

Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity
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Ministry of Public Works and Transport

No.: /MPWT
Vientiane Capital, dated:

To: The Minister of Planning and Investment
The Minister of Industry and Commerce

Sub: Report on conditions for business and stipulation of conditions for investment
in the public works and transport sector.

The Ministry of Public Works and Transport hereby gives the following information about the list of conditions for business and stipulation of conditions for investment in the Public Works and Transport Sector as follows:

No.	Code	Type of Business	Condition
I		Transport Sector	
1		Passenger Transport by Taxi	1. Have executive officers with at least five years' experience in managing a business; 2. Have personnel with technical transport knowledge at a bachelor degree level and two years' experience amounting to 20% of total employees; 3. Have 20 taxis or more with 100% technical availability; 4. Have a command system and full communications system; 5. Have registered capital of at least five billion kip.
2		Operation of a Domestic Goods Transportation Business	1. Have executive officers with at least five years' experience in managing a business; 2. Have personnel who are Lao citizens with two years' experience with technical transport knowledge at higher vocational level amounting to 20% of total employees,; 3. Have registered capital of at least three billion kip; 4. Have 20 transport trucks with 100% technical availability for a foreign investor, and at least 80% technical availability for a Lao investor; 5. For domestic investment, an owner shall be a Lao citizen or non-resident alien living permanently in Laos; 6. For foreign investment, it shall be a joint

			venture enterprise and the foreign investor can invest 100%. The shareholding is designated by investors in accordance with their contributions.
3		Operation of an International Transportation Business	<ol style="list-style-type: none"> 1. Have executive officers with at least five years' experience of managing a business; 2. Have personnel who are Lao citizens with two years' experience with technical transport knowledge at higher vocational level, amounting to 20% of total employees, 3. Have registered capital of at least five billion kip or more; 4. Have 20 transport trucks or more with 100% technical availability; 5. For foreign investment, it shall be a joint venture enterprise between Lao and foreign investors provided that a Lao investor holds more than 50% of shares and has more authority in the management of the business.
4		Operation of a Domestic Freight Transportation Arrangement Business	<ol style="list-style-type: none"> 1. Have executive officers with at least five years' experience in managing a business; 2. Have personnel who are Lao citizens with two years' experience with transport technical knowledge at a higher vocational level amounting to 20% of total employees; 3. Have registered capital of at least three billion kip or more; 4. For domestic investment, the owner shall be a Lao citizen or non-resident alien living permanently in Laos; 5. For foreign investment, it shall be a joint venture enterprise between Lao and foreign investors provided that a Lao investor holds more than 50% of shares and has more authority in the management of the business.
5		Operation of an International Freight Transportation Arrangement Business	<ol style="list-style-type: none"> 1. Have executive officers with at least five years' experience in managing a business; 2. Have personnel who are Lao citizens with two years' experience with technical transport knowledge at a higher vocational level amounting to 20% of total employees; 3. Have registered capital of at least three billion kip; 4. For domestic investment, an owner shall be a Lao citizen or non-resident alien living permanently in Laos; 5. For foreign investment, it shall be a joint venture enterprise between Lao and foreign

			investors provided that a Lao investor holds more than 50% of shares and has more authority in the management of the business.
6		Operation of Domestic, International and Cross-border Commodity Transport Business	<ol style="list-style-type: none"> 1. Have executive officers with at least five years' experience in managing a business; 2. Have personnel who are Lao citizens with two years' experience with technical transport knowledge at a higher vocational level amounting to 20% of total employees; 3. Have registered capital of at least five billion kip for domestic services and ten billion kip for international and cross-border transport services; 4. For foreign investment, it shall be a joint venture enterprise between Lao and foreign investors provided that a Lao investor holds more than 50% of shares and has more authority in the management of the business.
7		Operation of a Rental Service (light car, truck, and heavy machine) Business	<ol style="list-style-type: none"> 1. Have executive officers with at least five years' experience in managing a business; 2. Have personnel who are Lao citizens with two years' experience with technical transport knowledge at a higher vocational level amounting to 20% of total employees; 3. Have registered capital of at least three billion kip for domestic investment and five billion kip for foreign investment; 4. For domestic investment, an owner shall be a Lao citizen or non-resident alien living permanently in Laos; 5. Have 20 vehicles (100% new light cars and trucks) and 5 heavy machines for rent with 80% technical availability; 6. For foreign investment, it shall be a joint venture enterprise between Lao and foreign investors provided that a Lao investor holds more than 50% of shares and has more authority in the management of the business.
8		Approval for the Incorporation of a Vehicle Technical Inspection Center	<ol style="list-style-type: none"> 1. Have a suitable location and ensure safety for the environment; 2. Have an appropriate factory structure in accordance with regulations issued by the Ministry of Public Works and Transport; 3. Have modern equipment in line with international standards; 4. Domestic investment, joint investment, or 100% foreign investment but must have one billion kip of registered capital or more.
9		Approval for the Incorporation of a	<ol style="list-style-type: none"> 1. Have a suitable location and ensure safety for the environment;

		Vehicle and Heavy Machine Repair Facility	<ul style="list-style-type: none"> 2. Have an appropriate factory structure in accordance with regulations issued by the Ministry of Public Works and Transport; 3. Have modern equipment in line with international standards; 4. Domestic investment, joint investment, or 100% foreign investment but must have 1.5 billion kip of registered capital or more.
10		Driving School for General Vehicles	<ul style="list-style-type: none"> 1. Have one teacher for theoretical instruction with technical qualifications and who has proper instruction and training qualifications; 2. Have at least two teachers for practical instruction with a C-type driving license and five years' driving experience; 3. Have a permanent location and building, office, classroom with a full set of modern teaching equipment, and a large driving field built as a traffic simulation; 4. Have three cars for driving; 5. Have teaching documents approved by the Transport Department; 6. Have more than 500 million kip of registered capital; 7. Joint investment with 51% domestic and 49% foreign investment.
11		Driving School for Heavy Vehicles	<ul style="list-style-type: none"> 1. Have executive officers who have obtained the heavy vehicle technical qualification; 2. Have teachers for theoretical and practical instruction (heavy vehicle); 3. Have an appropriate driving field; 4. Have five types of vehicles in accordance with incorporation regulations issued by the Ministry of Public Works and Transport; 5. Have a driving teaching manual approved by a competent institute; 6. Have 1.5 billion kip of registered capital or more; 7. Domestic investment, joint investment, or 100% foreign investment.
12		Design, Survey of Traffic, Drawing of Traffic Lines and Symbols, Inspection of Road Safety	<ul style="list-style-type: none"> 1. Have executive officers with knowledge of road-bridges and traffic engineering at a minimum of middle vocational level; 2. Have a specialist team that has received training on traffic engineering, has specializations, and more than three years' experience; 3. Have modern tools and equipment for production and installation of traffic signs.
III. Transportation Infrastructure Construction Sector			

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1	7421	Survey, Design, and Consultancy	<ol style="list-style-type: none"> 1. Must be approved by the government and comply with the Investment Promotion Law and regulations of relevant sectors. Prior to and after the investment, the business operation must be inspected and approved by relevant sectors; 2. For the incorporation of joint venture enterprises between foreign and domestic investors, both sides must reach an appropriate agreement; 3. A foreign investor may provide 100% of the investment in the business provided it is a large investment.
2		Road-Bridge Construction	<ol style="list-style-type: none"> 1. Must be approved by the government and comply with the Investment Promotion Law and regulations of relevant sectors. Prior to and after the investment, the business operation must be inspected and approved by relevant sectors; 2. Domestic and foreign investors shall agree on a shareholding in an appropriate manner; 3. A foreign investor may provide 100% of the investment in the business provided it is a large investment with five billion Kip registered capital or more.
IV		Housing-Urban Planning Sector	
1	7421	Review, Survey, Design, and Consultancy	<ol style="list-style-type: none"> 1. Must be approved by the government and comply with the Investment Promotion Law and regulations of relevant sectors. Prior to and after the investment, the business operation must be inspected and approved by relevant sectors; 2. For the incorporation of joint venture enterprises between domestic and foreign investors, the domestic investor must hold 51% of shares or more; 3. Foreign investors may not be the sole investors in the business.
2		Project Feasibility Study	1. Have at least four billion kip of registered capital;
3		Survey, Design Building, and Urban Planning	2. In cases of large projects, the registered capital must be at least eight billion kip;
4		Survey, Interior and Exterior Decoration	3. Have knowledgeable and capable architects and engineers with actual experience suited to the size and level of investment;
			4. Have actual experience and performance suited to the type, size, and level of project being invested in;
			5. Have an office, vehicles, and equipment

			<p>with at least 90% technical availability;</p> <p>6. Be a member of the Association of Lao Architects and Civil Engineers;</p> <p>7. Collaborate with relevant authorities in cases of urban planning;</p> <p>8. Comply with the Law on Urban Planning, regulations on urban planning, and regulations on management of construction;</p> <p>9. Comply with the Law on Construction, and regulations on the incorporation of building survey, design, and construction companies;</p> <p>10. Strictly comply with relevant provisions and technical standards.</p>
5		Survey, Design of Building and Urban Plans	<p>1. Must be approved by the government and comply with the Investment Promotion Law and regulations of relevant sectors. Prior to and after the investment, the business operation must be inspected and approved by relevant sectors;</p> <p>2. For the incorporation of joint venture enterprises between domestic and foreign investors, the domestic investor must hold 51% of shares or more;</p> <p>3. Foreign investors may not be the sole investors in the business;</p> <p>4. Have knowledgeable and capable architects and engineers with actual experience suited to the size and level of the investment;</p> <p>5. Have actual experience and performance matching the type, size, and level of the project being invested in;</p> <p>6. Have offices, vehicles, and equipment with at least 90% technical capability.</p>
6		Survey, Interior and Exterior Decoration	
7		Survey, Design of Construction Engineering	
8		Construction Consultancy	
9		Construction	
10		Preparation of Land for Construction (digging, filling of land)	<p>1. Must be approved by relevant sectors for business operations;</p> <p>2. Have at least eight billion kip of registered capital;</p> <p>3. For large project, this must be 40 billion kip or over;</p> <p>4. Be a member of the Association of Lao Architects and Civil Engineers;</p> <p>5. Have an office, machinery, and vehicles with at least 90% technical capability;</p> <p>6. Must cooperate with relevant Lao administrative authorities.</p>
11		Full Construction	
12		Partial Installation (buildings)	
13		Interior and Exterior Decoration (finalization)	
14		Enterprise for the Incorporation of Water Supply	

			<p>including water researchers, electricians, administrative technicians, accountants, and so on;</p> <p>3. Have sufficient and suitable capital, vehicles, machines, and equipment for construction and installation of water supply systems to serve its area of service;</p> <p>4. Have an area of service which is officially agreed and approved by the Water Supply Authority;</p> <p>5. Have water resources agreed by the Water Resource and Environment Administration (details are stipulated in the Law on Water Supply of 2010).</p>
V		Waterway Public Works Sectors	
1		Operation of a Domestic and International Goods Transport Business	<p>1. Have a director or manager with transport management knowledge and administrative experience;</p> <p>2. Have at least two specialists with transport knowledge at vocational education level and two years' experience;</p> <p>3. Have capital in cash deposited in a bank account or have fixed assets;</p> <p>4. Have ships duly inspected and registered, and also having tools and equipment appropriate to the scale of the business;</p> <p>5. Have an office appropriate to the scale of the business without creating traffic obstruction and affecting the environment;</p> <p>6. Having a specific transport route approved by relevant sectors at the beginning and the end points of transport.</p>
2		Operation of a Maritime Transport Business	<p>1. Have a director or manager with transport management knowledge and administrative experience;</p> <p>2. Have at least two specialists with transport knowledge at vocational education level and two years' experience;</p> <p>3. Have capital in cash deposited in a bank account or have fixed assets;</p> <p>4. Have tools and equipment for the service and an office appropriate for the scale of the business.</p>
3		Ship Rental Service with Crews	<p>1. Having a director or manager with transport management knowledge and administrative experience;</p> <p>2. Have at least two specialists with transport knowledge at vocational education level and two years' experience;</p>

			<ul style="list-style-type: none"> 3. Have capital in cash deposited in a bank account or have fixed assets; 4. Have ships duly inspected and registered, and also tools and equipment appropriate to the scale of the business; 5. Have tools and equipment for the service and an office appropriate to the scale of the business.
4		Harbor Service, Goods Discharge, Packaging, and Warehousing	<ul style="list-style-type: none"> 1. Have a director or manager with harbor management knowledge and administrative experience; 2. Have at least two specialists with transport or harbor service knowledge at vocational education level and two years' experience; 3. Have capital in cash deposited in a bank account or have fixed assets; 4. Have standard tools, equipment for goods discharge, a warehouse, and an office appropriate to the scale of the business.
5		Shipyard	<ul style="list-style-type: none"> 1. Have a director or manager with shipyard management knowledge and administrative experience; 2. Have at least two specialists with ship construction knowledge and two years' experience; 3. Have capital in cash deposited in a bank account or have fixed assets; 4. Have modern and basic tools, and equipment for ship construction; 5. Have an appropriate office and shipyard location that does not negatively affect the environment.
6		Tugboat Service	<ul style="list-style-type: none"> 1. Have a director or manager with transport management knowledge and administrative experience; 2. Have at least two specialists with transport knowledge at vocational education level and two years' experience; 3. Have capital in cash deposited in a bank account or have fixed assets; 4. Have tugboats, tools, equipment and an office appropriate to the scale of the business.
7		Tourism Boat/Ship	<ul style="list-style-type: none"> 1. Have a director or manager with transport management knowledge and administrative experience; 2. Have at least two specialists with transport knowledge at vocational education level and two years' experience;

			<ol style="list-style-type: none"> 3. Having capital in cash deposited in a bank account or have fixed assets; 4. Have ships duly inspected and registered, and tools and equipment appropriate to the scale of the business; 5. Have an office appropriate to the scale of the business without creating traffic obstructions or affecting the environment; 6. Have a specific transport route approved by relevant sectors at the beginning and the end points of transport.
8		Waterway Construction and Repair	<ol style="list-style-type: none"> 1. Must be approved by relevant sectors and comply with the law on investment; 2. Have a director or manager with construction management knowledge and administrative experience; 3. Have at least two specialists with general construction knowledge at vocational education level and two years' experience; 4. Have capital in cash deposited in a bank account or have fixed assets; 5. Have construction machinery and tools appropriate to the scale of the business; 6. Have an office appropriate to the scale of the business without creating a traffic obstruction or affecting the environment.
9		Waterway Consultancy, Survey and Design Firm	<ol style="list-style-type: none"> 1. Must be approved by relevant sectors and comply with the law on investment; 2. Have at least two specialists with general construction knowledge at vocational education level and an executive officer with two years' first-hand experience of management; 3. Have capital in cash deposited in a bank account or have fixed assets; 4. Have tools and equipment appropriate to the scale of the business; 5. Have an office appropriate to the scale of the business without creating a traffic obstruction or affecting the environment.
10		Mineral/Sand Mining Service	<ol style="list-style-type: none"> 1. Must be approved by relevant sectors and comply with the law on investment; 2. Have a director or manager with construction management knowledge and administrative experience; 3. Have at least two specialists with general construction knowledge at vocational

			<p>education level and two years' experience;</p> <p>4. Have capital in cash deposited in a bank account or have fixed assets;</p> <p>5. Own rigging ships, machines, and equipment appropriate to the scale of the business;</p> <p>6. Have an office and a place to keep minerals/sand appropriate to the scale of the business without creating a traffic obstruction or affecting the environment.</p>
11		Freight Transportation for Maritime Transport CPC 724	<p>1. Must be permitted by the government;</p> <p>2. Must be within the ASEAN scope of service and comply with relevant conventions.</p>
12		Storage and Warehousing Service CPC 724	
13		Vessel Salvage and Refloating Services “not applicable in harbor” CPC 7454	
VI		Train Sector	
1		Train Ticket and Reservation Service	<p>1. Application for investment and registration which shall be reviewed, considered, and examined by the public works and transport authority;</p> <p>2. The quality must be certified by the public works and transport authority.</p>
2		Supply of Spare Parts and Communication Equipment to Serve Train Transport	<p>1. Application for investment and registration which shall be reviewed, considered, and examined by the public works and transport authority;</p> <p>2. The quality must be certified by the public works and transport authority.</p>
3		Supply of Spare Parts and Equipment for Repairing Transmission System	<p>1. Application for investment and registration which shall be reviewed, considered, and examined by the public works and transport authority;</p> <p>2. The quality must be certified by the public works and transport authority.</p>
4		Goods Transport Service by Train	<p>1. Application for investment and registration which shall be reviewed, considered, and examined by the public works and transport authority;</p> <p>2. Have a binding contract with goods supplier and recipient.</p>

5		Food and Beverage Service on a Passenger Train	<ol style="list-style-type: none"> 1. Application for investment and registration which shall be reviewed, considered, and examined by public works and transport authorities; 2. The quality must be certified by relevant authorities.

This letter is therefore addressed for your acknowledgement and due consideration.

Minister of Public Works and Transport