



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Prime Minister's Office

Ref. No.31 /PM
Vientiane Capital, 2 April 2020

DECISION

On policies and measures to reduce impact from pandemic COVID19

Refer to:

- Government law (amended) no.04/NA 8 Nov 2016.
- Tax management law (amended) no. 66/NA dated 17 June 2019
- Income tax law no. 67/NA dated 18 June 2019
- Customs law (amended) no.04/PM dated 20 Dec 2011
- Bank of Laos law (amended) no.47/NA dated 19 June 2018
- Unanimous agreement of Gol ordinary meeting on 19-20 March 2020
- PM order no.06 dated 29 March 2020 on reinforcement measures to prevent, control and respond to pandemic COVID19

Prime Minister has decided:

Article 01: agree to implement policies and measures to reduce impact from pandemic COVID19 as following:

1.1 Policy

1. To exempt income tax collection from labor both private sectors and state enterprise who has income below 5 million kip for three months (from April to June 2020).
2. To exempt income tax collection for micro enterprises as defined in article 29, no.2 of income tax law no.67/NA dated 18 June 2019 for three months (from April to June 2020).
3. To exempt custom-tax, related fee for importing products to be used for prevention, control and preparation for COVID19 such as mask, sanitizer, medical equipment and other necessary items. Ministry of Industry and Commerce and Ministry of Health shall work together to make a list those products which need to be imported with custom-tax, fees exemption. Then, send to Ministry of Finance to be used as reference for implementation.
4. To defer tax collection from tourism businesses for three months starting from April 2020. Ministry of Information, Culture and Tourism to be focal point and work with relevant parties to define the list of business type which would be entitled.
5. To extend deadline for submitting financial reports and business performance in 2019 of enterprise from 31 March to 30 April 2020.
6. To extend road tax payment deadline from 31 March 2020 to 30 June 2020.
7. To study on possibility to reduce and defer payment for electricity and water supply bills for individual and businesses.
8. Agree that Bank of Laos (BoL) to reduce its basic interest and ratio of minimum saving of private bank based on situation of each period.

9. Agree that Bank of Laos to instruct private bank to implement policy on loan to cope with COVID19 impact such as: defer principal payment and interest, adjust interest, provide new loan to businesses, debt restructure, debt reclassification, etc as stated in BoL decision no.238/BoL dated 26 March 2020.
10. To defer payment for social security from businesses affected by COVID19 for three months (from April to June 2020).

1.2: Measures and instructions

- 1) The Ministry of Planning and Investment shall be the main contact point for all relevant stakeholders to study and revise the GDP and important macro-economic objectives for 2020 to the most realistic figures. The Ministry of Planning and Investment shall also study and assess other impacts until the 9th ordinary session of the National Assembly;
- 2) The Ministry of Planning and Investment, the Ministry of Finance, the Ministry of Industry and Commerce, the Bank of Laos and other relevant parties shall increase its control over macro-economic stability, with priority on prices of commodities, the currency exchange, public revenues and debts. Large-scale investment projects shall be encouraged to maintain their operations as planned and shall be facilitated in doing so in order to increase private investment.
- 3) The Ministry of Finance, ministries with revenues and local authorities shall vigorously collect public revenues as much as possible by coordinating with businesses which have not been impacted by COVID-19;
- 4) The Ministry of Finance, ministries with revenues and local authorities shall strictly control their expenses in a conservative manner by decreasing their usual administrative expenses by at least 10% of their 2020 budget. At the same time, decrease expenses in the following fields: expenses relating to meetings and seminars, welcoming of foreign guests, scientific studies, construction expenses, national celebrations, fixed assets, and other expenses. The savings made from these expenses shall be redirected towards Government efforts to prevent the spread of COVID-19. New public investment projects in 2020 that have been approved by the National Assembly (only infrastructure projects) shall see their public investment postponed to 2021. Projects with overly large valuations and limited effectiveness shall be reassessed and suggested to be suspended or renegotiated;
- 5) Promptly study and support the production of goods, especially funds for the promotion of SMEs for quick implementation;
- 6) Study and publish fundamental recommendations for tourism in order to maintain tourism activities after the COVID-19 crisis. Emphasis shall be put on increasing internal tourism, and the preparedness in attracting foreign tourists during high seasons in the last 3 months of 2020. At the same time, increase promotion and awareness around the impacts absorbed and find collective solutions;
- 7) Prepare the production and negotiate with companies that import minerals from PR China and other countries to prepare the supplies of minerals once the national industrial production comes back to normal. At the same encourage companies to pay their taxes and customs to the Government;
- 8) Diligently monitor, inspect the health and control the flow of Lao workers abroad in order for them to comply to the 14 day self-confinement measures. Issue certification to the those who are deemed healthy in order for them to resume their responsibilities
- 9) Focus on the study and adaptation of the Lao Airlines state enterprise business plan, in order to be ready for when the COVID-19 crisis has ended.

Article 2: On implementation

2.1. The Ministry of Planning and Investment, the Ministry of Industry and Commerce, the Ministry of Energy and Mines, the Ministry of Public Works and Transport, the Ministry of Labor and Social Welfare, the Ministry of Foreign Affairs, the Ministry of Public Health and other relevant stakeholders shall issue regulations on adequate implementation as per their responsibilities, scope and governance.

2.2 The Ministry of Planning and Investment shall be the main coordinator for the Ministry of Finance, the Ministry of Industry and Commerce, the Bank of Laos and other relevant stakeholders to support, monitor and inspect the implementation of various policies and instructions in this resolution in a tangible, transparent, and accountable manner and shall report their findings to the Prime Minister;

2.3 Should some or all policies or instructions be inapplicable under any circumstances, the Ministry of Planning and Investment shall be the main coordinator for their amendment as seen fit.

Article 3: The relevant ministries, central agencies, local authorities and relevant stakeholders shall acknowledge and collectively implement this resolution successively

Article 4: This resolution comes into effect on the date of signing.

**The Primer Minister
Thongloun Sisoulith**