

Overview of the IP System and Competitiveness of the Lao Enterprises and Industries

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Scope of the Presentation

- I. Introduction
- II. Laos entrepreneurial main features
- III. The present situation and perspective
- IV. The opportunities and challenges. Ways forward
- V. Illustration: Study cases
- VI. Conclusion

I. Introduction

- Myself at personal collective at product level and national level
 - Private entrepreneur: Coffee business
 - Collective and regional commitment: President of the Lao Coffee Association
 - Collective national level commitment: LNCCI Board Director
- Illustration of IP management for the private sector in Laos

II. Laos entrepreneurial main features

- Laos is become a socialist country in 1975
 - All enterprises were state owned no private sector, that emerges only after reform in 1986. So our private entrepreneurs and the entrepreneurs spirit are 25 years old maximum.
 - The concept of IP ownership is quite new but under rapid development.
- How is organized the private sector:
 - Good organization of all sectors of the economy guarantees, good performance of information dissemination.
 - That is the tool to improve awareness of IP for the economy stakeholders throughout the country
 - Laos Chamber of Commerce and Industry and professional associations.
- How is organized the promotion of SME's activities
 - Smepto
 - Foreign aid programs: GIZ, JICA, AFD ...

III. The present situation and perspective

- Free market economy after long period of planed economy 1975 - 1990
 - No domestic production of consumer goods
 - Consumer goods with branded name imported 100%
- Regional and international open competition AFTA, WTO ...
 - Speed up domestic production capacity and replace import products by national made products with trade marks.
 - The Lao market (6 million of average low income) can difficultly support national brands new products.
- Promotion of Lao SME's competitiveness
 - Necessity to build up new Lao brand name products
 - Necessity to assure the legal framework for IP Protection
 - Necessity to improve the general public and particularly the Lao entrepreneurs awareness on IP protection
 - Build the capacity of the policy

IV. The opportunities and challenges. Ways forward

- Getting profit from opportunities: Laos is a small market for the world but the world is a big market for Lao enterprises.
 - Trade marks: 24,000 registered presently. Mainly foreign marks.
 - The first made in Laos exhibition staging presently. More than 200 exhibitors are displaying Lao made products and brands.
 - Collective marks and GI: Some Lao products have been selected to be collectively promoted (Bolaven Coffee and Xiengkhuang small chicken rice). GI regulation should be very soon adopted before the accession of Laos to WTO.
 - Certification and quality labeling: Not only to get a premium pricing but also to have access to niche markets in some countries. Mainly EU
 - The case of organic certification: Existed just for coffee (Sinouk and AGPC) and vegetable: As the markets exist, the certification process is expensive so that foreign donors must assist both for training and paying the certification fee.
 - Fair trade only few not wide spread





- Challenges. Ways forward
 - Management of human resources
 - Rising the public concern about IP and its rights
 - Example: from the university business and engineer students
 - Building knowledge and awareness for Lao entrepreneurs: Through the LNCCI and its professional associations even at provincial level.
 - Building capacity: Through the state organizations capabilities with the foreign assistance programs.
 - International constraints: Overwhelming might of foreign marks and big budget for advertising. It is easier to import and distribute foreign brand name product than to build and distribute a Lao brand name product. Lao people watch Thai TV.
 - Domestic constraints: Lack of finance and entrepreneurs self confidence, limited knowledge and reference for what exist outside. Limited level of education to lift up.

V. Illustration: Study cases

Getting the international competitive edge

- Existing well-known brands of Lao products
 - Beer Lao exported in many countries. Foreign brand beer even produced in Laos has difficulty to complete.
- Collective branding for foreign markets
 - Lao Handicraft, Lao Furniture, Lao Silk (JICA promotes Chai Lao Silk in Japan for Kimono).
- The case of Lao coffee
 - Branding a collective product: Laos coffee (Raw coffee beans) single origin is promoted year after year as one of the best in the world. It is known more and more by the international coffee trading companies.
 - Branding a specific product: Sinouk coffee (Roasted coffee beans): Building a whole concept of quality from the plantation to the cup. Now a well-known national brand but difficulty to export.





VI. Conclusion

- **International threats**
 - Weakness of the Lao economy to produce consumer branded items to replace the import ones.
 - The Lao enterprises of small size for international market competition.
- **Domestic challenges**
 - Low awareness for brand names and IP protection.
 - High cost of branding and suitable marketing policy.
- **Basic question**
 - Would international consumers buy a Libyan watch, Russian ginseng or a Kenyan car? ... Answer: No
 - Would they buy Lao coffee? ... Answer: Why not?



THANK YOU