mryesw_bin
07/05/2011	SOKDI Consulting and Investment Co.,Ltd	Vientiane Capital	Vientiane Capital	300,000			100	300,000	Korea, South	₩ mryesw_bin
Education (20 Projects)										
				7,542,179			7,347,179			
12/24/2001	E.L.S 2000 Lao	Sikhottabong	Vientiane Capital	100,000			100	100,000	Korea, South	₩ mryesw_bin
02/21/2002	EZRA SPORT & CULTURE DEVELOPMENT CENTER	Sikhottabong	Vientiane Capital	200,000			100	200,000	Korea, South	₩ mryesw_bin
07/25/2002	L.M.C School	Ssattanak	Vientiane Capital	800,000			100	800,000	Korea, South	₩ mryesw_bin
12/03/2002	DINDEE KINDERGARTEN	Ssattanak	Vientiane Capital	200,000			100	200,000	Korea, South	₩ mryesw_bin
05/23/2003	IMMANUEL MUSIC SCHOOL	Xaisetha	Vientiane Capital	100,000			100	100,000	Korea, South	₩ mryesw_bin
03/29/2004	Rajaha School	Xalthani	Vientiane Capital	100,000			100	100,000	Korea, South	₩ mryesw_bin
08/03/2004	E Sharon School	Ssattanak	Vientiane Capital	200,000			100	200,000	Korea, South	₩ mryesw_bin
02/14/2005	Modern Beauty Academy	Ssattanak	Vientiane Capital	100,000			100	100,000	Korea, South	₩ mryesw_bin
10/05/2005		Luangphrabang	Luangphrabang	100,000			100	100,000	Korea, South	₩ mryesw_bin
02/06/2006		Houayxay	Bokeo	100,000			100	100,000	Korea, South	₩ mryesw_bin
01/02/2007	Lao Vision College,s School	Ssattanak	Vientiane Capital	600,000			100	600,000	Korea, South	₩ mryesw_bin
01/31/2007	Vientiane Glory School	Ssattanak	Vientiane Capital	500,000			100	500,000	Korea, South	₩ mryesw_bin
01/31/2007	Vientiane Glory School	Ssattanak	Vientiane Capital	500,000			100	500,000	Korea, South	₩ mryesw_bin
02/23/2007	Kim do Vocational Education School	Ssattanak	Vientiane Capital	200,000			100	200,000	Korea, South	₩ mryesw_bin
04/05/2007	Somang School	Xai	Oudomxai	71,400			100	71,400	Korea, South	₩ mryesw_bin
12/09/2008		Pakxe	Champasak	120,776			100	120,776	Korea, South	₩ mryesw_bin
05/06/2010	LAO-ASIAN COLLEGE	Sikhottabong	Vientiane Capital	1,950,000			90	1,755,000	Korea, South	₩ mryesw_bin
12/06/2010	Seng Xai School	Xaisetha	Vientiane Capital	500,000			100	500,000	Korea, South	₩ mryesw_bin
12/20/2010	SHARON INTERNATIONAL SCHOOL	Ssattanak	Vientiane Capital	400,000			100	400,000	Korea, South	₩ mryesw_bin
07/25/2011	EZARA SCHOOL		Vientiane Capital	700,000			100	700,000	Korea, South	₩ mryesw_bin
				268,145,290	77,828,860		195,194,078			
Electricity Generation (3 Projects)										
03/07/1995	LAODONG AH CO.,LTD(SEPIAN SENAMNOI)	Xaisetha	Attapeu	1,000,000			100	1,000,000	Korea, South	₩ mryesw_bin
03/23/2012	Xe - Phan Xe - Namnoy Power Company Limited		Champasak	262,145,250	24	62,914,860	51	133,694,078	Korea, South	₩ mryesw_bin

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		District	Province		%	Amount	%	Amount		
01/16/2014	NAM LIK 1 POWER COMPANY LIMITED (NLPC)		Vientiane	5,000,000	10	14,914,000	10	500,000	Korea, South	☞ mryea ,dn
Garment (3 Projects)				<u>1,150,000</u>	<u>0</u>		<u>1,150,000</u>			
11/11/1991	YAKJIN LAOS CO.,LTD	Xaisettha	Vientiane Capital	150,000			100	150,000	Korea, South	☞ mryea ,dn
04/27/2006	Elephant Garment Factory Co.,Ltd	Sikhottabong	Vientiane Capital	500,000	0	0	100	500,000	Korea, South	☞ mryea ,dn
04/27/2006	Elephant Garment Factory Co.,Ltd	Sikhottabong	Vientiane Capital	500,000			100	500,000	Korea, South	☞ mryea ,dn
Hotel & Restaurant (25 Projects)				<u>68,852,114</u>	<u>5,030,840</u>		<u>62,900,274</u>			
04/24/1991	HOTEL ROSE GARDEN ENTERPRISE	Houayfong	Vientiane Capital	545,714	8.4	45,840	91.6	499,874	Korea, South	☞ mryea ,dn
08/22/1994	LITTLE PANDA SNACK SHOP	Sisattanak	Vientiane Capital	50,000			50	25,000	Korea, South	☞ mryea ,dn
09/05/1996	SEOUL RESTAURANT	Chanthabouri	Vientiane Capital	100,000			100	100,000	Korea, South	☞ mryea ,dn
02/19/1998	KOREA RESTAURANT	Xaisettha	Vientiane Capital	100,000	20	20,000	80	80,000	Korea, South	☞ mryea ,dn
09/28/2001	Happy Land Restaurant	Sisattanak	Vientiane Capital	100,000			100	100,000	Korea, South	☞ mryea ,dn
10/31/2002	999 Riverside Restaurant	Chanthabouri	Vientiane Capital	200,000			100	200,000	Korea, South	☞ mryea ,dn
01/15/2003	HANG WON RESTAURANT	Xaisettha	Vientiane Capital	100,000			100	100,000	Korea, South	☞ mryea ,dn
03/21/2003	COSMO RESTAURANT	Xaithani	Vientiane Capital	200,000			100	200,000	Korea, South	☞ mryea ,dn
05/06/2004	Sho Won Restaurant	Xaisettha	Vientiane Capital	500,000			100	500,000	Korea, South	☞ mryea ,dn
08/23/2004	COSMO HOTEL	Xaithani	Vientiane Capital	3,000,000			100	3,000,000	Korea, South	☞ mryea ,dn
11/15/2004	Lao Natural Restaurant ltd	Sisattanak	Vientiane Capital	100,000	5	5,000	95	95,000	Korea, South	☞ mryea ,dn
04/07/2005	Golden City Hotel	Chanthabouri	Vientiane Capital	4,500,000			100	4,500,000	Korea, South	☞ mryea ,dn
07/27/2005		Chanthabouri	Vientiane Capital	100,000			100	100,000	Korea, South	☞ mryea ,dn
10/06/2005		Sisattanak	Vientiane Capital	100,000			100	100,000	Korea, South	☞ mryea ,dn
01/19/2007	Ass Green City Lao Co.,Ltd	Houayxay	Bokso	41,836,400			100	41,836,400	Korea, South	☞ mryea ,dn
02/21/2007	Ramayana Burc Spa	Luangphrabang	Luangphrabang	500,000	30	150,000	70	350,000	Korea, South	☞ mryea ,dn
02/28/2007	Full House Hotel	Sisattanak	Vientiane Capital	500,000			100	500,000	Korea, South	☞ mryea ,dn
02/28/2007	Full House Hotel	Sisattanak	Vientiane Capital	500,000			100	500,000	Korea, South	☞ mryea ,dn
06/12/2007		Luangphrabang	Luangphrabang	100,000			100	100,000	Korea, South	☞ mryea ,dn
05/05/2008		Paxan	Bolikhamxai	3,750,000			100	3,750,000	Korea, South	☞ mryea ,dn
11/26/2008	Name Resturant	Chanthabouri	Vientiane Capital	120,000			100	120,000	Korea, South	☞ mryea ,dn
10/08/2009	KOLAO RESORT CO.,LTD	Xaisettha	Vientiane Capital	10,800,000	50	5,400,000	50	5,400,000	Korea, South	☞ mryea ,dn
04/21/2011		Sisattanak	Vientiane Capital	150,000			100	150,000	Korea, South	☞ mryea ,dn

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		District	Province		%	Amount	%	Amount		
10/21/2011		Sisattanak	Vientiane Capital	200,000		100	200,000	100	Korea, South	ແຂວງເຊຍ, ປີ
10/25/2011		Sisattanak	Vientiane Capital	400,000		100	400,000	100	Korea, South	ແຂວງເຊຍ, ປີ
Industry & Handicraft (25 Projects)				85,891,855	3,545,000		81,346,855			
03/03/1993	B.K (LAOS) CO.,LTD	Chanthabouri	Vientiane Capital	457,000		100	457,000	100	Korea, South	ແຂວງເຊຍ, ປີ
10/22/1993	INDOJIN CORPORATION	Sisattanak	Vientiane Capital	525,000		100	525,000	100	Korea, South	ແຂວງເຊຍ, ປີ
11/15/1994	KYUNGJIN LAO CO.,LTD	Xaisetha	Vientiane Capital	600,000		100	600,000	100	Korea, South	ແຂວງເຊຍ, ປີ
04/02/1996	Lao LG Mir Electronics Co.,Ltd	Chanthabouri	Vientiane Capital	700,000		100	700,000	100	Korea, South	ແຂວງເຊຍ, ປີ
12/09/1999	G.O.K Co., Ltd.	Sisattanak	Vientiane Capital	500,000		100	500,000	100	Korea, South	ແຂວງເຊຍ, ປີ
01/17/2001	Diamond Elephant Furniture Co., Ltd	Sikhottabong	Vientiane Capital	300,000	20	80	60,000	20	Korea, South	ແຂວງເຊຍ, ປີ
03/30/2001	Xaysavang Co., Ltd	Xalthani	Vientiane Capital	100,000	25	75	25,000	25	Korea, South	ແຂວງເຊຍ, ປີ
05/23/2001	SUHYYUH Lao Co., Ltd	Habayfong	Vientiane Capital	200,000		100	200,000	100	Korea, South	ແຂວງເຊຍ, ປີ
07/16/2001	Laokorea Computer Development Co., Ltd	Xaisetha	Vientiane Capital	200,000		100	200,000	100	Korea, South	ແຂວງເຊຍ, ປີ
05/27/2003	CNT TOY FACTORY	Sikhottabong	Vientiane Capital	500,000		100	500,000	100	Korea, South	ແຂວງເຊຍ, ປີ
05/04/2004	Fanmotor Transformer Factory	PakNgun	Vientiane Capital	500,000	50	50	250,000	50	Korea, South	ແຂວງເຊຍ, ປີ
09/19/2004	Lao Cement Industry Co., Ltd	Chanthabouri	Vientiane Capital	6,000,000	50	50	3,000,000	50	Korea, South	ແຂວງເຊຍ, ປີ
07/01/2005	Soom Natural Dyeing Manufacture	Sikhottabong	Vientiane Capital	100,000	0	100	0	100	Korea, South	ແຂວງເຊຍ, ປີ
07/01/2005	Soom Natural Dyeing Manufacture	Sikhottabong	Vientiane Capital	100,000		100	100,000	100	Korea, South	ແຂວງເຊຍ, ປີ
07/22/2005	Sung Jin Craft And Tanding CO., LTD.	Xaisetha	Vientiane Capital	500,000		100	500,000	100	Korea, South	ແຂວງເຊຍ, ປີ
08/17/2005	Pha Khun Khop hin Factory	Phonhong	Vientiane	459,855		100	459,855	100	Korea, South	ແຂວງເຊຍ, ປີ
08/07/2006		Xalthani	Vientiane Capital	950,000		49		49	Korea, South	ແຂວງເຊຍ, ປີ
01/19/2007	Club Green Co.,Ltd	PakNgun	Vientiane Capital	500,000		100	500,000	100	Korea, South	ແຂວງເຊຍ, ປີ
01/19/2007	Club Green Co.,Ltd	PakNgun	Vientiane Capital	500,000		100	500,000	100	Korea, South	ແຂວງເຊຍ, ປີ
09/12/2007	Lao Metal & LPP Co., Ltd	Kaysone PHOMVI	Savannakhet	20,000,000		100	20,000,000	100	Korea, South	ແຂວງເຊຍ, ປີ
02/07/2009	La Ko Enterprise Co.,Ltd	Sisattanak	Vientiane Capital	300,000	70	30	210,000	30	Korea, South	ແຂວງເຊຍ, ປີ
11/19/2009		Pathoumphon	Chambasak	400,000		100		100	Korea, South	ແຂວງເຊຍ, ປີ
06/14/2010	LAO EROO CO.,LTD	Chanthabouri	Vientiane Capital	500,000		100	500,000	100	Korea, South	ແຂວງເຊຍ, ປີ
01/19/2011	Auto World(KoLao Developing) Co., Ltd	Kaysone PHOMVI	Savannakhet	50,000,000		100	50,000,000	100	Korea, South	ແຂວງເຊຍ, ປີ
06/29/2011		Hinboun	Khammouan	1,000,000		100		100	Korea, South	ແຂວງເຊຍ, ປີ
Mining (5 Projects)				15,800,000	50,000		15,750,000			

License Issued Date	Company Name / Representative	Project Location		Total Capital	Local Share		Foreign Share		Source Country	Licence Approved by
		District	Province		%	Amount	%	Amount		
04/08/2008	Khs Dragon Mining Co.,Ltd	Kham	Xiangkhouang	3,500,000		100	3,500,000	100	Korea, South	☞ nryeeu .໓n
10/01/2008	Laokorea Salt Processing Export Co.,Ltd	Champhon	Savannakhet	300,000	30	90,000	210,000	70	Korea, South	☞ nryeeu .໓n
03/17/2010	Lao Hyundai Black Stone Co.Ltd	Mun	Vientiane	5,000,000		100	5,000,000	100	Korea, South	☞ nryeeu .໓n
11/15/2012	SuK LAO Co., Ltd	Vangvieng	Vientiane	2,500,000		100	2,500,000	100	Korea, South	☞ nryeeu .໓n
09/06/2013	K.K.Lao Mining Co.,Ltd	Vangthong	Houaphan	4,500,000		100	4,500,000	100	Korea, South	☞ nryeeu .໓n
Sambaa (49 Projects)										
				147,547,990	37,799,200		109,749,790			
12/29/1993	ISSARA INTERNATIONAL LAO LTD	Chanthabouri	Vientiane Capital	150,000		100	150,000	100	Korea, South	☞ nryeeu .໓n
11/23/1994	INDO CAR RENT CO.,LTD	Sisattanak	Vientiane Capital	250,000		100	250,000	100	Korea, South	☞ nryeeu .໓n
07/25/1997	Lao Car Service Co., Ltd	Chanthabouri	Vientiane Capital	932,810		100	932,810	100	Korea, South	☞ nryeeu .໓n
01/14/1999	LAO BOWLING CENTER	Chanthabouri	Vientiane Capital	700,000		100	700,000	100	Korea, South	☞ nryeeu .໓n
05/06/1999	K & L Golf Co., Ltd	Chanthabouri	Vientiane Capital	800,000		100	800,000	100	Korea, South	☞ nryeeu .໓n
07/07/2000	A.B.C Co., Ltd	Sikhottabong	Vientiane Capital	5,000,000	5	250,000	4,750,000	95	Korea, South	☞ nryeeu .໓n
11/15/2000	L.E.E Company., Ltd	Chanthabouri	Vientiane Capital	996,000		100	996,000	100	Korea, South	☞ nryeeu .໓n
07/16/2001	Logos Academy Center	Sisattanak	Vientiane Capital	250,000		100	250,000	100	Korea, South	☞ nryeeu .໓n
07/24/2001	Family Sport Center Co., Ltd	Sisattanak	Vientiane Capital	300,000		100	300,000	100	Korea, South	☞ nryeeu .໓n
12/07/2001	YUMMY BUSINESS CENTER CO.,LTD	Xaisetha	Vientiane Capital	2,000,000		100	2,000,000	100	Korea, South	☞ nryeeu .໓n
12/24/2001	PHONESAAAT HEALTH CENTER	Xaisetha	Vientiane Capital	250,000		100	250,000	100	Korea, South	☞ nryeeu .໓n
03/25/2002	BIG MOTOR REPAIR CO.,LTD	Xaithani	Vientiane Capital	500,000		100	500,000	100	Korea, South	☞ nryeeu .໓n
04/05/2002	BIG MOTOR RENT CAR Co.,Ltd	Xaithani	Vientiane Capital	500,000		100	500,000	100	Korea, South	☞ nryeeu .໓n
05/16/2002	O.K COMPANY.,LTD	Pek	Xiangkhouang	996,000		100	996,000	100	Korea, South	☞ nryeeu .໓n
09/03/2002	Lao Taxi Meter & Car Rent Co.,Ltd	Sikhottabong	Vientiane Capital	916,000	20	183,200	732,800	80	Korea, South	☞ nryeeu .໓n
09/13/2002	SEOUL GARDEN RESTAURANT	Xaisetha	Vientiane Capital	100,000		100	100,000	100	Korea, South	☞ nryeeu .໓n
11/29/2002	SM TAEMA PARKLAND CO.,LTD	Sikhottabong	Vientiane Capital	400,000		100	400,000	100	Korea, South	☞ nryeeu .໓n
05/23/2003	LAO DY TRANSPORTATION CO.,LTD	Xaisetha	Vientiane Capital	5,000,000	20	1,000,000	4,000,000	80	Korea, South	☞ nryeeu .໓n
09/01/2003	Inter Motor Co.,Ltd	Sikhottabong	Vientiane Capital	1,000,000		100	1,000,000	100	Korea, South	☞ nryeeu .໓n
10/08/2003	Tiger Motor Co.,Ltd	Naxaythong	Vientiane Capital	200,000		100	200,000	100	Korea, South	☞ nryeeu .໓n
10/30/2003	S.M PULICITY CO., LTD	Sikhottabong	Vientiane Capital	400,000		100	400,000	100	Korea, South	☞ nryeeu .໓n
10/30/2003	COSMO MOTOR CO., LTD	Sikhottabong	Vientiane Capital	700,000		100	700,000	100	Korea, South	☞ nryeeu .໓n
05/27/2004	Tadmune & HuaNamSay Tourism Development Company	Chanthabouri	Vientiane Capital	500,000		100	500,000	100	Korea, South	☞ nryeeu .໓n

License Issued Date	Company Name / Representative	Project Location		Total Capital	Local Share		Foreign Share		Source Country	Licence Approved by
		District	Province		%	Amount	%	Amount		
03/23/2005	999 Photo Studio	Chanthabouri	Vientiane Capital	760,000		100	760,000	100	Korea, South	☞ nngjey ,ᄇn
07/06/2006	EPromotion Company Ltd	Sisattanak	Vientiane Capital	1,000,000		100	1,000,000	100	Korea, South	☞ nngjey ,ᄇn
10/30/2006	Cozmo Financing Co.,Ltd	Xaithani	Vientiane Capital	1,000,000	10	90	900,000	90	Korea, South	☞ nngjey ,ᄇn
11/02/2006	Kolao Group Company	Xaisettha	Vientiane Capital	8,005,000		100	8,005,000	100	Korea, South	☞ nngjey ,ᄇn
01/02/2007	Lao Vision College.s School	Sisattanak	Vientiane Capital	600,000	0	0	0	0	Korea, South	☞ nngjey ,ᄇn
01/02/2007	Lao H.K Co.,Ltd	Sikhottabong	Vientiane Capital	1,000,000		100	1,000,000	100	Korea, South	☞ nngjey ,ᄇn
01/26/2007	LaoThaum Co.,Ltd	Luangphabang	Luangphabang	5,000,000		100	5,000,000	100	Korea, South	☞ nngjey ,ᄇn
05/24/2007	HHI LAO CO.,LTD	Xaisettha	Vientiane Capital	5,000,000		100	5,000,000	100	Korea, South	☞ nngjey ,ᄇn
08/01/2007	nala group company limited	Naxaythong	Vientiane Capital	2,500,000	30	70	750,000	70	Korea, South	☞ nngjey ,ᄇn
08/03/2007	BOO YOUNG LAO CO.,LT	Xaithani	Vientiane Capital	12,000,000		100	12,000,000	100	Korea, South	☞ nngjey ,ᄇn
08/20/2007	Lao - Top College	Sisattanak	Vientiane Capital	500,000		100	500,000	100	Korea, South	☞ nngjey ,ᄇn
11/16/2007	Lako Group	Sisattanak	Vientiane Capital	2,000,000	30	70	600,000	70	Korea, South	☞ nngjey ,ᄇn
06/18/2008	L & K CORP.,LTD	Chanthabouri	Vientiane Capital	932,180		100	932,180	100	Korea, South	☞ nngjey ,ᄇn
10/23/2008	J.GOLF LAND CO.,LTD	Xaisettha	Vientiane Capital	500,000		100	500,000	100	Korea, South	☞ nngjey ,ᄇn
11/04/2008	KIM'S AUTO CO.,LTD	Xaithani	Vientiane Capital	2,000,000		100	2,000,000	100	Korea, South	☞ nngjey ,ᄇn
11/04/2008	KIM SAUTO CO.,LTD	Xaithani	Vientiane Capital	2,000,000		100	2,000,000	100	Korea, South	☞ nngjey ,ᄇn
12/10/2008	Grace Sport Center Co.,Ltd	Naxaythong	Vientiane Capital	2,000,000		100	2,000,000	100	Korea, South	☞ nngjey ,ᄇn
04/06/2009	RIVER VIEW RESORT SOLE CO.,LTD	Xaisettha	Vientiane Capital	4,700,000	20	80	940,000	80	Korea, South	☞ nngjey ,ᄇn
05/14/2009	RIVER VIEW RESORT SOLE CO.,LTD	Xaithani	Vientiane Capital	800,000		100	800,000	100	Korea, South	☞ nngjey ,ᄇn
05/30/2009	KIM SAUTO CO.,LTD	Xaithani	Vientiane Capital	2,000,000		100	2,000,000	100	Korea, South	☞ nngjey ,ᄇn
01/06/2010		Vangvieng	Vientiane	200,000	30	70	60,000	70	Korea, South	☞ nngjey ,ᄇn
06/04/2010	K. Rent Co.,Ltd	Xaisettha	Vientiane Capital	1,600,000		100	1,600,000	100	Korea, South	☞ nngjey ,ᄇn
10/06/2010	Lao Securities Exchange Co.,Ltd		Vientiane Capital	66,000,000	51	49	33,660,000	49	Korea, South	☞ nngjey ,ᄇn
10/28/2010	KUMKUNG LAO ELECTRIC INSTALLATION CO.,LTD		Vientiane Capital	1,050,000	10	90	105,000	90	Korea, South	☞ nngjey ,ᄇn
12/15/2010		Tononeung	Bokeo	500,000	30	70	150,000	70	Korea, South	☞ nngjey ,ᄇn
02/04/2011	ISTANA (LAO) Co., Ltd	Xaithani	Vientiane Capital	1,060,000		100	1,060,000	100	Korea, South	☞ nngjey ,ᄇn
Trading (38 Projects)				21,841,000			420,300		21,420,700	
12/15/1994	SUN HYUN INTERNATIONAL CO.,LTD	Chanthabouri	Vientiane Capital	500,000		100	500,000	100	Korea, South	☞ nngjey ,ᄇn
07/10/1996	KOREA LAO TRADING CO.,LTD		Vientiane Capital	300,000		100	300,000	100	Korea, South	☞ nngjey ,ᄇn

License Issued Date	Company Name / Representative	Project Location		Total Capital	Local Share		Foreign Share		Source Country	Licence Approved by
		District	Province		%	Amount	%	Amount		
07/22/1996	KOREA SHOP CO.	Xaithani	Vientiane Capital	30,000		100	30,000	100	Korea, South	☞ nrejev ,໓n
05/13/1999	K & L Tyre Co., Ltd.	Sikhottabong	Vientiane Capital	2,000,000		100	2,000,000	100	Korea, South	☞ nrejev ,໓n
12/22/1999	Lusmit and Hyokwang Business Co.,Ltd	Xaisettha	Vientiane Capital	200,000	25	75	50,000	75	Korea, South	☞ nrejev ,໓n
06/14/2000	Lao Pioneer Motors Co., Ltd	Xaithani	Vientiane Capital	985,000		100	985,000	100	Korea, South	☞ nrejev ,໓n
08/07/2000	Sinn Ho Export Co., Ltd	Sikhottabong	Vientiane Capital	200,000		100	200,000	100	Korea, South	☞ nrejev ,໓n
02/21/2002	Kolao Auction Co.,LTD	Xaisettha	Vientiane Capital	500,000		100	500,000	100	Korea, South	☞ nrejev ,໓n
03/27/2002	BIG MOTOR COMPANY LIMITED	Xaithani	Vientiane Capital	500,000		100	500,000	100	Korea, South	☞ nrejev ,໓n
05/02/2002	NIYIM COMPUTER CORP.,LTD	Chanthabouri	Vientiane Capital	150,000		100	150,000	100	Korea, South	☞ nrejev ,໓n
08/14/2002	C.N.H Enterprise Co.,Ltd	Sisattanak	Vientiane Capital	150,000		100	150,000	100	Korea, South	☞ nrejev ,໓n
08/27/2002	Autoland Co., Ltd	Sikhottabong	Vientiane Capital	500,000		100	500,000	100	Korea, South	☞ nrejev ,໓n
11/11/2002	KOLAO IMPORTEXPORT CO., LTD	Pek	Xiangkhouang	300,000		100	300,000	100	Korea, South	☞ nrejev ,໓n
06/02/2003	C N T Export of Lao Products	Xaisettha	Vientiane Capital	300,000		100	300,000	100	Korea, South	☞ nrejev ,໓n
05/24/2004	Lamp Co.,Ltd	Sisattanak	Vientiane Capital	200,000		100	200,000	100	Korea, South	☞ nrejev ,໓n
11/18/2004	HANA PARTS SERVICE CO.,LTD	Sikhottabong	Vientiane Capital	400,000		100	400,000	100	Korea, South	☞ nrejev ,໓n
02/14/2005	Modern Beauty Academy	Sisattanak	Vientiane Capital	100,000	0	100	100,000	100	Korea, South	☞ nrejev ,໓n
05/30/2006		Sikhottabong	Vientiane Capital	300,000		100	300,000	100	Korea, South	☞ nrejev ,໓n
09/27/2006		Sikhottabong	Vientiane Capital	500,000		100	500,000	100	Korea, South	☞ nrejev ,໓n
10/23/2006	Tae Yong CNL Co.,Ltd	Sisattanak	Vientiane Capital	300,000	0	100	300,000	100	Korea, South	☞ nrejev ,໓n
10/23/2006	Tae Yong CNL Co.,Ltd	Sisattanak	Vientiane Capital	300,000		100	300,000	100	Korea, South	☞ nrejev ,໓n
11/13/2006		Paksak	Champasak	500,000		100	500,000	100	Korea, South	☞ nrejev ,໓n
03/29/2007	Mits Trading Co.,Ltd	Sikhottabong	Vientiane Capital	213,000		100	213,000	100	Korea, South	☞ nrejev ,໓n
03/29/2007	Mits Trading Co.,Ltd	Sikhottabong	Vientiane Capital	213,000		100	213,000	100	Korea, South	☞ nrejev ,໓n
08/13/2007	S. G. Trade Co.,Ltd	Sikhottabong	Vientiane Capital	500,000		100	500,000	100	Korea, South	☞ nrejev ,໓n
09/07/2007	Hannam International Company Limited	Xaisettha	Vientiane Capital	200,000		100	200,000	100	Korea, South	☞ nrejev ,໓n
09/07/2007	Hannam International Company Limited	Xaisettha	Vientiane Capital	200,000		100	200,000	100	Korea, South	☞ nrejev ,໓n
06/20/2008	H.D Motors Co.,Ltd	Sikhottabong	Vientiane Capital	300,000		100	300,000	100	Korea, South	☞ nrejev ,໓n
10/23/2008	J Golf Land Co.,Ltd	Xaisettha	Vientiane Capital	500,000		100	500,000	100	Korea, South	☞ nrejev ,໓n
02/09/2009	LAO KTC CO.,LTD	Sisattanak	Vientiane Capital	500,000		100	500,000	100	Korea, South	☞ nrejev ,໓n
10/30/2009	K L D COMPUTER Co.,Ltd	Xaisettha	Vientiane Capital	1,250,000		100	1,250,000	100	Korea, South	☞ nrejev ,໓n

License Issued Date	Company Name / Representative	Project Location		Total Capital	Local Share		Foreign Share		Source Country	Licence Approved by
		District	Province		%	Amount	%	Amount		
11/09/2009	LP trading Co.,Ltd	Hokxayfong	Vientiane Capital	1,000,000		100	1,000,000		Korea, South	ໄຊ ກິນຊາ ບຸນ
12/25/2009	INDOKO Co.,Ltd	Sisattanak	Vientiane Capital	3,000,000		100	3,000,000		Korea, South	ໄຊ ກິນຊາ ບຸນ
09/23/2010	Autols Exim Co.,Ltd.	Sisattanak	Vientiane Capital	450,000	49	229,500	51	229,500	Korea, South	ໄຊ ກິນຊາ ບຸນ
03/10/2011	Jin you Lao Co.,Ltd	Sikhottabong	Vientiane Capital	300,000	50	150,000	50	150,000	Korea, South	ໄຊ ກິນຊາ ບຸນ
03/21/2011	FUUL TRADING SOLE CO.,LTD	Chanthabouri	Vientiane Capital	3,000,000		100	3,000,000		Korea, South	ໄຊ ກິນຊາ ບຸນ
08/20/2011	Lao Hammi Import-Export Co.,Ltd		Vientiane Capital	500,000		100	500,000		Korea, South	ໄຊ ກິນຊາ ບຸນ
08/31/2011	J-AUCTION CO.,LTD	Xaiseththa	Vientiane Capital	500,000		100	500,000		Korea, South	ໄຊ ກິນຊາ ບຸນ
Wood Industry (3 Project(s))				3,600,000		160,000	3,440,000			
09/20/2001	DACOS DIY Furniture Co., Ltd	Naxaythong	Vientiane Capital	200,000		100	200,000		Korea, South	ໄຊ ກິນຊາ ບຸນ
03/02/2010		Viangkham	Vientiane	3,000,000		100	3,000,000		Korea, South	ໄຊ ກິນຊາ ບຸນ
06/22/2010		Vapi	Salavan	400,000	40	160,000	60	240,000	Korea, South	ໄຊ ກິນຊາ ບຸນ
TOTAL (257 Project(s))				937,108,060		130,565,300	750,199,448			



Note: ‘ສູນກາງອະນຸມັດ’: License approved by Committee for Investment Promotion at central level.

‘ແຂວງອະນຸມັດ’: License approved by Committee for Investment Promotion at local level.



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