



National Social-Economic Development Plan *Implementation of 9 months 2019 and* *Plan 2020*

Phonevanh OUTHAVONG
Director General of Planning Department
Ministry of Planning and Investment



National Socio-Economic Development Plan 2019

9 months Implementation



Overview



External

- International situation continued to be in turmoil, trade war tension between 2 major economic power, political tensions and unrest in many areas of the world gave rise to fluctuations in oil, gold price and exchange rate, which directly and indirectly impacted the Lao economy and the financial system.

Internal

- Macroeconomics stability is under pressure from budget deficit, current account deficit and low level of international reserves which caused the depreciation of the Lao kip and directly affecting domestic price of goods and services.
- Natural disasters have occurred in many areas: pest outbreaks in the northern provinces, African swine flu in several provinces across the country, flooding in 13 provinces of which 6 provinces are the most severe in central and southern provinces which impacted and damaged production areas, infrastructure including property and people's lives.



Economic Growth

	Estimated	Plan 2019
GDP	6.4%	6.7%
Agriculture	2.8%	2.8%
Industry	7.1%	8.3%
Service	7%	6.6%
Tax	7%	7%
GDP per capita	\$ 2,683	\$ 2,726
GNI per capita	\$ 2,121	\$ 2,155

Contributed by:

- Industry Sector: Constructions (16,8%) , electricity (6,1%)
- Service Sector: Whole-sale (9,9%), hotel and restaurant (5,3%)
- Other...



Total Investment

		Billions kip
	Implemented	Plan 2019
Total Investment		44,347.30 26,80% of GDP
Government Budget	2,214.72	4,359.80
ODA	5,452.84	7,113.35
Domestic and Foreign Investment	20,304.99	23,086.13
Banking Sector	achieved	9,788.00

Budget

			Billions kip
	Implemented	Plan 2019	Compare to plan
Revenue	17,261.75	25,744	67.05%
Expenditure	18,820.71	33,297	56.52%
Deficit	-1,558.96	-7,553	5



Monetary

		Implemented	Plan 2019
Inflation	9 months Average	2.47%	<5%
Exchange Rate Kip/USD	9 months Average	- 2,88%	±5%
Foreign Reserve	9/2019	3.02 months	3 months
M ₂	9/2019	13.96%	<20%

Import-Export

	million USD	
	Implemented	Plan 2019
Export	4,380	5,516
Import	4,202	5,775
Trade Balance	178	-259



Social Development

<u>Target</u>	achieved
Enrolment rate of children under 5	✓
Number of districts that have enrolment rate of children under 5	✓
Net enrolment rate in primary school	✓
Promotion of exercise and sports	✓
Child mortality rate under the age of 1	✓
Mortality rate of children under 5	✓
Maternal mortality rate	✓
National health insurance coverage	✓
Poor Household	2,209
Poor Village	112



Social Development



Targets that may not achieve

Primary, secondary and upper secondary drop out rate

Survival rates to Grade 5

Enrolment rate in secondary school

Proportion of underweight in children under 5

Proportion of stunted children under 5

Proportion of births attended by skilled birth attendants

Proportion of 1-year-old children immunized

Clean water usage

Access to latrines



Key challenges

- Macroeconomic management is still weak
- Productivity is low, processing industry is not growing well and SMEs' competitiveness needs to be improved.
- Domestic production base are weak, current account deficit and limited international reserves.
- Revenue collection is low, domestic price control are under performed, most of the public investment still focused on infrastructure and foreign direct investment mobilization still need improvement.
- Human resource development in terms of quality and quantity cannot meet demand of the labor market and large-scale investment projects as well as the industrial modernization effort.
- Natural disasters have resulted in the loss of people's livelihoods and production areas, infrastructure such as irrigation, roads, education and health services.



Main activities for the rest of 2019

- Continue to implement Government measures such as : Order No. 12/PM on 8 Measures for Economic Stimulus; Order No. 02/PM; Order No. 09/PM,...
- Continue to apply the existing exchange rate regime and maintain prices at a reasonable level.
- Strive to meet the revenue target by collecting from existing revenue based and expanding the base by using modern revenue collection system.
- Natural disaster recovery by focusing on infrastructure, promoting agriculture, concessional credit policy and reducing service costs in areas affected by natural disasters and measures to reduce the risk of natural disasters in the future.
- Expand networks as well as improve health and education services especially in rural cities and areas with ethnic children, promote skill development across all sectors
- Encourage domestic production for domestic consumption and exports, improve tourism activities and related products



National Socio-Economic Development Plan 2020



Directions of the Plan 2020

1. Maintain political stability, social peace and order in the society
2. Reduce barriers to the promotion of products and services such as increase commercial agricultural production, processing and exports to reduce imports of goods and services
3. Promote industrial production for export to increase foreign reserves
4. Develop tourism sites, transport services and other necessary infrastructure related to clean agricultural production with emphasis on the Lao-China railway areas and others



Directions of the Plan 2020

5. Emphasize on human resource development, improve the quality of health, education and human sector asset to achieve quality growth and prepare for graduating from LDCs and SGDs condition in the future.
6. Develop infrastructure to integrate, connect with neighboring countries, especially mega projects such as the Lao-China Railway, national highway,...
7. Rural development and poverty reduction linked to transforming big villages to small town
8. Effectively improve public administration and strengthen law enforcement



Target

Economic Growth

GDP	6.5%
Agriculture	2.7%
Industry	7.3%
Service	6.9%
Tax	7.5%
GDP per capita	\$ 2.733
GNI per capita	\$ 2.161

Budget

	Billion kip	% of GDP
Revenue	28,997	16.31%
Expenditure	35,693	20.08%
Deficit	6,696	3.76%



Total Investment

	ຫົວໜ່ວຍ: ຕື້ກີບ
Total Investment	46,500 27% ຂອງ GDP
Government Budget	4,750
ODA	8,125
Domestic and Foreign Investment	23,125
Banking Sector	10,500

Monetary

Inflation	<5%
Exchange Rate Kip/USD	±5%
Foreign Reserve	3 ເດືອນ
M ₂	<20%



Economic Target

Production	Target
Rice	3.5 million ton
Manufacturing and handicrafts	14,919 billion kip
Electricity	44,148 million kilowatt hours
Minerals	9,588 billion kip
Trade value (Import + Export)	13,037 million Us dollar
Number of Tourists	4.7 million



Social Development

Primary school Net Enrolment Rate	>99%
Primary school drop out rate	4%
Secondary school drop out rate	9%
Continue to study in vocational school after secondary school	5%
Continue study after upper secondary school domestically and internationally	80%
Proportion of underweight in children under 5	20%
Proportion of stunted children under 5	32%
Infant mortality rate	30/1000
Maternal Mortality Rate	160/1000
National health insurance coverage	94%
Number qualify household that fulfil criteria for graduate from poor household ສ້າງຄອບຄົວໃຫ້ມີເງື່ອນໄຂບັນລຸມາດຕະຖານຄອບຄົວຟຸ້ນທຸກ	3,234 families



Main activities for the Plan 2020

- Achieve revenue collection according to plan or higher by applying modern IT system, efficiently manage government expenditure and resolve investment difficulties according to Order No. 02/PM.
- Encourage and facilitate the development of domestic business unit by focusing on production for export and integration into the regional and international supply chains.
- Promote domestic production to reduce the use of foreign currency for imported goods and manage exchange rates and prices accordingly.
- Improve the infrastructure for production to improve agricultural efficiency
- Improve the quality of domestic services and promoting agriculture production to serve tourism sector and generate more income for the people.
- Focus on rural development and poverty reduction, improve quality of education and health services with a focus on developing human resources and developing skilled labor.



THANK YOU