

Govt to raise revenue target



The government has agreed to raise its revenue collection target from 14.6 percent to 15 percent of GDP next fiscal year in line with a proposal by the National Assembly last week.

The 14.6 percent target represented 7,910 billion kip and the additional 0.4 percent will raise this amount by 205 billion kip.

Prime Minister Bouasone Bouphavanh told the National Assembly on Friday the government wanted to incorporate the increase into the

government's reserve budget for emergency use, not in the general expenditure budget.

If the assembly approved, the reserve budget could rise from 60 billion to 265 billion kip.

The prime minister also talked about the likelihood of GDP growing at 7.5 percent in the coming year.

“In fact, it's quite difficult to estimate GDP growth in these times of economic hardship and fluctuating oil prices,” he said.

“In the first six months, we have faced a lot of difficulties and have worked hard to achieve GDP growth of 7.1 percent.”

Mr Bouasone predicted both internal and external conditions would be favourable for economic growth in Laos .

The economy of several countries had already begun to recover, especially China , an economic partner of Laos .

Tourism had high growth potential and the government planned to start direct flights to Hong Kong and South Korea .

Mr Bouasone also responded to assembly members' questions about the small quota of civil servants in rural areas.

He said in 2007-08, the quota for civil servants was 6,861 people, of whom 5,524 went to rural areas.

In 2008-09, the quota for civil servants was 7,000, of whom 5,891 had been allocated to rural areas.

“I think provinces have too small a quota for their districts. Another problem is that civil servants don't want to go to rural districts due to limited facilities,” he said.

“We want to supply enough civil servants to all areas but our budget is limited. We want to spend the budget on national development, not only for administration and subsidising officials.”

“The government is like our parents - this son wants to have a mobile phone and another wants new clothes, so we have to balance our budget.”

Concerning land use, Mr Bouasone said the government was considering ending approval of land for industrial tree plantations.

“In recent months, four companies have asked for permission to establish plantations but we have not given approval,” he said.

In July, the Ministry of Agriculture and Forestry will start collecting information for a report on the use of agricultural land throughout the country.

The ministry will identify how many hectares of land are used for crops and how much is still available as well as how land can be used effectively in the future.

The prime minister said 150,000 hectares of rubber were under cultivation in Laos , requiring about 300,000 labourers. “We need to consider whether we can supply workers to this industry or not,” he said.

Party Politburo members have advised not approving large areas of land for commercial plantations unless a land survey has been conducted.

So far, the government has approved 396,000 hectares of land for industrial tree plantations to 388 foreign and 728 domestic companies.

“In fact, we have more land available for commercial plantations, but our weakness is that we have not completed land surveys,” the prime minister said.

“The approval of land for tree plantations sometimes covers land used for agriculture and land that lies within a protected area.”

By Somsack Pongkhao