



# Weekly news

## June 11-19, 2024

Highlight on farmers, agribusiness and rural development in Laos



Email: [laofab@gmail.com](mailto:laofab@gmail.com)

<https://www.facebook.com/LaoFAB>

Website: [laofab.org](http://laofab.org)

YouTube: LaoFAB video

### **Laos to negotiate with China over cattle exports**

**VT Times, June 14, 2024**

The government will continue to push for more cattle to be sold to China while renegotiating the quarantine conditions laid down by Chinese authorities at the Luang Namtha border crossing.

China has granted Laos an export quota of 500,000 cattle but this figure has not been met due to issues around animal health checks and the fees charged by the quarantine centre at the border, where cattle must stay until they can enter China.

The situation was outlined by the Minister of Agriculture and Forestry Dr Linkham Duangsavanh at the National Assembly on Thursday.

Lao cattle traders are struggling to meet the stringent conditions imposed by Chinese authorities, he said, as cattle must remain in quarantine for 45 days at a cost of 25 yuan per head.

The Ministry of Agriculture and Forestry is trying to get the fee reduced and has asked that cattle checks be processed more quickly, Dr Linkham said.

This problem has led to some cattle traders transporting cattle through less tightly regulated border crossings, he added.

To add value to cattle exports, the government will encourage companies to build modern abattoirs for exported beef and also process frozen meat products.

Cattle are Laos' main agricultural export, with China being the largest buyer.

However, farmers and producers in Laos are severely hampered by steep rises in production costs, mainly due to the spiralling price of fuel.

In addition, the cost of machinery, fertiliser and animal feed has risen sharply because these items are imported and must be paid for in foreign currency, which is costly because of the sharp depreciation of the kip.

A continuous increase in the demand for beef, both in Laos and other countries, has given small-scale farmers the chance to earn more income, but the higher market price of cattle

has adversely affected Lao consumers.

It is also recognised that a significant increase in the demand for beef products may not trigger an adequate or fast supply response from small-scale farmers due to the various challenges they face.

<https://www.vientianetimes.org.la/sub-new/Business/Business...>

## **EU, Switzerland provide EUR2.5 million to support green growth goals**

**VT Times, June 17, 2024**

The European Union (EU) and Switzerland have jointly provided EUR2,499,580 in financial support for a project titled “Sustainable Consumption and Production in the Lao PDR (SCP Lao)”, aiming to support Laos’ green growth endeavours.

The project aims to significantly support Laos’ green growth goals while creating employment opportunities for communities through awareness raising, enhancing the role of youth and women’s organisations in environmental policies, and improving waste management solutions to generate green jobs.

A Memorandum of Understanding (MOU) on funding for the project was signed in Vientiane on Friday between the Deputy Director General of the Planning and Finance Department Planning, Ministry of Natural Resources and Environment, Mr Sounadeth Soukchaleun, and the Swisscontact Country Director for the Lao PDR, Mr Michael Fink.

The MOU signing ceremony was witnessed by Deputy Minister of Natural Resources and Environment Mr Phouvong Luangxaysana; Ambassador of the European Union to the Lao PDR, Mrs Ina Marciulionyte; and Regional Director of the Swiss Cooperation Office for the Mekong Region, Mr Jean-Gabriel Duss.

The event was also attended by government officials from Vientiane and the province of Luang Prabang.

By focusing on youth, women, local authorities, and civil society associations, and supporting concrete activities at the local level, the project is expected to reinforce green and inclusive economic growth in Laos.

The programme aims to promote sustainable consumption and production, foster environmental stewardship, and create green jobs, specifically among young people and women.

Mr Phouvong said “Sustainable consumption and production are essential components of our efforts to ensure the long-term wellbeing of our people and the protection of our environment.”

“This project holds great promise in advancing our sustainable development goals and addressing the challenges we face in promoting responsible consumption and production practices, ensuring the implementation of our SCP Roadmap of Laos from 2022-2025 and its vision to 2030.”

Mrs Marciulionyte added “This project is another tangible output of the Team Europe cooperation with Laos, underlining the growing importance of the existing partnership. The launch today also illustrates our joint action to advocate for widespread awareness on the health risks of plastics, rapidly phase out all single use plastics, urgently push for a strong UN Treaty on Plastic Pollution, and demand an end to fast fashion.”

Mr Duss said “The SCP Lao project aligns perfectly with the sustainable development goals and improving societal benefits. With a key focus on environmental advocacy, capacity building, awareness campaigns, income generation, and waste management, the SCP Laos project is a progressive step towards a sustainable future for Laos.”

Mr Fink, said “The adoption of sustainable consumption and production practices, including pollution reduction, efficient resource use, and improved recycling through awareness raising, policy dialogue, and income generation; is key in Laos to combat climate change and improve circularity. The SCP Lao project will generate environmental and economic benefits through sustainable consumption and production for now and future generations.”

[https://www.vientianetimes.org.la/freefreenews/freecontent\\_1...](https://www.vientianetimes.org.la/freefreenews/freecontent_1...)

## **France lends support to heritage preservation, coffee and tea production**

**VT Times, June 18, 2024.**

The French government has provided EUR13 million through the French Development Agency (AFD) in Laos to enhance the value of cultural heritage, promote tourism, and support other areas of development.

The funds will also be used to assist tea and coffee producers in northern Laos in relation to the payment of taxes on land concessions.

The projects were launched in Vientiane last week. The event was attended by Deputy Minister of Planning and Investment Mrs Phonevanh Outhavong; the Ambassador of France to Laos, Siv-Leng Chhuor; Regional Director of the French Development Agency (AFD) to South-East Asia, Mr Jean-Pierre Marcelli, and other stakeholders.

Ambassador Siv-Leng Chhuor said "It is a great pleasure for me to witness the launch of these three new projects supported by and through the AFD Group."

"France, as a long and lasting partner of Laos, remains committed to further strengthening cooperation through various French cooperation actors. The sizeable amount of additional funds approved by AFD and the EU through AFD to enhance quality development in the coffee and tea sectors, preserve cultural heritage and support sustainable domestic revenues, illustrate this commitment."

The EUR5 million provided will support the preservation of heritage and the strengthening of the territorial attractiveness of the Vat Phou Champassak world heritage site and the old town of Savannakhet province, in order to promote tourism and improve the living standards of local residents. In addition, about EUR8 million in European Union (EU) co-financing of existing AFD projects will be used to enhance the quality development of the coffee and tea sectors through agro-ecological community-based action, and climate-resilient and inclusive value chains with a gender and human rights-based approach in the northern provinces of Laos.

EUR600,000 will be used to provide technical assistance by Expertise France to support the rationalisation of tax expenditure related to concession agreements in Laos.

This will provide analytical tools to examine potential new concession agreements by local and foreign direct investment projects in Laos and help set up an appropriate coordination mechanism between all concerned authorities.

It is envisaged that the outcomes will provide more internal and sustainable resources for the government to implement prioritised activities and measures under its national socio-economic development plans.

The project launch ceremony took place during a visit by the Regional Director of the AFD to South-East Asia, Mr Jean-Pierre Marcelli.

Mr Marcelli visited Vientiane on June 13-14 to meet with several ministry officials and stakeholders to discuss the challenges, prioritised areas and sectors of cooperation to support development activities in Laos.

[https://www.vientianetimes.org.la/freefreenews/freecontent\\_1...](https://www.vientianetimes.org.la/freefreenews/freecontent_1...)

## **Huaphan mineral company to improve standards after leak at reservoir**

**VT Times, June 18, 2024**

The Laos-China Rare Mineral Development Company North 2 Limited is taking urgent steps to address the environmental impact and provide compensation after a leak from its circulating water reservoir in February.

The leak resulted in a lot of soil sediments flowing into Houay Taboun and Huay Mun Creek, which is a branch of Nam Vaen near Outhai village in Huameaung district and Sobxay and Thuppheung villages in Xamneua district of Huaphan province.

The leak also killed or affected aquatic species and the agricultural land of some people. It also resulted in concerns among the people about using local water sources, including for agriculture, according to the central government and local authorities.

The company's managers have conducted a field investigation in this regard, and the firm has temporarily suspended mining so that it can urgently resolve the issue, the Acting Director General of the Mines Management Department, Mr Bounyong Sidaphon, said at a news conference hosted by the Ministry of Energy and Mines last week.

As part of the company's response to the problem, an inspection team collected water samples from three points – the rotating water reservoir (Huai Tabun), Houay Mun and Nam Vaen – that were analysed at the environmental laboratory of the Natural Resources and Environment Research Institute.

This is a modern research laboratory and has been certified according to international environmental standards.

The results of the analysis showed that the value of heavy metal in the sample exceeded environmental standards, while the oxygen value in the water was low and the sulfate value was relatively high, Mr Bounyong said.

As part of the initial steps to address the issue, the company has repaired the circulating water reservoir that developed a leak and provided fish fingerlings to the affected villages so that they can be released into the river.

The company has also improved the reservoir by bringing in soil to compact and build a canal. It has built a warehouse to store chemicals for the project at a new location about 300 metres away from the old location, and it has built two additional water treatment basins that comply with technical standards recommended by an inspection committee.

The company has focused on checking the health of people in nearby areas, including a number of employees working for the project. The checks showed that everyone is in good health, and no chemicals or heavy metals were found in their organs or blood, said Mr Bounyong.

However, the company will have to take some more steps to address the situation, including making sure that the local people are confident about use water from local sources in their daily lives.

"At present, the concerns of the local people have been resolved to a good level. They can continue growing their crops and raising animals as usual," he said.

The company must ensure in future that chemical discharges from the project do not flow into rivers or water sources. These chemicals must be treated according to established safety standards and this must be certified by relevant parties before they are discharged into nature.

Mining must be done by the company in accordance with the sustainable mining development policy and green standards mentioned in government guidelines.

[https://www.vientianetimes.org.la/sub-new/Current/Cur\\_115\\_Hu...](https://www.vientianetimes.org.la/sub-new/Current/Cur_115_Hu...)

## **NA members request revision of draft anti-corruption law**

**VT Times, June 19, 2024**

National Assembly (NA) members have asked the government to improve some of the articles contained in a draft of the amended Law on Anti-Corruption, so that it is more relevant to the current situation in Laos.

Members requested that some of the articles contained in the draft amendment be revised while others suggested the addition of more articles and the inclusion of specific penalties in corruption cases, when the law was discussed on Tuesday at a session chaired by NA Vice President Dr Chaleun Yipaoher. Revision of the law will enable stronger measures to be taken against corrupt individuals, with Assembly members saying that fines should be larger and other penalties should be more stringent and spelled out in detail.

Corruption takes many forms, members noted, and said the law should specify what penalties should be imposed for each type of activity, to be determined by the relevant government bodies.

The Law on Anti-Corruption was enacted in 2005 and revised in 2012.

A second revision is now being considered so that the law is a practical and dependable reference and can be used by law enforcement officials during the prosecution process.

Effective enforcement of the law will strengthen public service delivery, good governance and the rule of law, as well as maintaining integrity and justice, which is fundamental to development, progress, and

the alleviation of poverty.

The government has lost millions of dollars to corruption, with government development and investment projects such as road and bridge construction the leading source of widespread graft, according to the State Inspection Authority.

The government has vowed to address corrupt practices that are pervasive in politics and every sector of the economy and society, and which deter potential foreign investors from pumping money into much-needed infrastructure and other forms of development.

Despite the existence of the anti-corruption law that criminalises the abuse of power, public sector fraud, embezzlement and bribery, Laos' judiciary is weak and inefficient, and government officials are rarely prosecuted.

"The law is strict but enforcement is weak, and that's not going to solve the problem," NA members said.

In recent years, some officials have been fired or moved to other positions but no other more stringent measures have been taken and offenders are never named or shamed.

Many state employees are corrupt, including police officers and tax collectors, as well as employees at some mining companies, who conspire with high-ranking officials to defraud the government.

[https://www.vientianetimes.org.la/freefreenews/freecontent\\_1...](https://www.vientianetimes.org.la/freefreenews/freecontent_1...)

## **Laos Sees Fourth Month of Trade Deficit, Lao Kip Hits Record Low**

Laotiantimes, June 13, 2024

Laos experienced four consecutive months of trade deficits from January to April this year. This situation has been exacerbated by rising inflation rates, leading to a record depreciation of the national currency, the Lao Kip.

In April, Laos recorded a two-way trade total of USD 1.122 billion, with exports amounting to USD 462 million and imports totaling USD 660 million. This marks a trade deficit of USD 198 million, the highest of the year and continuing a four-month streak of deficits for Laos. Data for May and June are yet to be released.

The latest statistics from the Lao government reveal that salt was the leading export, valued at USD 84 million, followed by mixed gold and bullion at USD 79 million, copper ore at USD 40 million, and cassava at USD 32 million. Other notable exports included sugar, bananas, rubber, cassava flour, and iron ore.

On the import side, diesel was the most imported item for Laos, valued at USD 96 million, followed by land vehicles at USD 56 million, mechanical equipment at USD 36 million, and steel and steel products at USD 29 million. Other top imports included plastic utensils, finished chemical products, gasoline, and spare parts.

Regarding trade partners, Vietnam emerged as the largest market for Lao exports, totaling USD 160 million, followed by Thailand at USD 107 million and China at USD 103 million. Laos also exported goods worth USD 43 million to Australia and USD 19 million to Switzerland.

On the import side, Thailand was the largest source of Lao imports, amounting to USD 336 million, followed by China at USD 213 million and Vietnam at USD 33 million. The United States and South Korea were also notable sources, with imports valued at USD 17 million and USD 12 million, respectively.

Despite facing a trade deficit, the Lao State Portal, as usual, states that the reported figure does not include the value of the electricity trade. This omission has had a profound impact on the country's economy, contributing significantly to a persistently high inflation rate. In May, inflation in Laos soared to 25.8 percent, marking a 1 percent increase from April's 24.9 percent.

Recently, Bounleua Sinxayvoravong, the Governor of the Bank of Laos, stated that inflation is expected to remain high through the end of this year, making it unlikely to achieve the government's goal set in late 2023 of reducing the rate to 9 percent.

In the meantime, the Lao kip continues its downward trend, reaching a new record low against major currencies such as the Thai baht, the US dollar, and the Chinese yuan. As of 13 June, Lao commercial banks, including Banque Pour Le Commerce Exterieur Lao Public (BCEL Bank) and Phongsavanh Bank, are selling US dollars at LAK 21,825 and Thai baht at LAK 694.45. However, unofficial or "shadow" rates are significantly higher, exceeding LAK 25,000 for the US dollar and surpassing LAK 710 for the Thai baht, according to a local money exchange shop.

To tackle these pressing issues, the government has initiated the 7th National Assembly Session, scheduled to continue until early July. This session aims to address significant socioeconomic challenges such as inflation, corruption, education problems including teacher and labor shortages, and drug trafficking. Despite these efforts, many residents say that additional measures and more concrete actions are necessary to effectively combat these issues.

<https://laotiantimes.com/2024/06/13/laos-sees-fourth-months-...>

## **Luang Prabang coffee farmers get lessons on natural fertiliser, pest control**

VT Times, June 18, 2024

Coffee farmers from six villages in Viengkham district, Luang Prabang province, have learnt how to make natural fertiliser and prevent their crops being attacked by pests, thanks to support from a Korean NGO, Wonders International, and the Viengkham district Agriculture and Forestry Office.

Through the training course, participants learnt how to make fertiliser in both liquid and dry forms as well as ways of pest control using natural materials that are readily available, such as dried leaves, banana plants, green leaves, manure and water.

"One of the best methods of pest control is to use a mix of chili powder, dishwashing liquid and cooking oil," a lecturer said.

Even though chemical fertiliser and artificial methods of pest control can increase coffee yields, the use of chemicals can have a negative impact on the environment, causing an imbalance in soil nutrients and pH levels and harming wildlife.

Organic fertiliser is acknowledged to be a vital component of sustainable agriculture, while increasing consumer desire for the use of healthy and sustainable products strengthens the importance of use of organic fertiliser.

Coffee farmers also benefit by saving on the high cost of chemical fertiliser and insecticide if they use local and naturally sourced ingredients to make their own products.

A member of Wonders International, Bounsouvanh Leesiaye, said "Coffee farming is a good option for rice farmers, because most of the work required can be done when rice cultivation is at a low point."

Bounsouvanh said "Coffee farming also reduces forest burning, since the coffee trees planted in forests will be protected for 30 years."

Supported by the KOICA, Wonders International is expanding its coffee project by providing seedlings, training farmers, and processing high quality northern Lao coffee while protecting the environment.

Bounsouvanh added that Wonders International will continue its efforts to enhance coffee value chain standards and ensure that the potential of Lao coffee gains higher recognition from coffee lovers around the world.

[https://www.vientianetimes.org.la/freefreenews/freecontent\\_1...](https://www.vientianetimes.org.la/freefreenews/freecontent_1...)

## **EU Updates Food Safety Measures for Vietnam Agrifood Exports**

vietnam-briefing, June 19, 2024

From July 2, the European Union (EU) will exempt Vietnam's instant noodles from food safety control, although a 20 percent inspection frequency at border gates will still apply.

Additionally, the EU is adjusting inspection regulations for other Vietnamese agricultural products, including dragon fruits, chili peppers, okra, and durian.

This article offers businesses the latest updates on EU regulations regarding Vietnam's agricultural and processed food exports, food safety control measures, and an overview of Vietnam's agrifood exports to the EU.

Full article detail: <https://www.vietnam-briefing.com/news/eu-updates-food-safety...>

## **Three-year project launched to cut carbon emissions in sugarcane farming in Thailand**

chinimandi, June 19, 2024.

Suntory Holdings has launched a three-year project aimed at reducing carbon emissions in sugarcane farming in Thailand. This initiative is a collaboration with the VIVE Programme, a voluntary sustainability effort focusing on ingredient and energy supply chains, along with Kaset Thai International Sugar Corporation Public (KTIS), one of Thailand's leading sugar producers, reported FoodBev Media.

Suntory is sponsoring a pilot program in Thailand to implement interventions for low-carbon farming, guided by regenerative agricultural practices identified by experts from KTIS and VIVE. The goal of the program is to assist KTIS and its farms in developing scalable, low-carbon sugarcane production methods, aligning with Suntory Group's objective to cut greenhouse gas emissions by 30% across its entire value chain by 2030.

Brian Golden, Senior General Manager of Global Supply Solutions at Suntory Holdings, emphasized the company's dedication to enhancing resilience and minimizing emissions in its agricultural supply chains. He highlighted collaborative efforts with partners to pioneer innovative and sustainable programs in the agricultural sector, expressing enthusiasm for launching this new initiative with VIVE and KTIS. Golden underscored the initiative's use of regenerative agricultural principles and real-world insights to drive transformative advancements towards a more sustainable future.

Sylvester Bamkole, Sustainability Associate at VIVE, noted growing interest among ingredient and energy supply chain participants in leveraging insights to implement, measure, and verify key decarbonization interventions globally. He highlighted the VIVE Climate Action program's core mission to deliver comprehensive, science-based decarbonization solutions across raw material supply chains, emphasizing the importance of creating carbon transparency, identifying opportunities, and forming critical partnerships for carbon reduction. Bamkole expressed excitement about collaborating with Suntory and KTIS on a commercially viable pathway for carbon reductions and continuous improvement.

Parphan Siriviriyakul, CEO of KTIS, expressed satisfaction with KTIS's participation in the project, aligned with their commitment to becoming a low-carbon organization for sustainable growth. He emphasized that involvement in this low-carbon agriculture initiative reinforces KTIS's dedication to sustainable sugarcane farming and responsible environmental stewardship.

<https://www.chinimandi.com/three-year-project-launched-to-cu...>

---

**CLICK KM4 Development**

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

You received this email because you signed up on our website or made a purchase from us.

**[Unsubscribe](#)**

---

