



LAO PDR-U.S. INTERNATIONAL AND ASEAN INTEGRATION (USAID LUNA II)

Lao PDR–U.S. International and Association of Southeast Asian Nations (ASEAN) Integration (USAID LUNA II), a five-year activity funded by the U.S. Agency for International Development (USAID), helps Lao PDR further integrate into the global economy by supporting officials to develop and implement sound, modern, transparent and inclusive economic policies and regulations.

Natural resource extraction has helped fuel, on average, a 7.8 percent annual GDP growth rate in Lao PDR over the past 10 years; however, the country’s per capita income remains low at about \$2,270 in 2017 with poverty levels among the highest in Southeast Asia. Integration within the global economy helps generate sustainable trade and investment, introduces technologies and services that increase productivity and creates the conditions for improved access to economic opportunities and higher incomes across Lao society. Higher incomes and increased productivity are essential for Lao PDR to reach its goal of achieving middle-income country status by 2020.

INTEGRATING LAOS INTO THE GLOBAL ECONOMY

The activity helps Lao PDR meet commitments required as a member of the World Trade Organization and the ASEAN Economic Community, as well as those under the U.S.-Laos Bilateral Trade Agreement. By meeting these commitments, for instance by recognizing common standards for food, electronics and medicines, Lao PDR will further integrate itself into the global economy. Trade facilitation benefits the

Lao economy by reducing costs for importers and exporters. In turn, these savings are passed down to consumers.

IMPROVING ECONOMIC GOVERNANCE

An important requirement for robust trade is reasonably transparent government policy. The U.S.-Laos Bilateral Trade Agreement calls for such transparency, and this initiative has worked closely with the Ministry of Justice to further develop its electronic gazette – a tool for citizens and businesses to comment on new laws and to determine which ones are in effect. Subsequently, a mobile version was created, designed to broaden the reach of the electronic gazette to anyone with a smartphone.

IMPACT AND RESULTS

In addition to the work on the electronic gazette, the project team has helped the Lao government pass laws that bring the country more in line with WTO obligations on safeguards and intellectual property. USAID LUNA II also provided assistance to launch and enhance the official enquiry point for importers. This enquiry point helps traders understand technical regulations required for importing goods to Lao PDR. With respect to the private sector, the activity helped Lao exporters streamline procedures for issuing certificates of origin under an ASEAN Economic Community pilot project; assisted women-owned businesses in northern Laos improve the quality of their handicrafts and reach markets; and facilitated business connections between Lao entrepreneurs and regional and American franchising companies.

PARTNERS: USAID partners with Nathan Associates, which provides advisory and technical services supporting inclusive economic growth and regional integration. USAID, through Nathan Associates, supported Lao PDR's successful accession to the World Trade Organization and is helping the country fulfill its ASEAN Economic Community commitments.

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