

Implementation of NSEDP 2015-2016 Directions for NSEDP 2017

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Content

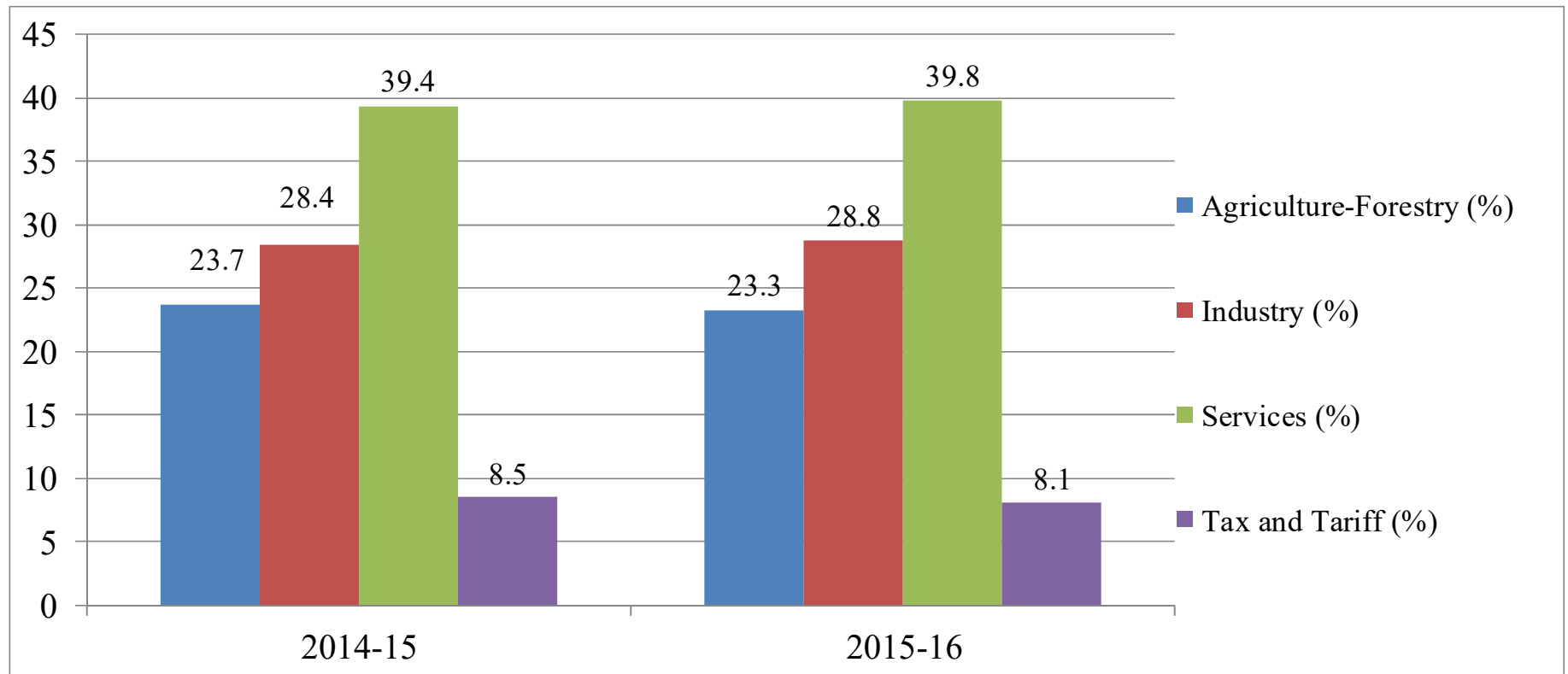
1. Implementation of NSEDP 2015-2016
2. NSEDP targets for the next 4 years and directions for NSEDP 2017



Implementation of NSEDP 2015-2016

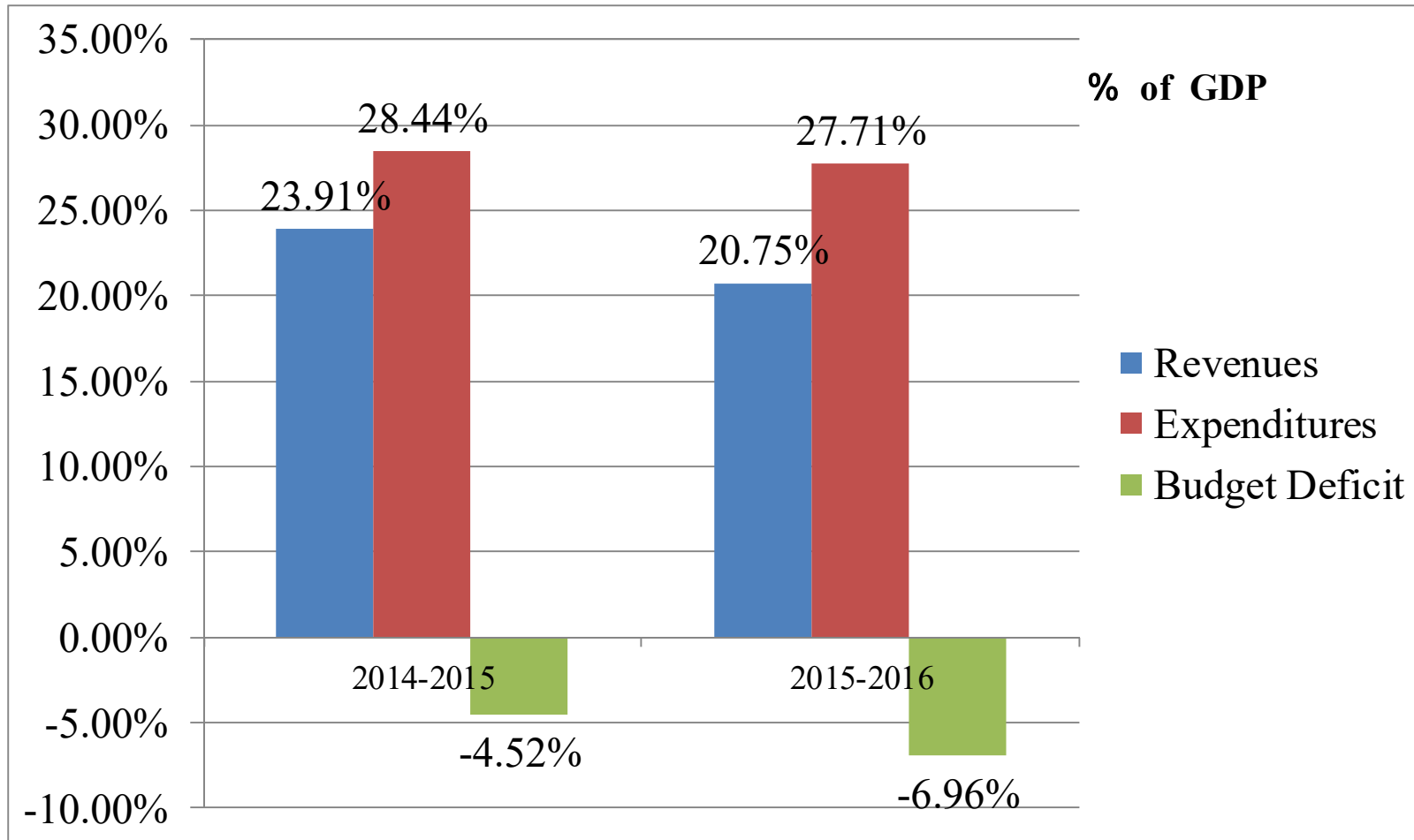


Economic Composition





Revenues and Expenditures





Economic Sector Achievements

	2015-2016
Inflation Rate	1.35%
Exchange Rate (LAK/USD)	Depreciated 0.27%
Foreign Reserves	6.06 months
Money Supply, M2	Increased 10.33%
Bank Credits (First 3 quarters, 2016)	58% of GDP
Import (First 3 quarters)	3,041.95 million USD, declined 12.3%
Export (First 3 quarters)	3,157 million USD, increased 23.1%

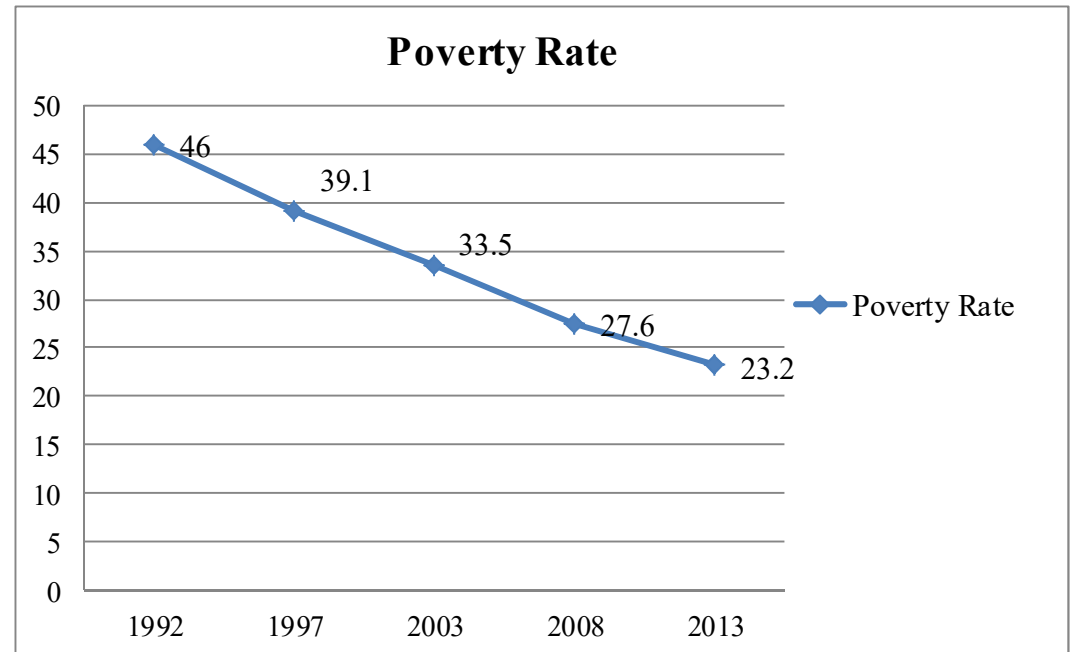
- Electricity production: 16,519 million KWH, 80.57% against target.
Electrification: 91.48% of households. Mineral production: 8,846.62 billion LAK
(First 3 quarters)



Social Sector Achievements

- Net enrolment rate at primary level increased from 97.2% to 97.9%
- Drop-out rate at primary level decreased from 5.2% to 4.9%.
- Underweighting in children under 5: 25.5%
- Wasting in children under 5: 35.6%,
- Latrine usage 70.2% of total households
- Latrine usage 66.8% of total schools
- Clean water usage 89.2% of population

(First 3 quarters)



- Poor households: 1,105, covering 20.60% of total households
- Poor villages: 6
- Development households: 3,197, 59.61% of total households



Pending issues

- Macroeconomic vulnerability, esp. budget deficit and balance of payments deficit, limited fiscal management tools resulting in weak performance on money supply management.
- Effective implementation on monetary and fiscal policies still face challenges.
- Lack liquidity in the state budget performance as a result of budget deficit and leakages.



Pending issues (cont.)

- Expenditure management ineffectiveness and lack of focus resulting in debt outstanding; planning and financial disciplines is not yet well performed.
- Management on foreign currency circulation still weak, foreign currency still predominantly used in transaction.
- Unfastened management on import-export and prices of goods resulting in inflated cost of living and prices consumption commodities.

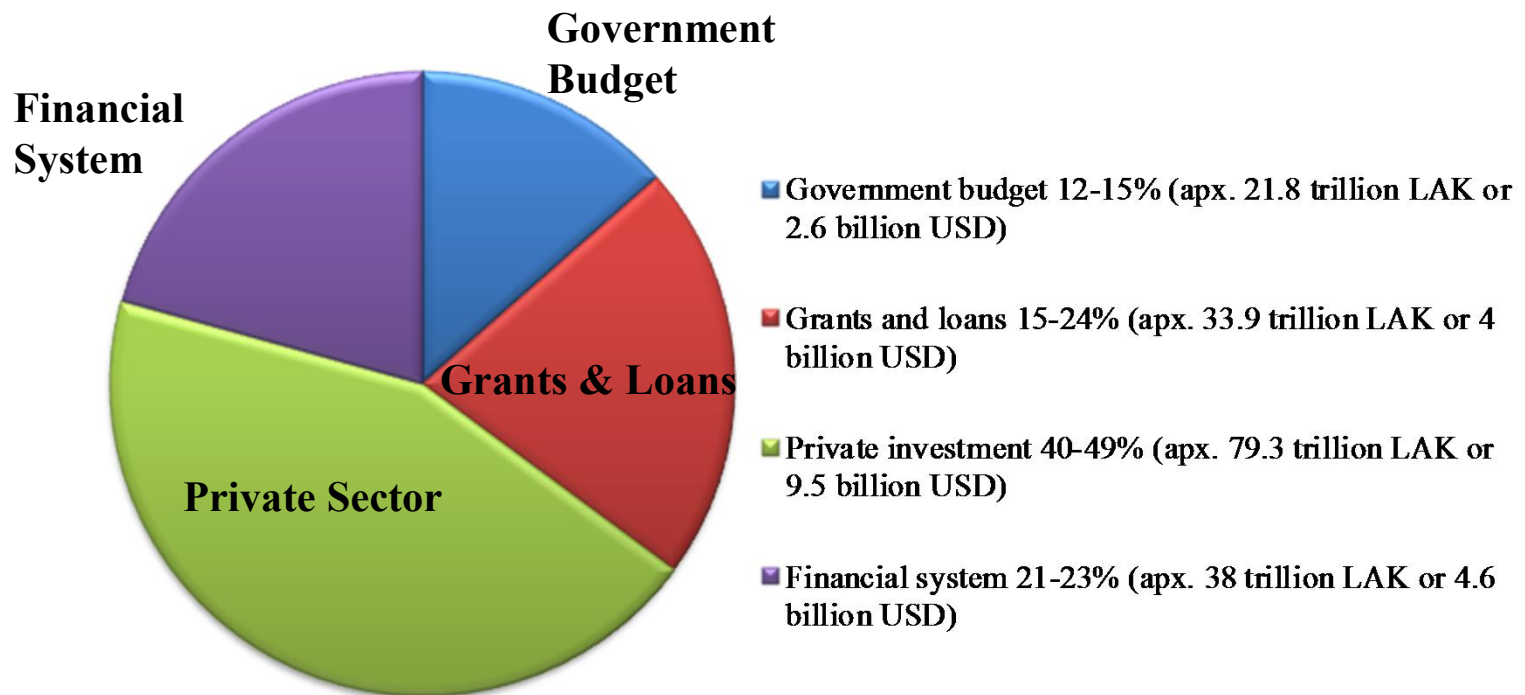


NSED Targets in the next 4 years

- GDP growth rate 7.2%:
 - Agriculture-Forestry: 3.4%, 16,8% of GDP by 2020
 - Industry: 9.3%, 39% of GDP by 2020
 - Services: 8.1%, 35.4% of GDP by 2020
 - Tax and import tariff, net: 5%, 8.8% of GDP by 2020
- GDP per capita 2,978 USD (GNI per capita 2,354 USD) by 2020
- Inflation rate maintained at or below 5%
- Exchange rate maintained at manageable level



Targets in the next 4 years:
Total demand 173,329 billion LAK
(21 billion USD), 29% of GDP





Directions for NSEDP 2017



2017

Main targets



Macro targets

GDP Growth	7%	
Agriculture-Forestry	Grow at 3.1%	18.8% of GDP
Industry	Grow at 8.9%	37.2% of GDP
Services	Grow at 7.8%	34.7% of GDP
Tax and import tariff	Grow at 5.0%	9.3% of GDP
GDP per capita	2,341 USD (GNI 1,850 USD)	
Inflation Rate	Remained at appropriate level (equal or lower than 5%)	
Revenues	18.46% of GDP, of which 16.55% of GDP is domestic revenues	
Expenditures	24,99% of GDP	
Budget Deficit	6.52%of GDP	
Exchange rate	remained at manageable level	



Targets on Trade

- Trade value (imports & exports) to reach 8,941 million USD
- Export value: 4,459 million USD
- Import value: 4,482 million USD
- Trade deficit: 23 million USD, 0.14% of GDP.



Balance of Investment

Total demand 36,366 billion LAK
28% of GDP

Government Budget	5,463 billion LAK <i>15.02% of total investment</i>
ODA	8,629 billion LAK <i>23.73% of total investment</i>
Private Domestic and Foreign Investment	14,474 billion LAK <i>39.80% of total investment</i>
Financial System	7,800 billion LAK <i>21.45% of total investment</i>



Economic Sector Targets

	2015-2016
Rice Production	1.03 million ha
Commodities (retail-wholesale, services)	49,420.75 billion LAK
Manufacturing and Handicraft	6,927 billion LAK
Minerals	15,000 billion LAK
Promote ODOP products, organize trade fairs and exhibition, promote local exports and increase productivity; promote potential handicrafts: products of cottons, silks, hand woven, sculptures, ceramics...	



Social Sector Targets

Education

- Enrolment rate at early child education in children between 3-5 years: 51%, children under 5 years: 74%,
- Drop-out rate at first grade and at primary level: 7% and 4% respectively;
- Enrolment rate at secondary level increase from 82% to 85%

Labor

- Balance of laborforce towards industrialization and modernization: Agriculture-Forestry 64.5%; Industry 11,8%, Services 23,7% of total laborforce.



Social Sector Targets (cont.)

Health:

- Underweighting in children under 5: 22%
- Wasting in children under 5: 35%;
- Mortality rate of children under 1: 43/1,000;
- Mortality rate of children under 5: 56/1,000, Maternal Mortality Rate: 182/100,000,
- Provision of immunization vaccine 90%
- Clean water usage 89.41% and latrine usage 70.49%.



Implementing Policies and Measures

Macroeconomics:

- Improve and tighten sectoral coordination
- Improve macroeconomic management with consistency and harmonization
- Regularly monitor macroeconomic situation to ensure macro stability



Implementing Policies and Measures (cont.)

Finance and budgeting:

- Increase and expand sources of revenue collection
- Improve and develop budget plan to be more realistic with actual revenue collection and savings
- Improve public debt management to maintain debts at the manageable level and strive to repay outstanding debts
- Improve legal mechanism and related regulations including mechanism to mobilize fund with relaxing regulations to facilitate businesses



Implementing Policies and Measures (cont.)

Monetary policies:

- Continue applying monetary policies that are consistent with the economic growth
- Improve interest rate policy to ensure liquidity environment by continuing the appropriate policy on both interest rates for money deposit and loans of the commercial banks.
- Continue applying policy rate and reserve requirement ratio and updating them appropriately
- Stimulate interbank and open markets to be highly active and effective
- Closely coordinate with MOF to establish a strong government bond market for the purpose of fund mobilization



Implementing Policies and Measures (cont.)

Production and Services

- Promote commercial production for domestic supplies and exports by building capacity for SMEs
- Improve interest rate to promote high quality and diversification of agricultural production, food processing industry, manufacturing, and handicrafts
- Ministry of Agriculture and Forestry and Ministry of Industry and Commerce shall apply strict measures on commodity price control especially prices of food commodities



Thank you!