



Lao PDR (<http://www.worldbank.org/en/country/lao>)

## Overview

Context

Strategy

Results

*Last Updated: April 2016*

Lao PDR, a lower-middle income economy with a GNI per capita of \$1,600 in 2014, is one of the fastest growing economies in the East Asia and Pacific region. GDP growth averaged 7 percent over the last decade, with increasing use of the country's natural resources – mostly water, minerals and forests – contributing one third to growth. Construction and services also expanded, with growing regional integration boosting tourism and attracting foreign investment. Growth contributed to lowering the number of poor people to an estimated 23.2 percent of the population in 2012/13 from 33.5 percent a decade ago. However, poverty reduction has taken place at a slower pace compared to some regional peers. In addition, the macroeconomic environment remains challenging, reflecting both domestic, and increasingly external risks, and needs careful management.

The economic outlook remains broadly favorable supported by the power sector and growing ASEAN integration, and the fiscal and external deficits are expected to gradually narrow. GDP growth is projected at 7 percent in 2016. The 1,878 MW Hongsa lignite power plant will largely come on stream in 2016 and together with the output expected from other new power projects is expected to increase power generation by more than 30 percent compared to 2015. Some fiscal expansion (with the deficit increasing to 3.9 percent of GDP) and investments will add to domestic demand. The current account deficit is expected to narrow slightly as power exports increase and recent trends in exports of parts and components continue.

As a member of the Association of Southeast Asian Nations (ASEAN), Lao PDR is increasing its integration into the regional and global economy, and is the chair of ASEAN in 2016. The launch of the ASEAN Economic Community in of 2016 is expected to further liberalize the movement of goods and services, capital and high-skilled labor in the regional block. Lao PDR is a member of the World Trade Organization since February 2013.

Lao PDR has made good progress on a number of Millennium Development Goals (MDGs), including halving poverty, reducing hunger, and improving education and health outcomes. However, certain MDGs remain off track, most crucially on nutrition, with an estimated 44 percent of under-five children being stunted and 27 percent severely underweight. Lao PDR still has a high maternal mortality rate and limited skilled birth attendance and could also do more to place gender equality at the center of its national development plans. The Sustainable Development Goals (SDGs) post-2015, built on the MDGs, will provide a framework for the government to monitor and evaluate the progress in its development plan implementation and commitments.

As of March 2016, the Bank has an ongoing portfolio of \$415 million supporting 19 projects, including \$76 million provided through the development partner funding. The largest sectors are environment and natural resources (28%), social development (18%) and energy and mining (13%).

## RELATED

Country Partnership Strategy 2012-2016 (<http://documents.worldbank.org/curated/en/2012/01/15808201/lao-peoples-democratic-republic-country-partnership-strategy-period-fy12-fy16>)

Country Partnership Strategy (brochure)

English ([http://siteresources.worldbank.org/EASTASIAPACIFICEXT/Images/FINAL\\_CPS\\_Brochure-eng.pdf](http://siteresources.worldbank.org/EASTASIAPACIFICEXT/Images/FINAL_CPS_Brochure-eng.pdf)) | Lao ([http://siteresources.worldbank.org/EASTASIAPACIFICEXT/Resources/FINAL\\_CPS\\_Brochure\\_lao.pdf](http://siteresources.worldbank.org/EASTASIAPACIFICEXT/Resources/FINAL_CPS_Brochure_lao.pdf))

Progress Report: Lao PDR Country Partnership Strategy 2012-2016

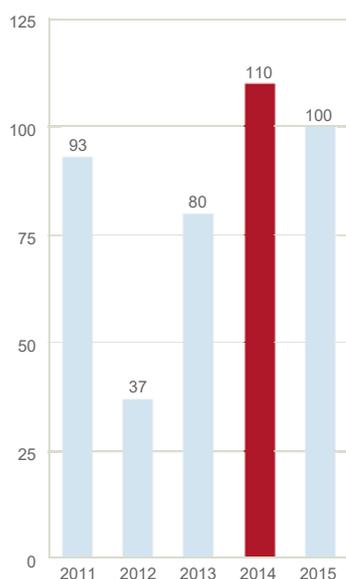
(<http://documents.worldbank.org/curated/en/2014/09/20294534/lao-peoples-democratic-republic-country-partnership-strategy-progress-report-period-fy12-16>)

Lao PDR and the World Bank: 50 Years of Partnership (</en/news/video/2011/11/08/celebrating-50th-anniversary-partnership-between-lao-pdr-world-bank-video>)

Video: The Future of Laos (</en/news/video/2014/05/20/the-future-of-laos>)

## LENDING

Lao PDR: Commitments by Fiscal Year (in millions of dollars)\*



\*Amounts include IBRD and IDA commitments

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([http://www1.ifc.org/wps/wcm/connect/region\\_\\_ext\\_content/regions/east+asia+and+the+pacific/countries/ifc+in+lao+pdr](http://www1.ifc.org/wps/wcm/connect/region__ext_content/regions/east+asia+and+the+pacific/countries/ifc+in+lao+pdr))

MIGA (<http://www.miga.org/projects/advsearchresults.cfm?srch=s&hctry=123c&hcountrycode=LA>)

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