



LAO PDR

Country Snapshot

WHAT IS THE LAND MATRIX?

The Land Matrix is an independent global land monitoring initiative that promotes transparency and accountability in evidence-based decisions over large-scale land acquisitions (LSLAs) in low- and middle-income countries across the world.

These country profiles present national-level data of LSLAs and transactions, including who the investors are, what the land will be used for, and what the potential benefits and impacts of the land deals are.

By making this information available, the Land Matrix aims to enhance broad engagement and data exchange, facilitating the continuous improvement of the data.

Find out more at www.landmatrix.org.

WHAT IS A LAND DEAL?

The Land Matrix defines a land deal as any intended, concluded, or failed attempt to acquire land through purchase, lease, or concession in low- and middle-income countries.

To be included in the Land Matrix global database, deals must meet the following criteria:

- Entail a transfer of rights to use, control, or ownership of land through sale, lease or concession;
- Have been initiated since the year 2000;
- Cover an area of 200 ha or more;
- Involve the change of land use (often from extensive or ecosystem service provision to commercial use).

The Laos country snapshot includes deals from the Land Matrix database with the following criteria: (1) Land area of 200 hectares and above, (2) Negotiation status of concluded only, (3) Excluding deals with pure contract farming and others, focusing on outright purchase, lease, concession and exploitation permit/license / concession, (4) Year of initiation at 2000 and above only, (5) All intention of investments excluding oil/gas extractions, and (6) Excluding forest concessions as well

For more information about land deals and how data is captured, analyzed, and used, browse our frequently asked questions at www.landmatrix.org/faq.





IMPORTANCE OF THE LAND MATRIX INITIATIVE

It is critical to gather and record information on these deals to raise awareness about the impacts of LSLAs at the local and national level, and to lobby for comprehensive land reform that facilitates access to and tenure over land, water, and forest resources for local communities, including farmers, fishers, forest users and dwellers, indigenous peoples, pastoralists, and herders. However, information on the Land Matrix database regarding LSLAs is not complete. Verification of basic data (such as deal size, location, investors involved, and terms of the lease agreement or contract) can be challenging, with different sources providing conflicting information. In fact, even the very existence of a deal is sometimes difficult to prove. The opaque nature of land acquisitions imposes certain limits on the data-gathering process. For instance, in several countries, there are no procedures for decision-making on land deals, and negotiations and decisions do not take place in the public realm. Furthermore, a range of government agencies and levels of government are usually responsible for approving land deals. Therefore, even official data sources in the same country can vary, and none may reflect the reality on the ground. Once a deal has been concluded, the attention paid to it often diminishes, and so its actual development can remain uncertain. Furthermore, decisions are often changed, and these changes may or may not be communicated publicly. For example, in many cases, intentions may be published, but nothing announced if these intentions are abandoned.

The publication of this snapshot serves to provide awareness on the LSLAs in Laos that are currently recorded in the LMI database and to stimulate discussion on the transparency of land investment information in the country. If you would like to report an LSLA in your area or to get involved in this initiative, please connect with us through the channels below:

www.asianfarmers.org

<https://www.facebook.com/AsianFarmers>

<https://www.instagram.com/asianfarmers.afa>

<https://www.twitter.com/AsianFarmers>

The data in this snapshot was downloaded in November 2023 from the Land Matrix Initiative open access platform (www.landmatrix.org). The Land Matrix is an independent global land monitoring initiative, which promotes transparency and accountability over land and investments, focusing primarily on Large Scale Land Acquisition (LSLAs) in agriculture where there is foreign involvement in low- and middle-income countries. Although dynamic and constantly evolving, the data provides a springboard for stimulating data exchange and continuous improvement of the database, as well as encouraging discussions on the impact LSLAs have on people-centered land governance and food security.



Written by Lao Farmer Network

December 2023

LAO PDR
Country Snapshot

BACKGROUND

Laos has approximately 24 million hectares of land area¹, with 5 million of land considered as agricultural land. Agriculture is the mainstay for the economy, as it employs approximately 3/4ths of the population². The main crop of the country is rice. While the main exports are industrial crops and plants (i.e. rubber tree, eucalyptus and fruits). As of November 2023, there are 105 deals with over 2,004,076 hectares of land. In terms of the land area, the intention of investment is spread between agriculture at 31 % (majority being rubber trees), 32% being renewable energy (hydro dams) and the other 28% (mostly mining). The minority went to livestock at 9%. It should be noted that even the number of renewable energy and mining deals are not high numbers, but they play important roles in extracting natural resources and cover huge area of land and forestry land.

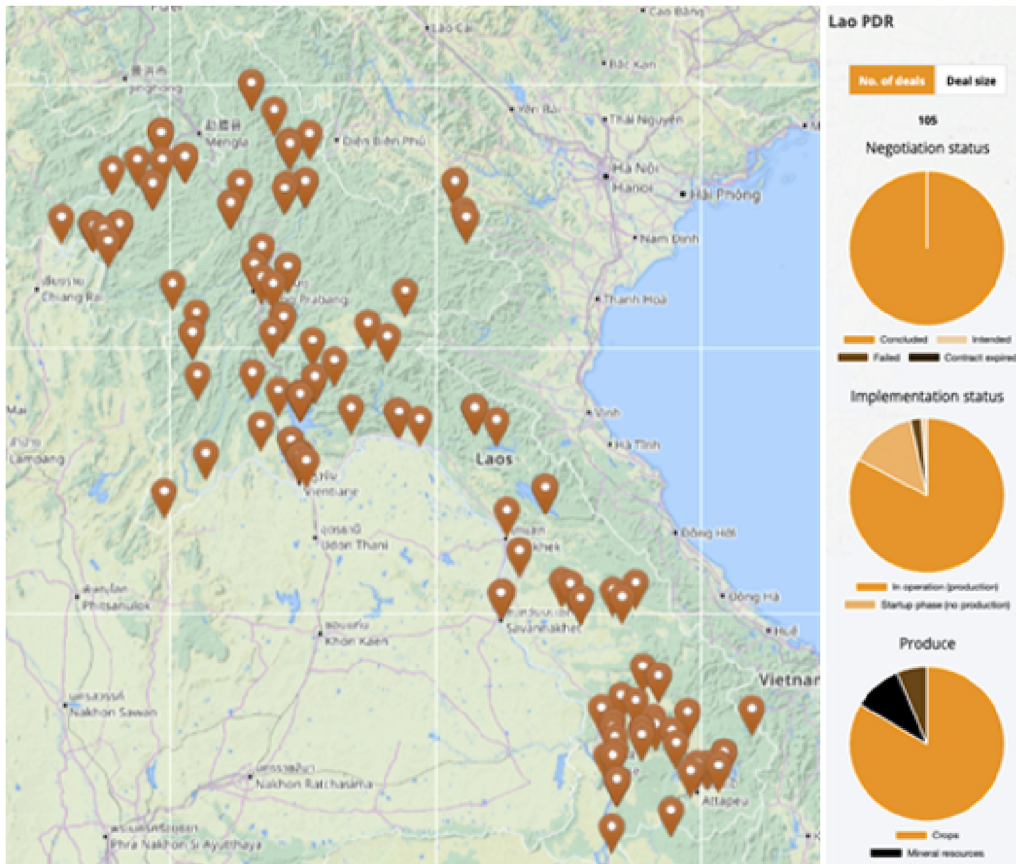


Figure 1. Distribution of deals in Laos based on geographical area (as of November 2023). The pie charts show the distribution of deals based on (1) negotiation status; (2) implementations status; and (3) products produced on the land





DEALS BASED ON NEGOTIATION STATUS

As of November 2023, approximately 105 concluded deals have been updated on the Land Matrix website. The data was collected through various sources, including official news and foreign news agencies, existing reports, and studies. According to the negotiation status figure, 86 deals, or 81.90% of all concluded deals, were signed. This is a significant number compared to concluded deals. In the context of Laos, once they are signed, it is much harder to stop or postpone them if it is found that some might violate existing laws or not follow the agreement.

Out of the total concluded deals, 13.33% are in the form of oral agreements. There has been a slight change regarding ownership for 5 deals, or 4.76% of the total concluded deals. For example, in September 2021, Stora Enso divested its 100% shareholdings to SilviCarbon after its operation in Laos since 2007.

A local source suggested that they often did not receive proper or even any related information about the project until it was put into implementation (e.g., the Nam Pha Dam project in Lungnamtha province). Little information was published in the news, either in the local language or in English. Verifying the current negotiation status of the deals is also challenging because little information is available for research. Another challenge is to contact related government agencies to verify the source or obtain more information. This is extremely difficult when an official process is needed, requiring an official letter to request verification of the source or risking rejection. Therefore, the data sources of many deals rely on news, research, publications, and local sources. However, due to limited access to information, it is difficult to verify how many deals have actually started to undertake the project.

According to local sources, there were concerns about the negative impacts, as they felt there was little or, in some cases, no proper consultation. Another finding revealed that the concerned communities, especially the potential local communities likely to be affected by the projects, were the last to know about the project, and they received little information.



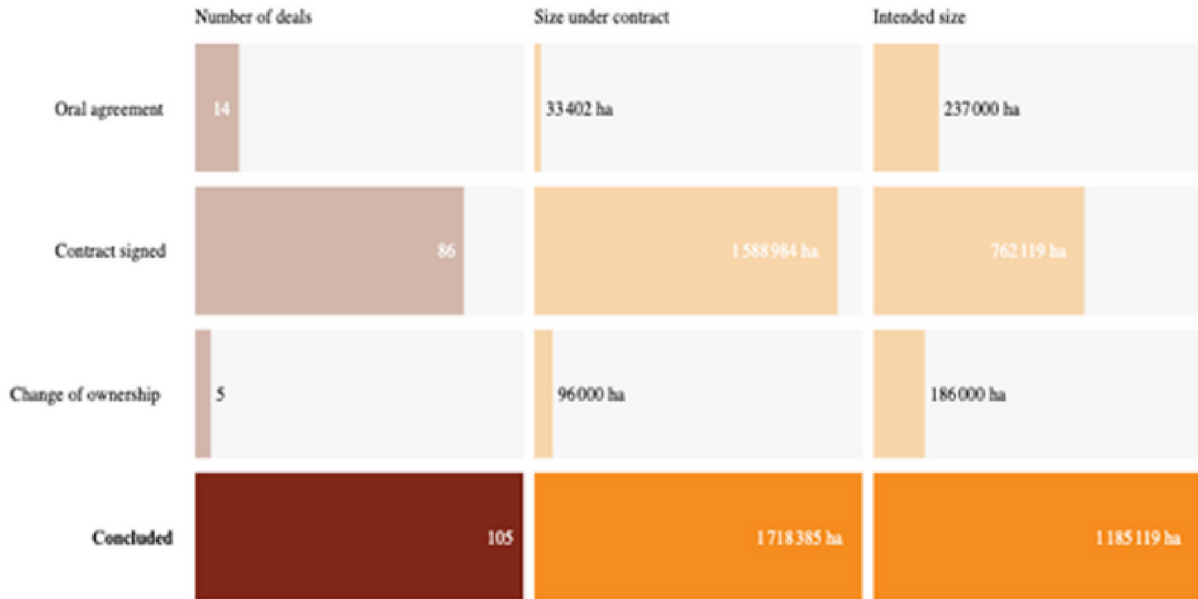
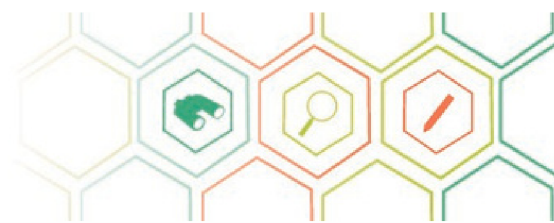


Figure 2. Distribution of LSLAs in Laos based on negotiation status (as of November 2023)

CONCLUDED DEALS

As of November 2023, out of the 105 total concluded deals, 68.57% are currently operating while 11.43% are in the start-up phase. For those deals already operational, many of the intentions of investments are non-food agricultural commodities especially industrial tree-plantations, and hydropower development projects. Most of the deals are intended to export neighboring countries especially China, Vietnam and Thailand. As those deals generate profit for mainly companies and so called ‘country revenue’, many conflicts related to environmental and land rights issues are remaining. For example, the water discharge from Shandong Sun Paper’s factory that operated in Sepon district of Savannakhet province caused the pollution to local rivers and so had impacts on water used by the local people, fish and cows died. For the deals being started, the benefits are not yet known and it will take time before they are being delivered and the problem regarding the environmental or land rights issues might occur along the way.





Due to the limited information available, 17.14% of total concluded deals remain unknown for their implementation status. While 1.90 % of concluded deals are abandoned projects. The reason for the abandoned projects cited by investors was that it turned out unprofitable and a trend of business in Laos. As the data updated on the database in November 2023, the deal that has not started yet accounted for 0.95% of all concluded deals. However, according to the Environmental Impact Assessment of this project reported that the project would affect 136 plots of agricultural land project area.

	Status	Size
Total Number of Concluded deals	105	
Total Size of Concluded deals	2,004,076	
Implementation Status	72 deals in operation (production)	1,394,149 ha
	1 deal is project not started	848 ha
	12 deals in start-up phase (no production)	296,981 ha
	18 deals with status unknown	304,098 ha
	2 deals that is project abandoned	8,000 ha

Table 1. Number and size of deals based on implementation status in Laos (as of November 2023)



LAO PDR
Country Snapshot

On the sizes of the deal:

The average deal size is 19,086 hectares in Laos. Majority of concluded deals are under the land concession/lease arrangement. Some small deal sizes, especially less than 500 ha are under contract farming arrangement. However, recently many big deal are starting to rearrange their nature of the deal, to have some parts of their intended areas to be in the form of contract farming because in some places due to the conflicts and the limited capacity to allocate the large amount of land for investor (i.e. Sun Paper company).

As of November 2023, the 5 largest deals are almost over 10x bigger than the average size. This is because most of them were deals that required the big clearance areas such as hydropower and mining projects. All of these deals involve powerful actors including state agencies, enterprise, mega private companies and development banks who are considered as key actors to drive the domestic economy in Laos. Out of these five largest deals, there are two deals that remain uncertain for its implementation status even though the contract was already signed. Some sources suggested it also due to changes for business development in Laos. All in all, There is little information available for their current implementations. Based on the size under the contract, those five largest deals already cover the land area of 945,867 ha, approximately 47.20% of total concluded deals, which means already half of the total amount.






These projects forced big number of local people from different ethnic groups to move out from their land or block the asset they rely on for their livelihoods. Those resulted in losing the land and facing food insecurity while there is little effort to improve the livelihoods for affected communities. Many of the livelihood mitigation and restoration programs from those projects largely failed. Those five mega deals are believed to generate income for the country. However, the land conflict and environmental problems in the project areas are still arising. Based on the data, it tells local people who are affected by those projects still struggling to make their livelihoods after they lose their land and oftentimes the grievance mechanism does not work well when communities want to raise their concerns. According to the research, there were changes for the land areas of the project. Many of the deals have not reached the intended land areas. The main reason based on the data sources suggested that it has been more difficult to allocate large amounts of land at once and the trend for the change of large scale concession to be more contract farming based. Most mega projects are under long term lease agreement (more than 50 years). Those top five largest deals show the extreme power they have including the private companies and powerful officials over the resources communities rely on for making their livelihoods. It makes it more difficult for local communities to claim their rights or raise the concerns when they face the negative impacts when the big actors have extreme power to control.

Rank	Deal ID	Size under contract, in ha	Location	Implementation Status	Intention of Investment	Produce
1	6529	294,200	Bolikhamxay & Khammouane Provinces	In Operation (production)	Renewable energy unspecified	Energy via Hydrodam
2	216	260,000	Xaisomboun Province	In Operation (production)	Mining	Copper, Silver and Gold
3	296	166,667	Luang Namtha & Oudomxay Province	Unknown	Non-food agricultural commodities	Rubber Tree
4	256	125,000	Vilabouly District, Savannakhet Province	In Operation (production)	Mining	Gold & Copper
5	297	100,000	Champasak & Saravan Province	Unknown	Biofuels	Cassava

Table 2. Five largest deals in Laos based on contract size (as of November 2023)





INTENTION OF INVESTMENT

Most deals are non-food agricultural commodities (rubber trees) at 37 deals followed by renewable energy at 23 deals (25.87% and 16.08% respectively). While there are 16 deals intended for food crops which majority are coffee, sugarcane and fruits. There are 10 deals in the tourism classification which Special/Specific Economic Zone is one of key activities in this classification. Another important figure is mining, there are 8 deals. Even the number of mining deals is not many, but the cover area of each deal is huge. Among the intention of investment, non-food agricultural production has the highest number of operational deals

There is a controversial concept of the classification of hydropower dam projects as renewable energy. Even though they do not burn fossil fuels to produce electricity, its development requires vast clearance of forest areas, blocking waterways and so destroying the ecosystem; and resulting in huge numbers of people resettled and human rights violation.⁴ In the scientific note, building mega dams contribute to greenhouse gas, which is the main concern for climate change.⁵

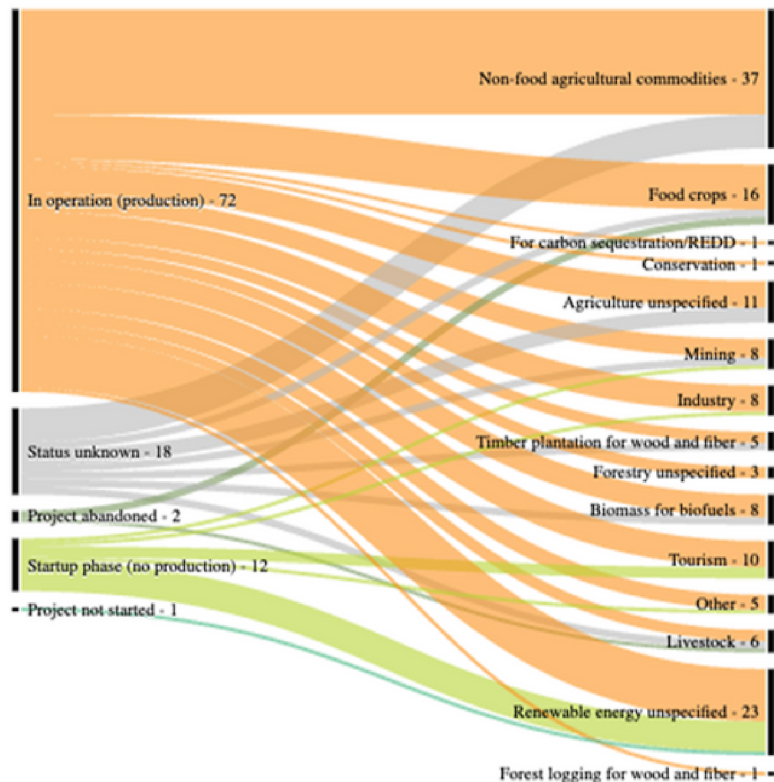


Figure 3: Distribution of deals based on implementation status and deal intention in Laos (as of November 2023)⁶





INVESTORS

Of the 105 deals, 89 are transnational (1,770,474 ha) while domestic only has 16 deals (233,602 ha). Country has very high dealings with China and Thailand as shown below in table 3. Most deals have Chinese companies come in and export there. Within the number, Chinese are considered as the one of the biggest foreign investors in Laos. Thai investors have played roles across sectors in Laos too, especially the energy sector. Vietnam also plays a major role in putting investment. Out of 105 deals, 22 deals involve Vietnamese investors in the area of 305,153.08 ha. Their main investments cover wide range sectors in Laos. At the same time, Vietnam is considered as an important actor to drive the economy in Laos especially to their special relations. Other large non-neighboring countries' investors are from Australia and Norway. The investments include timber plantations and hydropower development.

There are a total of 203 investors with involvement in Laos. Investor with most deal involvements is Kolao Farms and Bio Energy Company with over 16 deal involvements. There are some new domestic private investors enter into the big investment projects operating in Laos (i.e. Chaleun Sekong Energy Company) especially on hydropower development. Due to the limited information available, there are many deals remain unknown/unclear investors

Rank	Country of origin	No of Deals	Size (ha)
1	China	44	822,866.78 ha
2	Thailand	26	823,545.28 ha
3	Australia	3	356,700 ha
4	Norway	2	313,820 ha
5	Vietnam	22	305,153.08 ha

Table 3: Five countries with largest land deals in Laos (as of November 2023)





INVESTOR TYPES

State/government owned companies ranked the highest number of the investor type with the area of 723,591 ha followed by stock-exchange listed companies for the area of 691,498 ha. There is another big number in the 'other' session, which covers an area of 380,787 ha. It is because of the limited information to verify the investor type for those deals. Interesting figure shows that 573,162 ha is unknown for investor type. The private company is also a key investor type in Laos, which covers an area of 365,506 ha. Other investor types are semi-state-owned companies, investment fund and individual entrepreneur.

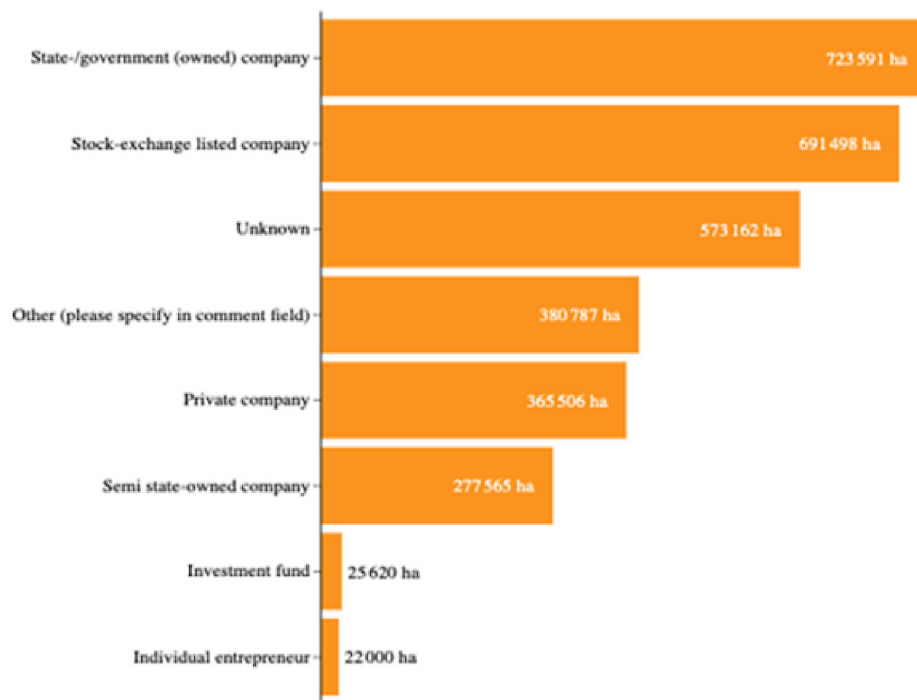


Figure 4. Total deal sizes based on investor type in Laos (as of November 2023)





CASE OVERVIEW

The Government of Laos (GoL) has relied heavily on natural resources to generate national revenue. Land, water and minerals are the main resources being extracted. This clearly shows through many government's development plan, policy and laws on economic development especially the policy of GoL "Turning Land into Capital" (TLIC). This policy aims to generate economic value from the marketization of land by attracting heavy foreign investors by allowing them to own large amounts of land in the form of long-term land concessions. However, this policy has been criticized for its implementation. It is reported that this policy was undertaken without transparency, accountability or good governance which led to a lot of problems and conflicts.⁷ Many deals in Laos on the land matrix are clear examples of the relation of TLIC to many of these deals. According to data sources, many large deals result in the resettlement of local people to move out of their land with little compensation or short-term support by investors. At the same time, there are many deals causing environmental degradation such as polluted water and heavy chemical use. It reported that many projects failed to implement its mitigation and livelihood improvement programs. Giving the Theun-Hinboun hydropower project (#deal 6527) as the example of resulting to relocate a huge number of people to make the way for the construction. The project is located in both Bolikhamxay and Khammouane provinces. The project resulted in relocation approximately 8,500 people from 23 villages. Based on the interview with resettled villagers, they still face the oppression due to the land conflicts with villagers where the village they were moved to. They felt did not have full rights over the land allocated. Another deal clearly shows land conflict and involving with corruption. This happened in with local communities resulting the land conflict Base on the study by Miles Kenney in 2015, over 30 villages were affected by this project. The project involved corruption of district officials. The deal happened in three district of Savannakhet province: Phin, Xepon, and Nong (deal # 6350) for the rubber plantation.





Written by Lao Farmer Network

December 2023



CASE OVERVIEW

This deal clearly shows the power relation between private investor and some official positions involved in the project. The data illustrates how the company, Quasa-Geruco, a Vietnamese company, had extensively corrupted the district government by establishing a rubber plantation for the former district governor and providing salaried positions in the company to government officials' family members. This gives absolute power to companies to exploit community rights. When villagers refused to concede their lands to the investor, government officials threatened to accept the project. This happened commonly across the country where many deals are implemented. More recently, there are news reports about the negative impacts towards the environment due to the factory operation across the country. For example, the case of Sun Paper Holdings Laos Company (#deal 7944). The company runs the pulpwood plantation and the processing factory in some villages in Xepon district of Savannakhet province. Some sources said that there was no compensation for the land loss for some cases. Environmental issues are being raised by local people and citizen journalists, especially the case of polluted water causing the death of fish and cows because of the polluted water discharged from the factory. There were also the issues of bad odors causing the health problems of local villagers who live nearby. Villagers urged local authorities to tackle the problem. However, after that, there was no report for the result of the investigation.

Those are example deals to illustrate the implementation. Those deals and many are no proper consultation or very little information provided to local communities. Many cases were involved with corruption resulting from the conflict as well as the weak law enforcement especially to monitor the environmental impacts caused by investment projects. The data also shows that the country lacks a grievance mechanism which local communities could apply when they face conflict or want to seek support. From the example deals explained above clearly show the power relation between the private investor and some powerful officials to exploit community rights and take the advantage from communities, often in the rural and remote areas where ethnic groups are based in.

The Asian Farmers Association for Sustainable Rural Development (AFA) is a regional family farming organisation, which currently has 22 member organisations in 16 countries, representing a total membership of 13 million small-scale women and men farmers, fishers, indigenous peoples, forest users and dwellers, pastoralists, and herders. As the Land Matrix Asia Regional Focal Point, AFA aims to increase the involvement of local, national, and regional stakeholders to contribute to improved land governance through data collection. To find out more about LSLAs in Asia, visit our website at www.landmatrix.org/region/asia.

Suggested citation: Land Matrix Asia Regional Focal Point. 2023. Laos Country Snapshot.

CONTRIBUTE!

Help us improve and enrich our data with your contribution! We welcome any information you can share with us, including any gaps you may have found in our data.

