

International Fish Trade Profile: Lao PDR

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INTRODUCTION

Fisheries play an important role in rural livelihoods in all the regions of Lao PDR. Most fishing is carried out as part of a diverse rural livelihood, ranked as the second or third most important activity after rice farming and animal husbandry, and contributing an average of about 20 % to rural household income. Fishing as a full time occupation is seasonal and limited only to locations near major rivers or reservoirs. In the southern part of the country, up to 80 % of rural households are involved in the fisheries sector. In other regions, the commercialization of fisheries has traditionally been limited by the tendency for most households to meet their own subsistence requirements and.

The people of Lao PDR, especially in the rural communities, rely heavily on aquatic resources as the most reliable sources of animal protein. The estimated fish consumption of inland fish is 24.5 kg/capita/year, while other aquatic animals account for about 4.1 kg/capita/year and marine products around 0.4 kg/capita/year, to make a total of 29 kg/capita/year of fish and aquatic products consumed (Hortle, 2007). During the rainy season, aquatic products are collected from all forms of water bodies and wetlands. Surplus aquatic products produced during the rainy season are preserved in a variety of ways according to cultural preference and prevailing local conditions such as fermenting (the most common process), pickling, drying, and smoking. Preserved fish products are generally more valuable than the fresh fish from which they are made. The preserved fish products are then utilized throughout the dry season, when food is relatively scarce. Fermented fish (*pa daek*) is also a significant staple in all villages, particular during periods in the year when catches are poor or peak agricultural labor requirements reduce the time available for fishing. While in dry season, there is a huge effort to collect the remaining animals trapped in shallow ponds created by receding waters.

FISHERIES PRODUCTION

Inland capture fisheries in Lao PDR utilize various water bodies such as the Mekong River and its tributaries, large hydropower reservoirs, natural ponds, lakes and small wetland, irrigation reservoirs, weirs, large areas of wet season rice fields, and seasonal Mekong flood plains. Moreover, even though slowly, aquaculture is growing in the country, which takes place in the central plains and highlands. Aquaculture provides fish during the dry season, allowing farmers to benefit from a good price for what is often a relatively low quality product. The different types of aquaculture systems are rice-fish culture, pond culture, rain-fed and irrigated rice fields, and cage culture. The quantity of fisheries production of Lao PDR in 2010-2017 is shown in **Figure 1**.

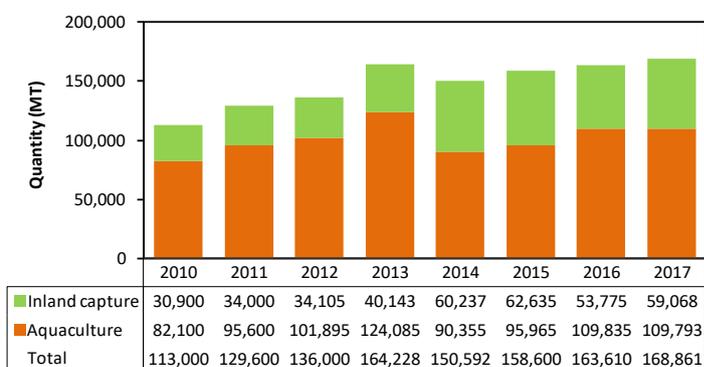


Figure 1. Fisheries production of Lao PDR in 2010-2017 by quantity (MT)

Source: SEAFDEC, 2017

INTERNATIONAL FISH TRADE

Figure 2 shows the information on the export and import of fishery products of Lao PDR from 2009 to 2013. The price of fish species vary during peak season (rainy season, August-November) and off-peak season (dry season, December-July) in Lao PDR (**Figure 3**). The considerable trade of fishery products takes place within the Mekong Basin and its neighboring catchments. A lively trade takes place between Thailand and Lao PDR, with Lao traders sending high-value species over the river to Thailand, receiving in exchange seeds of tilapia and other species. Cultured fish from Thailand are also found in most markets along the Mekong River. In addition, the information on the imported fishery products from Thailand to Champasak Province, Lao PDR in 2014-2017 is shown in **Figure 4** and **Figure 5**.

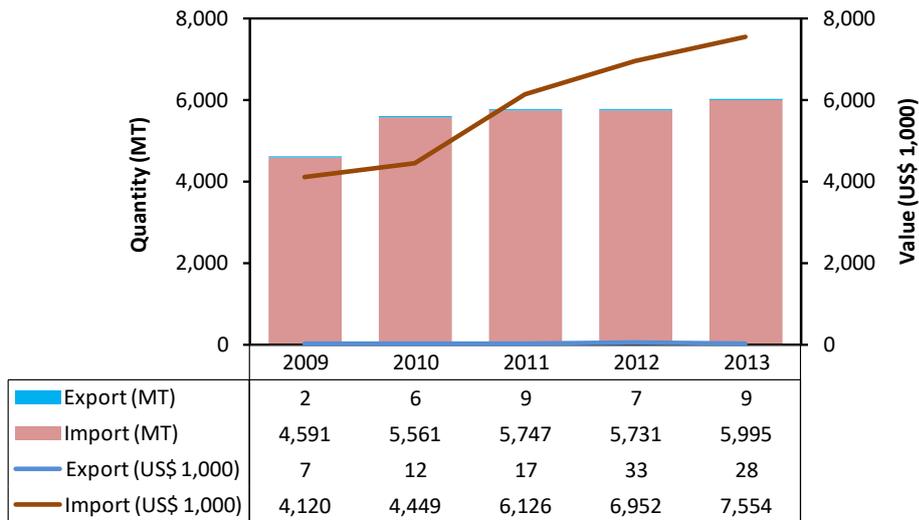


Figure 2. Quantity (MT) and value (US\$ 1,000) of fishery products exported and imported by Lao PDR in 2009-2013

Source: SEAFDEC, 2017

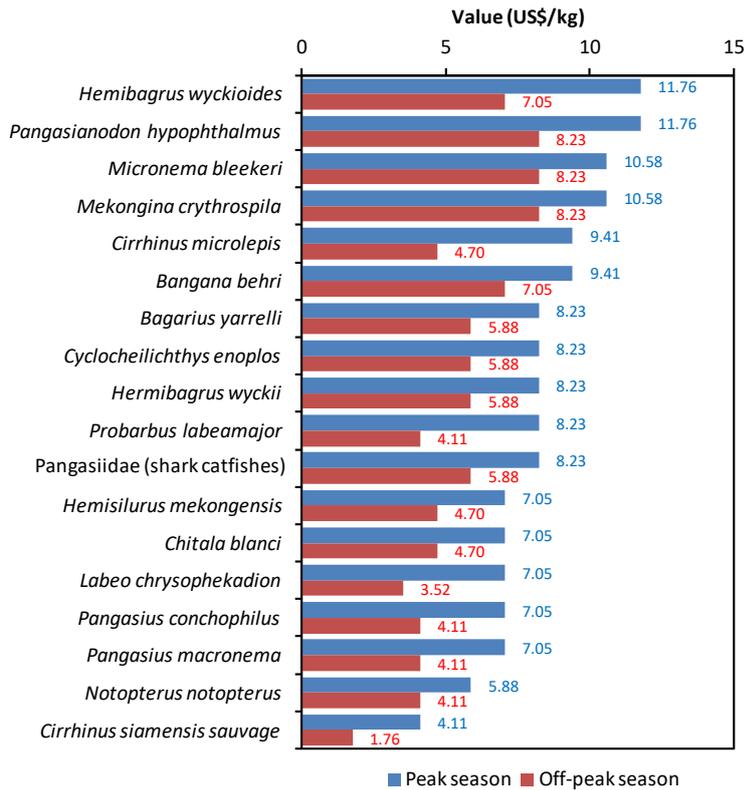


Figure 3. Price (US\$/kg) of fish species during the peak season and off-peak season in Lao PDR in 2017

Source: LFS-DAF, 2018

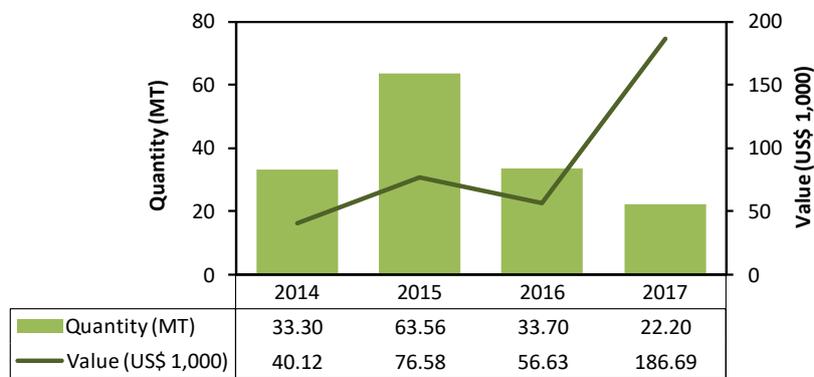


Figure 4. Quantity (MT) and value (US\$ 1,000) of fishery products imported from Thailand to Champasak Province, Lao PDR in 2014-2017

Source: LFS-DAF, 2018

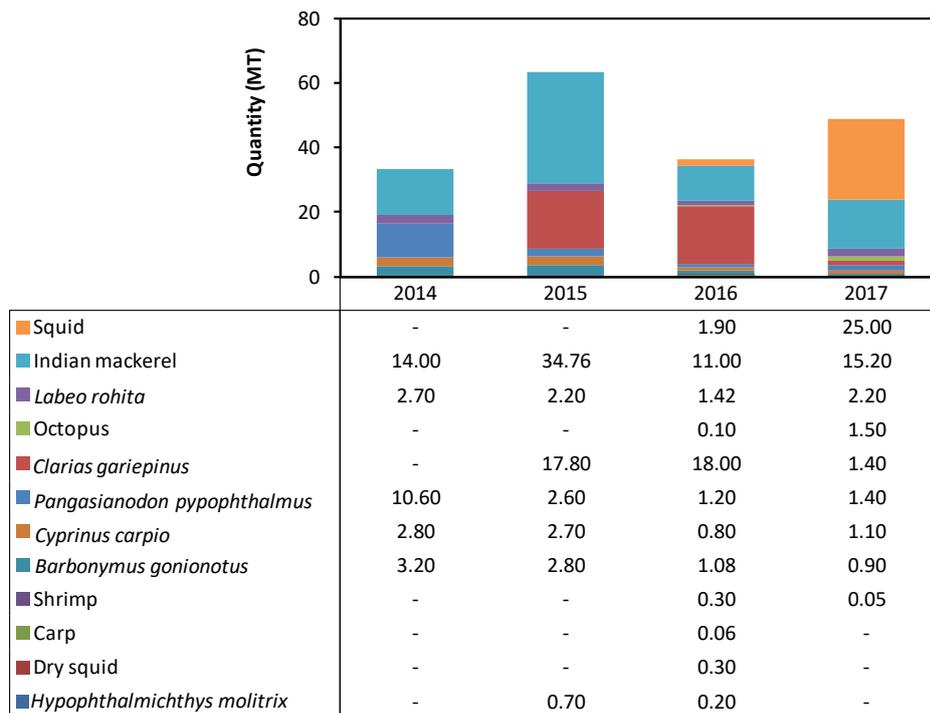


Figure 5. Fishery products imported from Thailand to Lao PDR in 2014-2017 by quantity (MT)
 Source: LFS-DAF, 2018

Furthermore, a diverse species of fishes are cultured in Lao PDR including 18 indigenous and 10 exotic fish species. The fish species have been introduced to Lao PDR through various sources but most of the trades were not formally recorded. The number and value of fish fingerlings imported to Lao PDR including both indigenous and exotic species are shown in **Figure 6** and **Figure 7**.

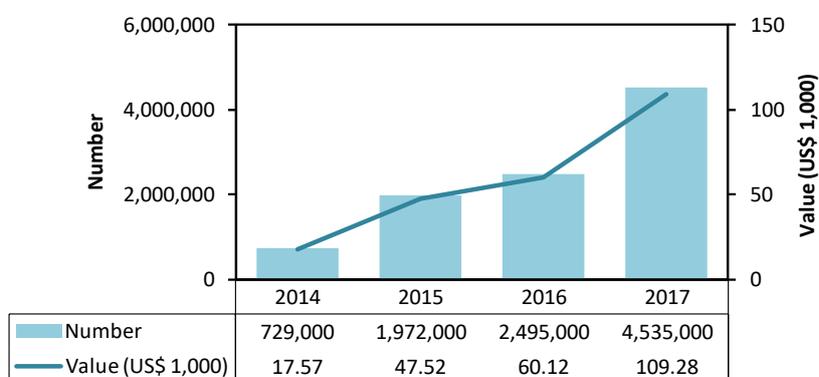


Figure 6. Number and value (US\$ 1,000) of fish fingerlings imported from Thailand to Champasak Province, Lao PDR in 2014-2017
 Source: LFS-DAF, 2018

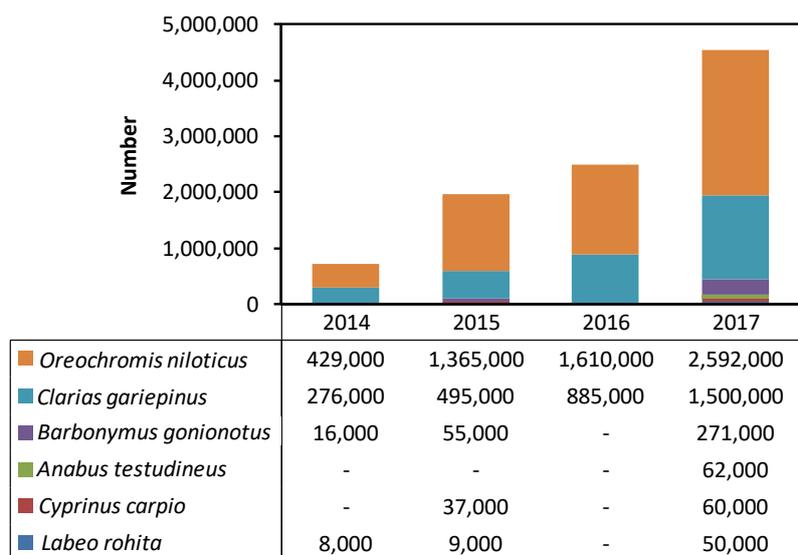


Figure 7. Species and number of fish fingerlings imported from Thailand to Champasak Province, Lao PDR in 2014-2017
Source: LFS-DAF, 2018

At present, Lao PDR is using the Tariff Nomenclature 2012, which commodities are classified based on ASEAN Harmonized Tariff Nomenclature (AHTN) and Harmonized Coding System (HS Code) of World Customs Organization (WCO). In order to respond to the change of technology and new emerging products, it is necessary to update the nomenclature every five years. The value of imported fishery products using the HS codes are described in **Table 1** and **Figure 8**.

Table 1. Harmonized System (HS) codes of traded fishery products of Lao PDR

HS code	Description
0303	Fresh fish and frozen
0304	Fish fillet, frozen, and any of fish processing
0305	Drying, pickling, smoking, and any of fish processing
1604	Caviar, and any kind of Caviar processing
1605	Frozen sea food and sea food processing

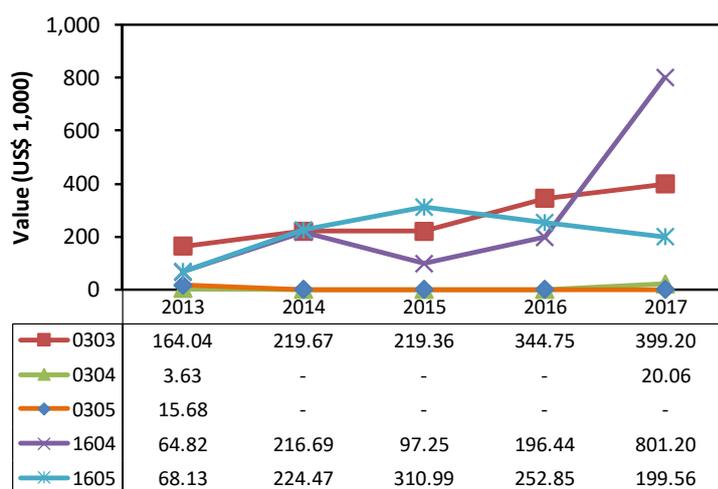


Figure 8. Fishery products imported by Lao PDR using the Harmonized System codes from 2013 to 2017 by value (US\$ 1,000)
Source: LTP, 2018

FISH TRADE POLICIES

Lao PDR became a member of the World Trade Organization (WTO) in 2013, and is working towards meeting the requirements of the ASEAN Economic Community. The country has established a Technical Barrier to Trade (TBT) Enquiry Point as required by the WTO TBT Agreement. According to regulation, all food imported into the country for consumer use must be labeled in accordance with Food and Drug Control Department requirements to ensure that these products do not pose a threat to human, animal, or plant health. Moreover, the country is also committed to the following agreements:

- ASEAN Trade in Goods Agreement (ATIGA)
- ASEAN-Australia and New Zealand Free Trade Agreement (AANZFTA)
- ASEAN-China Free Trade Agreement (ACFTA)
- ASEAN-India Free Trade Agreement (AIFTA)
- ASEAN-Japan Free Trade Agreement (AJFTA)
- ASEAN-Korea Free Trade Agreement (AKFTA)
- Asia-Pacific Trade Agreement (APTA)
- Laos-Vietnam Trade Agreement

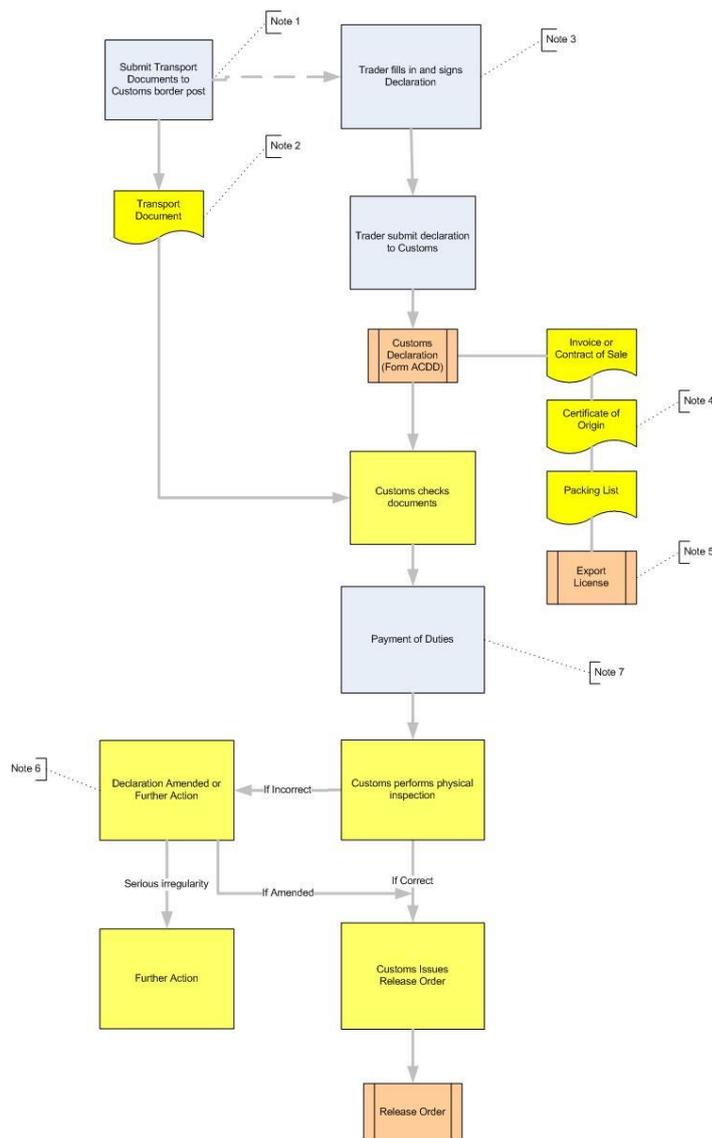
Table 2 and **Figure 9** give details on the index and procedures on exporting fishery products from Lao PDR. Also, the specifics on the index and procedures on importing products into Lao PDR are described in **Table 3** and **Figure 10**.

Table 2. Index of exporting fishery products from Lao PDR

Particulars	Description
Registration	If you are an importer wishing to export commercial goods from Lao PDR, you should, first of all, be a company registered with the Ministry of Industry and Commerce, Department of Enterprise Registration and Management
Prohibited goods	Before exporting goods from Lao PDR you should ensure that they do not fall into the category of prohibited goods. Prohibited goods cannot be imported, exported, transited, sold, or circulated in the country. The goods prohibited for export are listed in Notification No. 0973, Annex 1. If in doubt you should seek advice from the Department of Customs or from the Department of Import and Export (DIMEX) of the Ministry of Industry and Commerce.
Export license	For certain types of products it is necessary to obtain an export license from DIMEX. Depending on the product, the license can be either automatic or non-automatic. The rules about licensing are governed by Notification No. 0076 and you can find the list of products requiring licensing in its Annexes as well as a list of supporting documents required. If a product is not subject to licensing or to specific sanitary/phytosanitary or technical measures, you can proceed with the exportation of the product by submitting a declaration directly to Customs.
Certificate of origin	When you export goods you will normally be required to obtain a Certificate of Origin by the authorities in the importing country. For countries that have a preferential tariff with Lao PDR or with the ASEAN you can obtain a Certificate of Origin from the Ministry of Industry and Commerce, Certificate of Origin Division.
Sanitary and phytosanitary requirements	If the goods you intend to export are subject to sanitary and phytosanitary measures you will have to comply with the special regulations relating to those products. You may need to get a permit from the Ministry of Agriculture and Forestry either from the Livestock Department or from the Plant Quarantine Department depending on what you are intending to export. Lao PDR has established an SPS Enquiry Point as required by the WTO SPS Agreement.
Technical requirements	For certain types of products it may be necessary to obtain a permit that certifies that these products conform to certain technical standards. These technical regulations are administered by the Ministry of Science and Technology.

Particulars	Description
Export declaration	All goods exported from Lao PDR must be declared to Customs. A declaration must be submitted within 15 days from the date of lodgment with Customs of the transport documents (e.g. manifest) notifying Customs of the arrival of the cargo.
Customs broker	You may engage a Customs Broker to carry out the export formalities on your behalf.
Payment of duties	Once a declaration has been submitted and accepted by Customs, you will be required to pay for applicable duties.
Temporary exports	Goods that are temporarily exported from Lao PDR for the purposes of exhibitions, experiments, research, etc. and that will subsequently be brought back into the country must be declared to Customs in the normal manner.
Duty Exemption for exports	In order to promote the export of certain types of products, including most agricultural products, products derived from natural resources or manufactured products, these products are exempted from the payment of Customs duties. However, export duty is payable on certain types of products.
Transit	If companies are intending to transport goods in transit from one external border to another, the goods should not be brought into circulation into Laos. Goods in transit are covered by the customs regime. No duty is payable on transit goods but the declarant must provide a security in the form of a cheque or a letter of guarantee issued by a bank or financial institution in the amount equal to the amount equal to the customs duties and other obligations.

Source: LTP, 2012



Note 1. Transport documents must be submitted to customs within 24 hours of the arrival of the goods at the border.

Note 2. Transport documents are the commercial documents that describe the contents of the craft or vehicle that transports the goods and that arrives at border post. These could be a manifest (in the case of air cargo), a transport notice, a load or packing list or a copy of the export declaration in the case of road vehicles.

Note 3. Declaration must be submitted within 15 days from the date of lodgement of the transport documents. A declaration must be submitted using form ACDD. A duly authorized ACDD form can be collected from the customs office at the border post.

Note 4. A certificate of origin for exports for all countries with which Lao PDR has a preferential tariff (e.g. ASEAN) may be obtained from the certificate of origin Division of the department of import and export, Ministry of industry and commerce. The Lao National Chamber of Commerce and Industry is responsible for issuing certificates of origin for goods to be exported to all other countries.

Note 5. An export license is issued by the department of import and export of the Ministry of Industry and Commerce for those goods that are subject to licensing requirement to view the procedure for obtaining an import license.

Note 6. If an irregularity results in an amendment of the declaration the trader may proceed with the clearance process. If an irregularity is deemed to constitute a serious offence, Customs may decide to take the appropriate enforcement action.

Note 7. Most exports do not attract customs duties. However, on some commodities customs duty is payable. In addition some other taxes may apply. The Bank will issue a receipt which the trader will present to customs before clearance is issued.

Figure 9. Procedures on exporting fishery products from Lao PDR

Source: LTP, 2012

Table 3. Index of importing fishery products into Lao PDR

Particulars	Description
Registration	If you are an importer wishing to import commercial goods into Lao PDR you should, first of all, be a company registered with the Ministry of Industry and Commerce Department of Enterprise Registration and Management.
Prohibited goods	Prohibited goods are goods that are not fall into prohibited goods list. Prohibited goods cannot be imported, exported, transited, sold or circulated in Laos. You should refer to the specific laws and regulations that cover these prohibitions. Before importing goods into Lao PDR, you shall assure that those goods have its origin, correct product code, agreement; actual sale-purchase agreement and it shall not be prohibited goods, as well as not violating intellectual property right. If in doubt you should seek advice from the Department of Customs or from the Department of Import and Export (DIMEX) of the Ministry of Industry and Commerce.

Particulars	Description
Import license	For certain types of products it is necessary to obtain an import license from DIMEX. Depending on the product, the license can be either automatic or non-automatic. The rules about licensing are governed by Notification No. 0076 and you can find the list of products requiring licensing in its Annexes as well as a list of supporting documents required.
Sanitary and phytosanitary requirements	If the goods you intend to import are subject to sanitary and phytosanitary measures you will have to comply with the special regulations relating to those products. Normally, you may need to get a permit from the Ministry of Agriculture and Forestry either from the Livestock Department or from the Plant Quarantine Department depending on what you are intending to import. Lao PDR has established an SPS Enquiry Point as required by the WTO SPS Agreement. You can contact the SPS Enquiry Point if you have any questions regarding sanitary and phytosanitary requirements.
Technical requirements	For certain types of products it may be necessary to obtain a permit that certifies that these products conform to certain technical standards. These technical regulations are administered by the Ministry of Science and Technology. Lao PDR has established a TBT Enquiry Point as required by the WTO TBT Agreement. You can contact the TBT Enquiry Point if you have any questions regarding technical standards.
Import declaration	<p>All goods imported into Laos must be declared and duty is payable on them unless they are covered by an exemption or a suspension. A declaration is made by submitting a duly completed and signed ACDD Form together with the following minimum supporting documents:</p> <ul style="list-style-type: none"> - A commercial invoice or contract of sale document from the supplier of the goods - Transport documents such as Bill of Lading or Air Way Bill - Packing List (if available) - Certificate of Origin. This should have been supplied to you by the exporter. - Any import licenses or permits obtained from other ministries depending on the type of goods you are importing. <p>Declarations can be submitted at your regional Customs office. A declaration must be submitted within 15 days from the date of lodgment with Customs of the transport. This procedure is generally applicable for all types of goods imported into Laos for domestic consumption under Customs regime. However, different types of goods may require different supporting documents to be presented to customs together with a declaration. At present, this regulation is currently applied at every border post 11 Lao International border check points, such as the Thanaleng border post, Namphao, Deansavanh, Botean, Houayxay, Second Friendship Bridge border check point, Vangtao, Nam Xouy, Nam Leuang, Third Friendship border checking piont, Wattay. In future, Asycuda will be rolled out to all other border posts nationwide. Until then, at these border posts the general import procedure will apply.</p>

Source: LTP, 2012

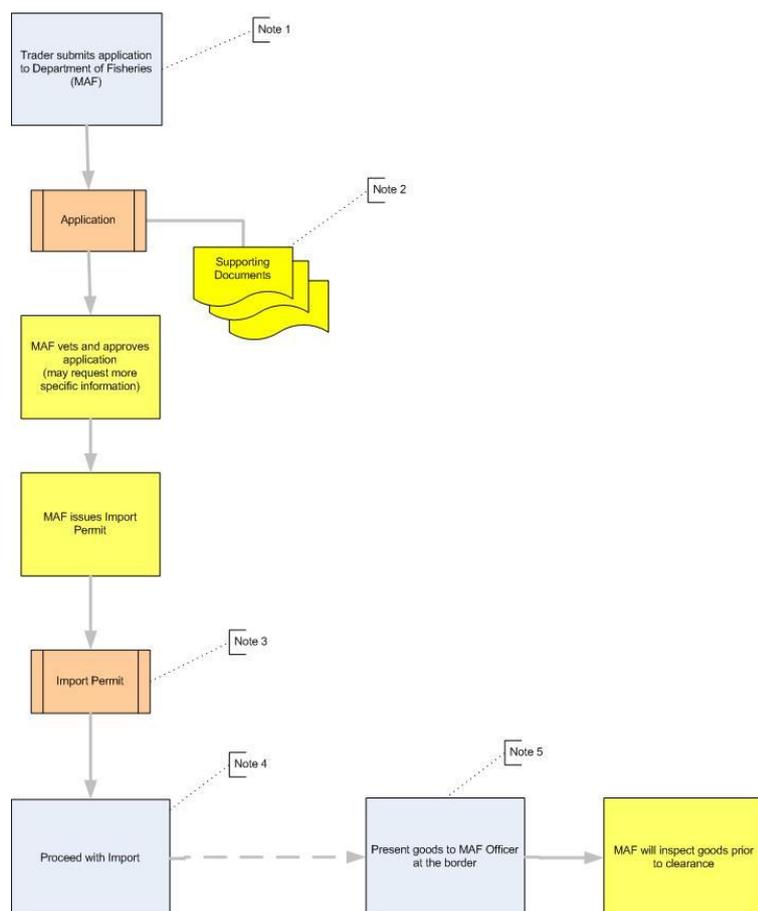


Figure 10. Procedures on importing fishery products into Lao PDR
Source: LTP, 2012

Note 1. A trader wishing to import live fish or frozen fish must present various documents to the Department of Livestock and Fisheries of the Ministry of Agriculture and Forestry in order to obtain an Import permit. No application form is required and a covering letter requesting approval is sufficient.

Note 2. The request must be accompanied by a number of supporting documents that will enable the department to assess the product. These documents may vary for each specific product and the department will advise you of which specific documents are required.

Note 3. MAF, Department of Livestock and Fisheries will issue the import permit. This document is in the form of a letter and must be presented to customs and to the MAF inspector at the border when importing the goods.

Note 4. The trader may now proceed with the normal import procedure.

Note 5. When the goods arrive at the border the trader must present himself to the MAF officer who will check the documents and will carry out a physical inspection of the products to allow the consignment to be cleared.

CONSTRAINTS IN FISH TRADE

The major constraint in fish trade in Lao PDR is limited access to market information especially on new markets, and this problem prevents producers from entering the market for products with higher value. Moreover, businesses in Lao PDR have no power over price because pricing is mainly regulated by non-Lao businesses. For processing businesses, the current phenomenon is copying of product designs and quality. The country is also facing issues that include weak regulatory enforcement and a largely “deals-based” approach, which reduces predictability and transparency. There are many illegal import and export transactions taking place in bordering countries. Other obstacles that Lao PDR is facing include:

- lack of educated and skilled staff to develop income-generating activities and handle the collection, analysis, and dissemination of information on fish trade;
- shortage of capital and skilled labor to install new technology and equipment for production;
- lack of reliable and up-to-date information on export-import business opportunities;
- the number of transportation companies within the country is limited and the cost is high for import and export transit services;
- high import tariffs in many countries, particularly the EU and USA, which make Lao exports uncompetitive;
- small and medium enterprises lack experience in marketing and exporting; and
- the quantity and quality of many products cannot meet demands of international market;
- export transactions cannot directly be carried out, which most are done through third parties;
- trade groups and associations are not well organized or extended across the country; and
- lack of statistics on trade of fishery products.

CONCLUSION AND WAY FORWARD

For further development of the fisheries sector of Lao PDR, there is a need for more reliable information, particularly on fish trade. The benefits of international fish trade such as gaining foreign currency and employment could be achieved through effective enforcement of the government of and compliance of all stakeholders on laws and regulations in trading of fishery products. This way, the country could increase the production and improve the quality of fishery products, and eventually make the quantity and value of exported fishery products greater than imported products.

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