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USAID LAOS BUSINESS ENVIRONMENT

USAID Laos Business Environment, a five-year activity funded by the United States Agency for International Development (USAID), assists the Government of Laos to enhance the competitiveness of small and medium-sized enterprises (SMEs) while strengthening the business environment in the Lao People's Democratic Republic.

Over the past fifteen years, Laos has made great strides in opening its economy and achieving high annual GDP growth. However, this growth has been driven primarily by large-scale investments in hydropower, mining, and construction — sectors typically dominated by large companies. While SMEs make up the majority of firms and provide the greatest number of jobs among private sector employers in Laos, they often lack the resources or know-how to successfully grow their business or access new markets. USAID Laos Business Environment works with the Government of Laos to provide targeted advice and training to SMEs in order to spur job creation, expand regional and international trade, and generate inclusive, broad-based economic growth.

IMPROVING THE COMPETITIVENESS OF SMEs

The activity enables SMEs to become more productive and responsive to market needs by applying a small grant mechanism for improving SMEs' production practices and quality standards. It focuses on improving SMEs' knowledge and understanding on commercial laws and regulations, providing them with opportunities to expand their markets. By building SMEs' digital skills, the activity helps Lao firms participate more actively in the emerging digital economy.

PHOTO: Photo by USAID East Africa Trade Hub

INCREASING PUBLIC-PRIVATE SECTOR ENGAGEMENT

The activity increases interaction between the private and public sectors, facilitating SMEs' participation in policy development and the establishment of new regulations that affect their bottom line. USAID Laos Business Environment works closely with the Ministry of Industry and Commerce and the Lao National Chamber of Commerce and Industry to expand public-private dialogue platforms at the provincial level to reach more SMEs. It also assists with in-depth trade analysis to help the Government of Laos pursue an evidence-based trade and investment policy agenda.

MORE EFFECTIVE FACILITATION OF THE MARKET ECONOMY

USAID Laos Business Environment provides technical support to government officials in order to effectively design and implement SME-friendly commercial laws, regulations, and procedures; strengthen mechanisms for commercial dispute resolution; and improve domestic and international trade-related services.

ANTICIPATED OUTCOMES

The USAID Laos Business Environment activity:

- Improves SMEs' ability to access and expand markets.
- Enhances the capacity of SMEs to effectively participate in policy dialogue.
- Supports the Lao government to improve trade-related services.

PARTNERS: USAID partners with International Business Initiatives (IBI) to enhance the competitiveness of SMEs so that they can significantly contribute to broad-based economic growth and a strong, prosperous, and independent Laos.

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