

Press Release



National Statistics Centre – National Human Development Reporting Project
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Lao PDR

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International Trade – unlocking the potential for Human Development

*The third Lao National Human Development Report 2006 shows how to balance
economic growth and human development*

Vientiane, Laos: The National Statistics Center - under the Committee for Planning and Investment (CPI) - is shining a spotlight on the path forward for international trade and development in the Lao PDR with the launch of the third National Human Development Report, titled "International Trade and Human Development" on 21 December.

As developing countries like the Lao PDR play a growing role in the global economy, they must tread carefully to take advantage of the tremendous opportunities while avoiding the economic pitfalls that have plagued many countries around the world over the past few decades.

The NSC, with financial support from the UN Development Programme, has been working on a significant publication that deals with this challenge and analyzes the link between international trade and human development.

"This report is the result of a long participative process between the Lao Government and UNDP, involving many different national and international experts and researchers. Key features of this third NHDR include the calculation of the human development index - besides different other indexes - for Lao PDR. The overall finding of this third National Human Development Report is that the opening and increasing international trade has mainly benefited Lao people and Lao development," Mr Bounthavy Sisouphanthong, co-author of the report, said.

Ms. Sonam Yangchen Rana the UN Resident Coordinator/UNDP Resident Representative, said: "The NHDR 2006 offers new ways to diversify the Lao economy and strengthen exports to reduce vulnerability of the country in order to meet the Millennium Development Goals and the development targets. The UN in Lao PDR continues to work in partnership with the Government of Lao PDR to support these efforts."

Increasing trade, openness, and integration of Lao PDR with the regional economy and the global economy are inevitable. The increasing international trade is affecting the Lao economy, the employment of Lao workers, the role of Lao women, the education requirements of Lao children, the consumption patterns of Lao families, even Lao culture. The impacts will increase in the future.

Under the right circumstances Lao PDR – with its small, open economy – can benefit a lot from international trade. But the benefits depend on how well people and firms are able to respond to new opportunities and new competition. The benefits depend also on the composition and patterns of trade as well as the quality, consistency and implementation of government policy, and the policies of trading partners.

“By highlighting key challenges, the NHDR 2006 shows the best paths to take in order to simultaneously boost trade and human development. At the same time it is an urgent call for action and provides information on needed policy reforms to increase the positive benefits of international trade for Lao people, and reduce the negative impacts in the future.” Mr. Bounthavy and Dr. Charles Myers, the two co-authors of the report said.

The NHDR 2006 identifies cross-border trade, migration and remittances, employment, rural electrification and improved information as the most important pathways that need to be addressed in order to connect the benefits of trade directly and indirectly with the realities of thousands of Lao families.

Cross-border issues involve protecting the informal trade that occurs between small border communities and neighboring countries, which has a positive flow-on effect for local communities.

There are at least 200,000 Lao workers in Thailand, 55% of them women. They have moved to Thailand to find employment, and the remittances they send back to their families in Lao are estimated at \$100 million, which is equivalent to approximately 5 percent of Gross Domestic Product (GDP).

The report highlights the need for the government to secure economic sectors that have a high human development potential such as agriculture, manufacturing and tourism to maintain recent increases in employment which have seen Lao communities' expenditures grow.

Connecting rural communities with reliable electricity has been identified as a vital way to improve human development as it has shown to lead to increased school enrolment and retention rates, particularly of girls. It also contributes to improved health status, reduces the level of household work and increases access to information by enabling use of radio, television and mobile phones.

Access to information will be greatly enhanced by international trade - granting traders more access to business networks and market information. Farmers not yet producing for export will be able to observe and learn from others. Better information, contributes significantly towards development.

“This report is like using the zoom lens of a camera to focus on details of human development,” Mr Bounthavy said.

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Notes for editors:

National Statistics Centre (NSC) is the hub in Lao PDR's statistical work by using, producing and coordinating all official statistics. National Statistics Centre supplies support and satisfies Department of Planning, Ministry of Finance and other public, private and international users with data and information.

The UN Development Programme (UNDP) is the UN's global development network, advocating for change and connecting countries to knowledge, experience and resources to help people build a better life. We are on the ground in 166 countries, working with them on their own solutions to global and national development challenges. As they develop local capacity, they draw on the people of UNDP and our wide range of partners.

The National Human Development Reports are periodic publications that aim to contribute towards widening the development choices for sustainable and equitable growth as well as and to increase public awareness of the real human situation, drawing attention to actual critical concerns. It is a tool for policy makers in development planning and resource allocation.

The next NHDR- which will be the fourth of this kind - will deal with the issue “ Labour force” and its multiple aspects and challenges for the Human Development in the Lao PDR