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Business, Marketing



Foreign money pours into Laos Last year, Lao accumulated a total of 3 billion from foreign direct investment. The nation projects to attain a maximum of US dollars 8 billion between the periods of 2011- 2015.

In comparison to the past, the recent increase in foreign direct investment particularly by the western firms' benefits Laos immensely. Some of the notable profits comprise of increased availability of basic commodities such as fuel, construction materials, and vehicles. The country also expects to achieve an annual economic growth of 8%. The real returns stand to improve the economic and social development plans. So far, the government intends to use the proceeds to develop budding industries by the end of the decade. The move shall help to improve the Lao's status in global ranking. Besides, Lao anticipates benefiting from improved infrastructure, job opportunities and growth of local industries from the investments.

Some of the foreign direct investments in Lao comprise of construction of showrooms in the major cities. Thus far, the American firm RMA is in the process of venturing in Lao. The move shall facilitate distribution of the major brands like John Deere tractors, Land Rover and other automobile equipment. Besides, Coca-Cola Company construction of a bottling plant in the country is a notable investment. Additional foreign direct investments include the banking industry, for example, the Malayan Banking Bhd, industries expansion like Essilor that makes eyeglass lenses. In addition, the country attracts real estate investors like the Shanghai Wanfengs and investments in infrastructure like a railway line construction.

Risks of foreign direct investment in Lao include the unstable commercial laws that expose foreign investors to vulnerabilities like loss of properties. In

addition, the government's biased in conflict resolution makes the environment volatile. Finally, prevalence of corruption makes the business condition unbearable for foreigners.