



# Weekly news

## March 9-22, 2024

Highlight on farmers, agribusiness and rural development in Laos



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## Cassava Leads Lao Exports in January 2024 Amid Trade Deficit

Laotian times, March 19, 2024

Cassava emerged as the leading export product in the initial month of this year, according to reports from Lao government sources. Continuing a trend observed in 2023, Laos faced a trade deficit surpassing USD 188 million in January this year.

The latest statistics reveal that the value of exports reached USD 561 million, while imports surged to USD 749 million during the first month of 2024. Cassava led the way in terms of exports, with a value of USD 94 million. Other top exported products include gold ore and gold bullion, each at USD 44 million, paper and paper products at USD 39 million, and rubber at USD 32 million.

While the trade deficit remains a concern, it is essential to note that the report does not factor in the value of electricity trade.

China emerged as the primary export destination for Lao products, with trade amounting to approximately USD 198 million. Thailand and Vietnam followed closely behind at around USD 134 million and USD 129 million, respectively.

On the import front, diesel was the most imported product, accounting for USD 95 million. Chemical products, mechanical equipment, land vehicles, and electrical appliances also made substantial contributions to the import figures.

Among the top import sources for Laos, Thailand led the way, with imports worth USD 309 million. China followed closely behind at USD 298 million, with Vietnam, the United States, and Japan also featuring prominently in the report.

Despite the strong export performance, Laos continues to face severe economic challenges exacerbated by rising inflation rates. In February, inflation surged to 25.35 percent, marking an increase from January's 24.44 percent.

This pressure has led to price hikes in basic necessities, particularly evident in the recent announcement of the rise in the cost of drinking water in Vientiane Capital. Meanwhile, Lao residents are also confronted with a significant challenge as companies in the country are slow to adjust employees' salaries to cope with the rising costs of living.

<https://laotiantimes.com/2024/03/19/cassava-leads-lao-export...>

## **Thailand Heightens Border Surveillance Amid Anthrax Reports in Laos**

**Laotian times, March 11, 2024**

Thailand has intensified its vigilance along the Thai-Laos border after receiving reports of anthrax outbreaks in local villages in Champasack Province, Laos.

In response to the emerging threat, the Thai Ministry of Agriculture and Cooperatives has deployed a series of measures, including increased surveillance at animal checkpoints and readiness for vaccination campaigns. The Nation Thailand reported these developments as Thailand aims to contain the spread of anthrax and prevent its transmission across borders.

Anthrax, a severe bacterial infection caused by *Bacillus anthracis*, primarily affects animals but can also pose risks to human health. The bacteria are commonly found in soil and can be transmitted through contact with infected animals or their products.

Champasack Province has witnessed three confirmed cases of anthrax infection in a local village in Soukhoumma district. One individual, severely affected, has been admitted to the intensive care unit (ICU) of the provincial hospital, as issued by the Agriculture and Forestry Office of Soukhoumma district on 4 March.

To prevent an outbreak, local authorities are urging all relevant sectors, including residents and small businesses, not to trade animals or their products outside the district. Moreover, cautionary measures advise against the consumption of meat from cows and buffaloes. Animal owners are encouraged to monitor their livestock closely and promptly report any suspicious symptoms to authorities.

To tackle the issue and curb animal-related diseases, the Department of Agriculture and Forestry of Champasack Province issued a notice on 7 March, directing local authorities to monitor and inspect all districts in the province for activities such as buying and selling livestock from affected and nearby areas.

Additionally, local authorities are urged to raise public awareness, enforce strict laws against violators, and disseminate notices to local communities to ensure adherence to preventive measures, emphasizing the importance of community cooperation in containing the outbreak.

<https://laotiantimes.com/2024/03/11/thailand-heightens-borde..>

## **Savannakhet Province Faces Backlash Over Sudden Ban on Coal Production, Use**

**Laotian Times, March 15, 2024**

Savannakhet Province's recent decision to halt all activities related to coal production and use stirred controversy and discontent among residents, particularly those in rural areas.

The announcement, made by the provincial office on 14 March, prohibits wood cutting for coal, burning, selling, and transporting coal within the province. Despite facing backlash, the province has yet to

provide a clear explanation for the new regulation.

The official notice not only bans coal-related activities but also restricts the Department of Industry and Commerce from issuing permits for coal transportation outside the province. Violators of the ban will face penalties commensurate with the severity of their actions.

The move has drawn significant criticism, especially from residents in rural areas across the province who rely on coal for cooking due to limited access to gas. Many argue that the prohibition is unjustified unless alternative means of cooking are provided. Social media platforms have been flooded with complaints, with users highlighting the importance of coal for rural livelihoods.

One Facebook user expressed, “The law would make more sense if it forbade people from cutting trees from conservation forests to make coal.”

They pointed out that coal is a crucial resource for those in rural areas and some restaurants, as it is not only affordable but also enhances the taste of certain dishes.

Critics have also questioned the government’s motives behind the sudden ban, calling for transparency and valid reasons to justify the decision.

“Provide a reason behind this new rule. Are you not selling enough gas? If you ban coal, how are we supposed to cook? Life in the countryside is different from the city. Not everyone has access to gas,” another user commented.

While the province aims to address environmental concerns, the lack of clarity and alternative solutions has led to widespread criticism. As the debate continues, many are calling for a more balanced approach that considers the needs of both the environment and the local population.

<https://laotiantimes.com/2024/03/15/savannakhet-province-fac...>

## **One-fifth of fish species in Mekong face extinction: WWF report**

**VT Times, March 22, 2024.**

One-fifth of fish species in the Mekong River are threatened with extinction, which is challenging for the health, food security and livelihoods of tens of millions of people across the region, including in Laos.

A new report from World Wide Fund for Nature (WWF) and the Global Water Centre warns that one-fifth of fish species face extinction, and at least 1,148 fish species in the Mekong – about 25 percent – are found nowhere else on Earth.

The world’s largest inland fishery sustains at least 40 million people and is valued at US\$11 billion, with 19 percent of assessed fish threatened with extinction, including mega and migratory species. In Laos, Mekong fish contribute 13 percent of the country’s GDP, making it clear that more must be done to protect the river’s invaluable biodiversity.

The impacts are visible across the country, from the communities that report unprecedented reduction in fish catches every year, to the extinction of freshwater dolphins in Laos in early 2023. But there are signs of hope, which show Laos’ capacity to influence change, the report states.

The forthcoming updated national law on aquatic species and fisheries, with improved fisheries management approaches, as well as the successes of community-led Fish Conservation Zones, are steps in the right direction.

The threats are many, from illegal fishing, climate change, and rapid infrastructure development, and the window of opportunity to reverse the decline of these priceless fish species is limited.

The Country Director of WWF-Laos, Loris Palentini, said “By scaling up successful actions and addressing these drivers of loss, we can restore the health of the river and all life below its surface, while contributing to sustainable development, food security, and poverty alleviation.”

Losing these fisheries would have huge impacts on millions of people and trying to replace them would be extremely costly in terms of increased deforestation to free up more land for crops and livestock, water use, and greenhouse gas emissions, he added.

For example, replacing a 50 percent fall in Mekong wild capture fishery would require beef production alone to more than double, requiring the conversion of an extra 83,000 km<sup>2</sup> of land, an 8 percent increase in regional water demand, and 45 million extra tonnes of greenhouse gas emissions.

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## **Lao MSMEs to receive boost from govt promotion fund**

**VT Times, March 22, 2024.**

An injection of 192 billion kip is expected to support financial institutions in accelerating loans to micro, small and medium-sized enterprises (MSMEs) this year, according to the Lao government's MSME Promotion Office.

The added funding, presented at the office's meeting, which was held last Wednesday in Vientiane, is set to mostly come from the Lao government and previous savings from its MSME promotion fund.

The meeting was chaired by the Deputy Minister of Industry and Commerce, who is also the Vice Chairman of the Board of Directors of the MSME promotion fund, Mr Bountheung Duangsavanh. At the meeting, the Head of the MSME Promotion Office, Dr Bounpheng Sibounheuang, highlighted the past achievements of the MSME promotion fund and unveiled future work plans for the fund in following the directions of the Party and government.

Dr Bounpheng said at least 70 enterprises under the MSME promotion fund are to be inspected to ensure the performance of borrowers.

"Most importantly, outstanding MSME units that made the best use of funds, as well as the financial institutions engaged in funding those MSMEs, will be selected for 2024," he said.

Dr Bounpheng also pointed out the remaining challenges in the implementation of work based on the principles and conditions set by the government's 2023 decree on the MSME promotion fund.

"We are proactive in supervising the release of various loans under the fund to MSMEs and in supporting the financing of projects throughout the country," he said.

In 2023, the fund provided credit through eight commercial banks, namely the Lao Development Bank, Lao-Viet Joint Venture Bank, Sacombank Lao, Maruhan Japan Lao Bank, ST Bank, Lao-China Bank, Viet-Tin Lao Bank and BCEL, and through 11 microfinance institutions.

In 2023, these banks and institutions, in partnership with the fund, approved almost 360 billion kip of loans to enterprises and producer groups.

Among loan recipients, the agriculture sector accounted for almost 43 percent of recipients, the commercial sector almost 21 percent, the services sector over 20 percent, the industrial sector 13 percent, and the handicraft sector 2 percent.

In addition, the MSME promotion fund approved funding to support 64 technical projects with a total value of over 4 billion kip.

They include 29 technical promotion projects worth over 2 billion kip, 30 priority projects worth over 2 billion kip, and five joint venture projects worth almost 290 million kip.

Projects supported by the fund are located throughout Laos, including in Vientiane and the provinces of Phongsaly, Luang Namtha, Oudomxay, Huaphan, Xieng Khuang, Luang Prabang, Xaysomboun, Borikhamxay, Khammuan, Savannakhet, Xekong, Champassak and Saravan.

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## **Ministry survey reveals poor standards among mining companies**

**Vientiane Times, March 21, 2024**

An evaluation carried out by the Ministry of Energy and Mines has revealed that many mining companies operating in Laos are failing to comply with Lao laws and concession agreements, as well as being poorly managed.

The ministry's survey indicated that most companies are not carrying out their operations in line with the terms and conditions they signed up to with the government and have requested numerous extensions of their projects when deadlines and goals were not met.

It was also found that many companies are not operating professionally, do not employ the relevant technical staff, and have insufficient funding.

A typical ploy is for one company to act as a broker, reserving a plot of land which is then sold to other investors. In some instances, one company is authorised to operate several projects, which results in operations not being completed by set deadlines.

Some companies fail to comply with the specifications spelled out by the Geology and Minerals Department because they lack qualified technicians, equipment and funding, while land disputes also arise and there is a lack of cooperation with local communities.

In addition, many companies have failed to pay concession fees and other financial obligations as agreed to. This has been attributed to a lack of responsibility on the part of the relevant government departments, with debt notifications being delayed, while many companies are suffering financial instability and regularly make late payments.

In terms of coordination, it is common for companies not to inform local authorities about the progress of their field operations. They often have no local representative office, meaning that communication is problematic and operations are not closely supervised.

Since 2013, the Department of Geology and Minerals has carried out seven assessments and sent reports to the Ministry of Planning and Investment in an attempt to force companies to comply with the agreements they signed, but many issues have not yet been resolved.

As of December 2023, the central government had authorised 151 companies to carry out 166 projects concerning mineral exploration and feasibility studies. These projects covered 7 million hectares (7,000 square kilometres), equal to 29.32 percent of the country's total land area.

In 2023, the Department of Geology and Minerals carried out assessments of the operations of 143 companies based on seven factors. These comprised compliance with laws and concession agreements, technical operations, financial obligations, hiring of local workers and safety practices, cooperation and coordination, social responsibility, and environmental protection, treatment and rehabilitation.

Companies were evaluated according to six grades, A+ (best), A (excellent), B+ (good), B (middle), C (poor), and C+ (unacceptable).

No companies were given an A+ or A grade; 29 companies operating 31 projects received a B+ grade (accounting for 19.21 percent of the total); 44 companies operating 47 projects were given a B grade (29.14 percent); 52 companies operating 57 projects were given a C+ grade (34.43 percent); and 18 companies operating 23 projects received a C grade ranking (11.92 percent).

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## **Laos, EU launch Global Gateway flagship to develop coffee, tea and forest value chains**

**Vientiane Times, March 15, 2024.**

The Lao government, the European Union (EU) and its member states France and Germany on Thursday (March 14) in Vientiane officially launched the multimillion-euro Global Gateway flagship to develop coffee, tea, and forest value chains and bolster their access to markets.

The flagship "Team Europe Partnership with Lao PDR to increase sustainable and inclusive Trade, Investment and Connectivity in the Agriculture and Forestry sectors – TICAF" programme aims to support the development of sustainable and inclusive value chains of coffee, tea and forest-based products which Laos is trading with the EU.

To facilitate access to national, regional and global markets, TICAF will also support better connectivity

to regional and international markets through the rehabilitation of national road 2 leading to Thailand and Vietnam.

The programme is co-financed with grants from the EU (€28 million) France (€4.65 million), Germany (€11 million), and a concessional loan from the European Investment Bank (€50 million).

The launch was attended by guests of honour including European Commissioner for International Partnerships, Mrs Jutta Urpilainen; Minister for Planning and Investment, Mr Khamjane Vongphosy; French Ambassador, Mrs Siv-Leng Chhuor; and German Ambassador, Mrs Annette Knobloch.

Amongst other high-level participants were the Minister of Agriculture and Forestry, Mr Phet Phomphiphak; Minister of Public Works and Transport, Mr Ngampasong Muongmany; and the Ambassador of the European Union to Laos, Mrs Ina Marciulionyte.

Mrs Urpilainen highlighted the TICAF's contribution to improving the livelihoods of rural communities through income diversification and the promotion of decent work conditions, as well as increasing domestic production, exports of sustainable agricultural and forest-based products, and public revenue. She noted that "TICAF marks a milestone and is an excellent illustration of how we have translated our Global Gateway and Green Deal objectives in our partnership with Laos, while ensuring a meaningful contribution to the Sustainable Development Goals and leaving no one behind".

Mr Khamjane said "I highly value the assistance provided to Laos under the Team Europe Strategy 2021-2025 with a focus on Green and Inclusive Growth, Human Capital and Good Governance. This cooperation highlights the harmonisation and consolidation of resources from Development Partners to support the implementation of priorities outlined in the 9th National Socio-Economic Development Plan for 2021-2025."

The TICAF seeks to foster cooperation between Laos and the EU in reducing deforestation and enhancing sustainable forest and land use, and promoting cultivation of more crops that are resilient to climate change. This means working together to help Laos preserve and sustainably use its rich natural resources, in line with its National Green Growth Strategy to 2030.

The launch featured a traditional Lao coffee dance at the opening. This was followed by a welcome speech from the Minister of Planning and Investment, a keynote speech from the European Commissioner, and remarks by the leaders of line ministries and EU Member State representatives in Laos.

The TICAF programme is the flagship programme of the Team Europe Strategy in Laos. It will further promote partnerships between government, the National University of Laos, private sector operators and local communities, and be supported by other Team Europe initiatives in Laos to enhance skills development, social protection, trade and business facilitation, and the rehabilitation of rural roads.

EU Global Gateway: This is a new strategy of the EU that was initiated in 2021. It stands for sustainable and trusted connections that work for people and the planet. It helps to tackle the most pressing global challenges, from fighting climate change, to improving health systems, and boosting competitiveness and the security of global supply chains. Global Gateway is implemented through a Team Europe approach, bringing together the EU, its Member States, European Financial Institutions and the private sector for a transformational impact.

Team Europe in Laos: Based on the success of the "European Joint Programming for Laos 2016-2020", European Partners (EU, Finland, France, Germany, Hungary, Ireland, Luxembourg and Switzerland) adopted their "Team Europe Strategy in the Lao PDR for 2021-2025".

The Team Europe Strategy for 2021-2025 focuses on cooperation in Laos in 3 broad priority areas: i) green and inclusive growth, ii) human capital; and iii) good governance.

Within these 3 priority areas, we will specifically support interventions in the following 6 cooperation sectors: agriculture and rural development; natural resources and the environment; private sector development, trade and tourism; education, including technical vocational education and training; health; and good governance.

This cooperation places a particular focus on women, youth, digitalisation, decent work, nutrition, and collaboration with civil society organisations.

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## **Luang Namtha promotes cassava cultivation in Viengphoukha district**

**Vientiane Times, March 14, 2024.**

The Planning and Investment Office at Viengphoukha district in Luang Namtha province has given the green light to an investor to establish a cassava cultivation promotion project in the area.

A ceremony for signing an agreement between the district's Planning and Investment Office and the investor was held on Tuesday. The investor's company is located in Hom village of Long district in Luang Namtha province, and it has provided 100 percent of the funding needed for the project, including for seeds, various tax obligations and technical administration costs to promote and monitor the project.

The investor's total investments have a value of more than five billion kip.

The project aims to promote the growing of cassava in several villages in Viengphoukha district. The contract will be valid for five years during 2024-2028.

At the end of the contract, the company can make a further proposal to the government in line with the procedures and regulations under the investment model of "2+3" that applies to local residents supporting land and labour, and the company support fund, and providing seed-fertiliser techniques and marketing.

The company will provide seeds free of charge to local residents.

It will also support the residents by providing funds for fertilisers or pesticides needed to grow the cassava. After the produce is sold, the residents must return the funds to the company.

The cassava will be purchased at the company's store in Viengphoukha district, and the minimum guaranteed price is 1,100 kip a kilo, without grade selection.

During 2023-2024, the transportation of cassava from farms to the company's collection point in Viengphoukha district will be the responsibility of all the owners.

[https://www.vientianetimes.org.la/sub-new/Current/Cur\\_53\\_Lua...](https://www.vientianetimes.org.la/sub-new/Current/Cur_53_Lua...)

## **Australia Greenlights Visa for Agricultural Workers From Vietnam, Thailand, Indonesia & Philippines**

Visaguide, March 21, 2024

The government of Australia has approved a visa for agricultural workers from Vietnam, Thailand, Indonesia, and the Philippines.

As the authorities have explained, on the basis of this visa, nationals of the four countries will be able to take up jobs in the agricultural sector in Australia and legally reside in the country for several years, VisaGuide.World reports.

According to the Department of Foreign Affairs and Trade of Australia, agricultural workers from Vietnam, Thailand, Indonesia, and the Philippines who are issued a visa will have the possibility to stay in Australia for up to four years for the purpose of working.

While the authorities have yet to share information on the extension procedure for these visas, it is believed that in cases when the country is dealing with shortages in the sector, an extension of the stay will be possible.

As VnExpress explains, nationals of these countries who are granted a visa can be employed in various sectors within the agricultural industry, such as horticulture, harvesting, fishery, processing, and forestry, among many others.

The same source notes that those working in the agricultural sector can earn more than \$2,600 (AUD4,000) per month. This does not include the incomes that can be made from extra shifts but only

the regular working hours.

## Australia Needs 3,000 Horticulture Workers Alone Each Year

The decision of Australia to approve visas for agricultural workers from Vietnam, Thailand, Indonesia, and the Philippines comes amid the shortages that the country is dealing with.

Data show that Australia needs around 3,000 horticulture workers alone every year.

Other subsectors of horticulture are also dealing with sharp shortages. Therefore, by approving a new visa, Australia wants to attract as many foreign workers as possible and meet its labor market needs.

In 2024, about 1,000 agricultural workers are expected to start working in Australia, VnExpress notes. Similar numbers are expected to be seen from the other countries whose nationals will benefit from the visa approval.

Regarding eligibility criteria, there will be requirements for those who want to obtain a visa. Australia will coordinate with all the beneficiary countries to identify those eligible for the visa.

<https://visaguide.world/news/australia-greenlights-visa-for-...>

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Phonsinuane village, Sisattanak district, Vientiane capital,  
Lao People's Democratic Republic

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