

Laos WTO ACCESSION: 10 years on

Accessions commitments, trade reforms and journey to LDC graduation

By: Dr. Buavanh VILAVONG

Permanent Secretary, MOIC, Laos

VERSION	STATUS
1.0	LDC Graduation
(Retrospective)	Phase

MARKET ACCESS COMMITMENTS

Market Access for Goods

- ✓ **100% Binding:** Entire tariff bound up to the 10-digit level.
- ✓ **Avg. Rate (19%):** 19.6% for Agriculture, 18.9% for non-agricultural goods.
- ✓ **Predictability:** Small gap between applied and bound rates limits unilateral increases.

Market Access for Services

- ✓ **Sector Coverage:** Commitments in 10 major sectors covering 79 sub-sectors.
- ✓ **Key Verticals:** Financial, Telecom, Tourism, and Transport included.
- ✓ **Ownership:** Progressive easing of equity limitations under Mode 3.

REGULATORY COMMITMENTS

150+ Legislative Instruments

During the 14-year accession process, Lao PDR adopted or adjusted over 150 legislative instruments to achieve WTO compliance across 26 policy areas.

- ✓ **Trading Rights:** Granted to foreign traders from the date of accession (with transition for rice/petroleum).
- ✓ **Uniformity:** Commitment to apply WTO provisions uniformly across the national territory.
- ✓ **Judicial Review:** Established mechanisms for prompt administrative and judicial review of trade actions.

KEY TRADE-RELATED POLICY REFORMS



Legal Framework

Enactment of the Law on Safeguards (2017) and Anti-Dumping/Countervailing Measures (2019).



IP & TRIPS

2017 Law on IP aligned with international standards; launched IP web portal for registration in 2019.



Transparency

Official Electronic Gazette launched in 2013; Trade in Services Portal established in 2017.

IMPACT OF TRADE FACILITATION

70

REDUCTION IN TIME

%

Streamlining Clearance

Implementation of the Trade Facilitation Agreement (TFA) Roadmap has transformed border efficiency.

- ✓ Export process: From 226 hours to 69 hours.
- ✓ Import process: From 228 hours to 71 hours.
- ✓ Automation of customs offices at 27 border posts.
- ✓ World Bank Ease of Doing Business rank improved from 124th to 78th.

TECHNICAL ASSISTANCE RECEIVED



570+ Training
Events

Capacity Building Pillars

- ✓ **Enhanced Integrated Framework (EIF):** 16 projects worth US\$68M for export diversification.
- ✓ **China Round Table:** Participation in LDC & Accessions programs for regional knowledge sharing.
- ✓ **USAID LUNA Projects:** Assisted integration into ASEAN Economic Community (AEC).
- ✓ **Category C Needs:** Targeted assistance for complex "Single Window" implementation.

SOME TECHNICAL ASSISTANCE NEEDS

- **Implementation challenges:** Although Laos has fulfilled 100% of its commitments under WTO TFA, implementation remains a challenge (estimated at around 47% in 2022).
- **Capacity building:** Strengthening government officials' capacity in drafting and submitting WTO notifications.
- **Supporting regulatory reforms** and improving business environment
- **Enhancing competitiveness** in 3 pillars:
 - 1) Industrial development
 - 2) Enhancing trade and market access
 - 3) Private sector development

KEY LESSONS LEARNED FOR ACCEDING ECONOMIES

Accession as a Trigger

Use the negotiation process as a catalyst for fundamental domestic change, modernizing legal frameworks long before joining.

Maximize Flexibilities

LDCs should strategically use transition periods (e.g., TRIPS pharmaceutical patent delays until 2033).

Early Transparency

Launch portals and gazettes early to build international trust and reduce the burden of member queries.

Post-Accession Engagement

Combat "implementation fatigue" by maintaining trained teams in Geneva to join Joint Statement Initiatives (JSIs).



The Road to LDC Graduation

Lao PDR is projected to graduate from LDC status in **2026**. This milestone necessitates a "smooth transition" package to manage the eventual loss of Duty-Free Quota-Free (DFQF) preferences.

2026

Target Date

Diversification

Key Success Factor

SMOOTH GRADUATION STRATEGY

Laos has adopted a smooth transition strategy to guide the country, which is anchored on four key pillars:

- (i) Macroeconomic stability
- (ii) Trade and investment promotion
- (iii) Human capital development
- (iv) Climate resilience.

CONCLUSION

Questions & Path Forward

Ensuring a sustainable trade regime through diversification, digitalization, and regional integration.

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