

**Statement by H.E. Dr. Khampheng Saysompheng,
Minister of Industry and Commerce, Lao PDR
19th Session of UNIDO General Conference 29 November-3 December 2021
Vienna, Austria**

**Mr. President,
Excellencies,
Distinguished guests,
Ladies and gentlemen,**

I wish to thank you, Mr. President, and it is my great honor to deliver my statement in this conference.

Please allow me to pay tribute to outgoing Director General Li Yong and welcome incoming Director General Gerd Müller. Lao People's Democratic Republic is committed to continue working with UNIDO in the battle against the COVID-19 pandemic and pursuing development based on society, economy and environment balancing that demands greater commitments towards sustainable industrial development.

This is also timely to celebrate the 55th anniversary of UNIDO.

Mr. President,

Lao PDR is one among three countries that the United Nations General Assembly adopted a resolution on the 24th of November 2021 to graduate from the least developed country status by 2026.

Graduating from LDCs is a long-term goal for Lao PDR. Towards this end, 5-year national socio-economic development plans since 2000 have included targets and measures laying a foundation for smooth graduation. The UN Programs of Action on LDCs have also been streamlined into the national planning process.

Thanks to strong economic performance, the World Bank raised Lao PDR's income categorization from low to lower-middle-income status in 2011. By 2017, Lao PDR was the 13th fastest-growing economy globally.

International corporations have invested in special economic zones and industrial parks in major cities. However, nationally the industries and investments to date are concentrated to a few sectors and lacks diversification.

The country's economic growth of the past two decades was predominantly driven by large-scale investments in capital-intensive natural resource sectors such as in mining and hydropower. These investments fail to support wider job creation, the economy is dominated by micro, small and medium enterprises, in which there is a lack of awareness about the inefficiency of the manufacturing processes.

Mr. President,

The economic slowdown has been exacerbated by the effects of COVID-19. Economic growth in 2020 declined to the lowest level in three decades but the growth rate is forecast to slightly improve to 3.0 percent for 2021.

Negative impacts have disproportionately affected vulnerable groups including women who have limited access to social protection. Employment disruptions were widespread such as in the services sector where more than half of workers in tourism, retail trade and other services had to loss or switch jobs.

However, industrial output is expected to rebound in 2021 due to rising external demand and global commodity prices. The growth rate of the industrial sector is projected to increase from 4.0 percent in 2020 to 6.8 percent in 2021, reflecting a strong rebound in energy, mining, and export-oriented manufacturing industries such as pulp and paperboard, sugar, soft drinks, garments, electronics, and cameras and parts.

The Government of Lao PDR has moved to avert the pressing dangers of COVID-19. In mid-2021, new prime minister His Excellency Phankham Viphavanh announced seven priorities to tackle public debt and revenue leakages, boost exports and product diversification, enhance productivity, and create more jobs, including for workers returning from overseas.

Lao PDR has also pledged to foster quality growth and reduce reliance on the natural resource sector, to increase access to basic public services, and to place more emphasis on human resource development.

Mr. President,

Lao PDR reaffirms its full support of UNIDO in the execution of its mandates on inclusive and sustainable industrial development. With such mandates, UNIDO as part of the UN specialized agency has become more relevant to many areas of development for the country's development.

The Ministry of Industry and Commerce has benefitted from various projects supported by UNIDO since 2000, including integrated programme, cleaner production, biomass palletization, and capacity building on industrial statistics. Other ministries are supported by UNIDO such as the Ministry of Natural Resource and Environment and the Ministry of Energy and Mines.

Mr. President,

Following the Istanbul Programme of Action for LDCs, there is an urgent need to adopt the Doha Programme of Action for 2022-2031. This should further provide operational strategy in supporting LDCs for the decade to come.

This calls for a process of renewing partnership between LDCs and development partners to overcome structural challenges, eradicate poverty and achieve internationally agreed development goals.

A key challenge is how LDCs can build back their industries that prevent them from future shock, and to ensure that they will not fall back to the LDC status after graduation. And further how LDCs can foster inclusive and sustainable industrial development that corresponds to their resource endowment and capacities that cater to their societal needs.

In this light, Lao PDR calls for support in transforming LDCs' productive sectors, focusing on opportunities to diversify their economies, enhance value chains and develop cleaner, more energy-efficient and environmentally friendly infrastructure. LDCs also need initiatives to enable them benefit from the Fourth Industrial Revolution, including the transfer of appropriate knowledge and technology contributing to capacity upscaling with respect to digital transformation and innovation ecosystems.

Mr. President,

Lao PDR has emphasized that sustainability is an essential component of the growth process. The country is in the process of revisiting and developing a green industry policy. The aim is to create a conducive policy ecosystem to support businesses in transitioning towards green industries, of which more partnerships and participation of all stakeholders would be needed.

Lao PDR in particular Ministry of Industry and Commerce as national focal point of UNIDO collaboration is seeking partnership with UNIDO and development partners to help its efforts.

Mr. President,

I would like to conclude by restating Lao PDR's readiness to partner and collaborate with UNIDO in materializing inclusive and sustainable industrial development for Lao PDR. I call upon UNIDO, Member States, development partners, and the private sector to join hands in creating a better future for all.

Finally, I wish the General Conference a great success.

Thank you very much