



Vientiane Times

The First National English Language Newspaper

FRIDAY JULY 6, 2007

ISSUE 156

4000 ktp



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Date for resuming land concessions unsure

□ EKAPHONE PHOUTHONESY

THE government has yet to decide when it will resume the granting of land concessions to investors for industrial tree plantations, after having declared a moratorium on new concessions in May.

"We can only begin granting land concessions again once we have all the legal documents in place," the President of the Committee for Planning and Investment, Mr Soulivong Daravong, told investors on Monday.

Prime Minister Bouasone Bouphavanh released a notice suspending new land concessions over areas of more than 100 hectares in May following a national land management meeting in Vientiane, which concluded that the number of concessions being granted over large tracts of land was having a negative impact on the environment and local communities.

Deputy Director of the Policy and Inspection

Department of the National Land Management Authority, Mr Ounheuan Xayachak, confirmed yesterday that the government was unsure when this moratorium would be reversed, as the department was in the process of determining land potential and devising new land concession regulations.

"This process could take anywhere up to five years," he said, as it would require a great deal of funding and expertise.

He explained that the identification of land potential was very important, because it would form part of the guidelines that officials of all levels would have to consult before granting new land concessions.

He added that Laos had different types of land, which had the potential to grow different crops, and it was important to factor this into any decision over granting land concessions.

He said some pieces of land were suitable for growing cash

crops because they had already been fertilised, but some officials had not taken this into account when granting a concession to grow industrial trees, which would provide fewer benefits for the locals.

Mr Ounheuan explained that before land concessions could resume, the government would need a new set of regulations, consisting of eight decrees involving various ministries and sectors, and this process would take at least three years.

He confirmed that the Land Management Authority was now drafting a presidential decree on land concession fees for industrial plantations, which could increase fees from around US\$6 to US\$30 per hectare per year.

He added that the fees would differ depending on the location of the plantation in relation to the nearest town – those closer to towns would attract higher fees – and that this was on par with similar fees in neighbouring countries

and the region.

Mr Ounheuan said the authority planned to send the completed draft decree to the standing members of the National Assembly for approval and adoption, before the president of the Lao PDR could sign and promulgate the decree.

The issue of the land concession moratorium arose this week when Mr Soulivong of the Committee for Planning and Investment explained to the visiting President of the Oji Paper Co Ltd, Mr Kazuhisa Shinoda, whose company grows eucalyptus in Borikhamxay and Khammuan provinces, that although the government had suspended concessions, companies had the option of agreeing to apply the "2 +3" policy to larger investment projects.

Through this policy, which is designed to protect local communities, investors must provide funds, technical support and a ready market, while local people contribute their land and labour.

ADB helps improve health services

The Asian Development Bank (ADB) is assisting the government of Laos in improving health and nutrition services in impoverished northern communities of the Southeast Asian nation.

"The country's health indicators lag behind most countries in the region. Challenges include widespread poverty, isolated populations, and public sector capacity and financing constraints," said a principal health specialist of ADB's Southeast Asia Department, Mr Vincent de Wit.

According to a press release from its headquarters in the Philippines, ADB is providing a US\$13 million grant to cover most of the estimated US\$15 million cost of the Health System Development Project; the balance will be funded by the government.

The project is in line with the government's sixth national socio-economic development plan, which identifies health as one of four priority sectors.

The northern part of the country is characterised by higher than national levels of poverty, poor communications, and ethnic and other communities living in relatively isolated and remote settlements.

The project will improve primary health care delivery in eight northern provinces, particularly for the poor, women and children, and ethnic groups.

It will also strengthen the capacity of the Ministry of Health for the nationwide development of the health system, including planning and budgeting, financing, human resource development, and coordination.

While health indicators are improving, the country started from a low base, and needs to increase its efforts to achieve the Millennium Development Goals for the health sector.

The goals, which were established a year after the 2000 United Nations Millennium Summit, are a set of time-bound and measurable targets for combating problems including poverty, hunger,



The Ambassador of Austria to Thailand, Mr Arnold Riedel (fourth from right), Lao officials and business representatives observe local employees placing wood veneers into a heat machine to dry, before them packing for export. --See story page 7

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