

Result of Panel Discussion 1
14 November 2024, at National Convention Hall

By: H.E. Mr. Phouvong Kittavong, Vice Minister of Finance

Honorable:

- PhD. Phet Phomphipack, Minister, Ministry of Planning and Investment, Chairman of the meeting,
- Mr. Bakhodir Burkhanov, UN Resident Coordinator to Lao PDR,
- Excellency Ministers and Vice Ministers,
- Diplomates, International Organizations' representatives and developer counterparts,
- Ladies and gentlemen,

On behalf of Panel 1, I would like to report the result of the panel discussion on Sustainable Economic and Financing for Development Priorities, which is deemed useful discussion with diversified comments connected with measures recently implemented and directives in the future for implementing national socio-economic development plan. The discussions are summarized in in 3 main issues as below:

1) **Critical challenges:**

- Internal and external situations affected the macroeconomic management,
- Inadequate investment in human capital development.

2) **Recommendation and directives in the future:**

- Promote stronger collaboration, particularly private sector participation in order to achieve sustainable and green growth.

3) **Short-term plan:**

- Focus on strengthening policy coordination among line ministries to ensure effectiveness of investment projects,
- Provide support to prioritized domestic industries that generate value-added, such as: agricultural processing and services,
- Determine government strategies for financing to social sectors and green growth,
- Improve doing business environment and private investment promotion, including digitalization for closer collaboration.

- **Fiscal policy:**

- Continue to modernize revenue administration and collection, eliminate leakages, expand tax base (health taxes, excise tax on fuel) and other potential taxes,
- Prioritize spending towards social sectors and improvement of effectiveness of expenditure,
- Debt management: focusing on domestic financing sources to reduce pressure on external debt,
- Improve the linkage between planning and budgeting, and macro-fiscal frameworks.

- **Monetary and exchange rate policy:**
 - Continue tightened monetary policy stance to reduce the pressure on inflation and exchange rates,
 - Continue policy coordination between the Bank of the Lao PDR and Ministry of Finance to ensure consistent policy making through the implementation of a centralized national treasury account.
- **Strengthening private sector:**
 - Promote data integration, digitalization, productivity of factors of productions and labor skills,
 - Ensure the implementation of SDG goals and improve effectiveness of development assistance,
 - Address trade related barriers, including import tariffs, non-trade barriers and certification of clean energy and others.