

Directives and Tasks of the Seventh Socio-Economic Development Plan (2011-2015)

The following is an unofficial translation of the five-year Seventh Socio-economic Development Plan 2011-2015.

Presented to the 9th Party congress on March 17 by Politburo member and Standing Deputy Prime Minister Somsavat Lengsavad

I. Achievements in the implementation of the 6th five-year socioeconomic development plan (2006 to 2011).

Based on a resolution of the 8th Party Congress and a resolution of the preliminary session of the 6th Legislature of the Lao National Assembly on adoption of the 6th five year national socio-economic development plan, we have seen that organized implementation of the plan has overall been fruitful, attaining a large number of the main targets. Levels of production and services have been developed further, enabling the national economic base to strengthen.

Outstanding achievements in different sectors

1. Macro-economic achievements:

- **Economic growth:** In overview, the macro-economy of Laos continued to see stable growth, with average economic growth at 7.9 percent per year (higher than the planned 7.5 percent per year). Total gross domestic product (GDP) for the 2009/2010 fiscal year was 54,828 billion kip, a 1.89 percent increase compared to the 2004/2005 fiscal year.
- **Inflation:** Inflation was effectively managed and in accordance with the plan (the planned inflation rate was less than 10 percent a year). In reality, inflation in 2005/2006 was 8 percent and dropped to 4-5 percent in the following four years. In general, the price of consumer goods over the past five years was stable while the annual inflation rate was manageable and less than real GDP growth, thus increasing consumers' purchasing power.
- **Investment:** Total investment value in the past five years was 62,000 billion kip, twice that of the previous five years.
- **Revenue collection and expenditure:** The government collected revenue of about 39,436 billion kip over the past five years, covering 17.9 percent of GDP and achieving 110 percent of the plan. Domestic revenue was 31,168 billion kip, equal to 105 percent of the plan. Expenditure reached 49,214 billion kip covering 22.39 percent of GDP and achieving 103 percent of the plan. The budget deficit was 4.45 percent of GDP and is trending downwards.

- **Imports and exports:** The value of exports reached US\$5.69 billion, with imports valued at US\$ 6.61 billion, resulting in a trade deficit of 0.92 billion kip, equal to 3.8 percent of GDP. The trade deficit dropped from 10.79 percent in 2001- 2005 to 3.8 percent in 2006-2010.

2. Achievements in the economic sector, zones and regional development

2.1. Rural development, poverty reduction and zone development: First, we defined focal development zones of government, province and district, then developed political grassroots and rural areas by following the Party's concept of four contents and four targets, considering economic development as the centre.

With reference to the guidance, we were active in encouraging people to generate income, promoting families and groups to produce goods while building up infrastructure in the rural areas. This resulted in the establishment of many more goods production and money saving groups. We helped local administrations, in particular in districts and development village clusters, to increase capacity by organizing short training courses on laws for a total of 2,687 village officials, training courses on setting up development village cluster plans for a total of 2,760 participants, and led the setting up of plans in 133 village clusters in 69 districts. We also regularly trained farmers on how to cultivate crops and raise livestock.

The government allocated 124 billion kip to run 491 development village cluster projects and established village development funds in 528 villages with revolving funds of 42.53 billion kip. The Agriculture Promotion Bank released loans of 805.5 billion kip to 65,413 families. Poverty Reduction Fund projects were implemented in 7 targeted provinces, 21 districts, 161 development village clusters and 1,900 villages, with total funding of 203 billion kip.

In general, living conditions have been gradually improved. One of the best reflections is that the number of poor families dropped from 27.7 percent in fiscal year 2002/2003 to 20.24 percent in fiscal year 2009/2010, according to a consumption and expenditure survey.

2.2 Economic sector:

In general, we have built some essential physical-technical foundations and created a favorable climate for business operation.

The production and service sectors have been improved in line with the state-managed market oriented economy, creating foundations for industrialization and modernization. Notably, we succeeded in establishing the Lao Securities Exchange on schedule as planned.

1. Agriculture: Average rice production output over the past five years was 2.9 tones a year, with average paddy rice output per person of 470 kg, meeting primary demand for public consumption. In addition to rice production, we promoted potential agriculture. Notably goods production activities were expanded into many local areas. Output of sweet corn has increased and is able to supply the raw materials for feed processing plants, while

some of the cash crop has been exported. Cassava yields were sufficient to supply cassava powder processing factories, while sugarcane yields reached 703,000 tones a year, three times more than in 2005 and sufficient to supply the raw materials for domestic sugar processing plants. Average coffee output was 45,194 tonnes a year. Vegetable and organic vegetable yields were sufficient for domestic consumption while some crops were exported. In addition, we expanded agriculture processing industries and promoted industrial tree plantations such as rubber and eucalyptus.

2. Electricity generation: Five hydropower plants were built as follows. The Nam Mang 3 with installed power capacity of 40MW, Nam Theun 2 (1,088MW), Xeset 2 (76MW), Nam Lik 1-2 (100MW) and Nam Ngum 2 (615MW). In total the five power plants have an installed power capacity of 1,919MW and generated 8,022 Gwh a year. In 2010, 72 percent of Lao households had access to electricity. Mining output in the same period of time saw 19.91 percent growth. Electricity and mining outputs accounted for 12.6 percent of GDP.

3. Processing industry: Total output saw average growth of 9.4 percent a year. Processing units now number 24,331, comprising 19.2 percent of all enterprises in Laos. The handicraft sector saw rapid growth of 7 to 8 percent a year. Commercial infrastructure has been expanded rapidly; at present there are 628 markets, of which 78 are large, making it easier to distribute goods in remote areas.

4. Economic infrastructure: Infrastructure has been improved and expanded relatively, covering communications and transport, roads of different grades, posts, telecommunications, electricity power grid, irrigation systems, airports, railways and other facilities. The expanded economic infrastructure has become a direct and indirect driving force to boost production, transportation, trade and investment, tourism and livelihoods, as well as helping national defense and security maintenance.

5. Tourism: Over the past five years, about 8.97 million tourists visited Laos with an average of 1.76 million visitors a year, an increase of about 44.45 percent. The tourism sector generated revenue of US\$258 million, a one-fold increase compared to the previous five years.

6. Economic cooperation: Activities between the Lao PDR and friendly countries and international organizations have been enhanced. We were active in participation and succeeded in the intra-Asian economic cooperation framework and the Asian dialogue partner economic cooperation framework. Preparations for Laos to become a member of the World Trade Organization saw good progress. Integration of Laos within the international community reached 83 percent of the expected level, a one-fold increase compared to 2005.

2.3. Social sector:

In parallel with economic development, the Party and government paid attention to the development of the socio-cultural sector, aiming to level the living standards of Lao ethnic

people. Efforts were also stepped up to raise the social development index closer to that of neighboring countries, and the region. Each year, state investment in the social sector saw increases. Here are some of the outstanding achievements:

1. Education: The education network has been continuously improved and expanded. Formal schools have been established in remote areas and poor districts. The school enrolment rate of children aged 3 to 4 is 14.6 percent, higher than the set target of 10.4 percent.

The enrolment rate of children aged 6 to 10 has increased from 84.2 percent in 2005-2006 to 93 percent in 2009-2010. A number of teachers have been trained to meet qualification levels while vocational schools and universities have been expanded. One remarkable success has been the participation of the private sector in the development of formal education.

2. Health: In parallel with the expansion of the health network, a number of doctors and nurses have undergone skill upgrades, enabling people to access better quality primary health care. We have implemented both paid and free health care services, and promoted sanitary conditions and nutrition. Vaccinations and medication for mothers and children have been provided, covering 71 percent of the target group. Clean water supplies now reach 78 percent of families, and 52 percent of all families have access to a latrine. The malaria infection rate saw a significant drop over the past year. Life expectancy is now 64.7 years (66.6 years for women and 62.27 years for men).

3. Labour and social welfare: Skill development was carried out continuously. At present, there are 153 skill development centres and vocational schools, which have produced 74,128 skilled workers, 14.18 percent more than the set plan. A total of 556,661 people were employed, 2.23 percent more than the set plan. We paid attention to the protection of the rights and interests of workers and employers in accordance with the law. In 2009, 11.7 percent of Lao people had social insurance. We implemented policies for 14,446 senior revolutionaries who dedicated themselves to the revolutionary cause. We also completed construction of the revolutionary and Unknown Soldier cemeteries.

4. Information and Culture: 14 new FM radio stations have been established. There are now 43 radio stations, which can transmit to 90 percent of the country. There are also 36 TV stations that can transmit to 70 percent of the country. Radio and TV programmers have been improved to keep pace with the current situation and to provide better quality content. Culture has been restored, preserved and enhanced to keep its national, progressive and popular character. We also established 455 cultural villages and certified 131,364 cultural families.

5. Justice: We provided comments on the drafts of 50 new and amended laws, 20 presidential decrees, 143 decrees, and 189 legal documents. We were able to advocate laws in 6,730 villages of 1,130,821 people, and created 332,731 crime free families and 2,472

crime-free villages. We also improved 7,895 village mediating units, produced 1,450 bachelor degree lawyers and 337 intermediate level degree lawyers, and organized three month training courses on law for 2,687 people.

6. **Sport:** In general, different types of sports have been improved and broadly expanded. The sector has actively participated in health and hygiene development among the public, supporting the business production process, national defense and security, and raising the profile of Laos in the international arena. The most outstanding achievement was the hosting of the 25th Southeast Asian Games in Vientiane in 2009.

7. **Drug control and supervision:** The National Committee on Drug Control and Supervision closely coordinated with central and local administrations to educate people on state policies and laws concerning drugs, so they fully understand the dangers of illicit and addictive drugs. We also worked to create new jobs for people in former opium poppy cultivation areas, improved rehabilitation centers, and stepped up efforts to inspect, prevent and control the trafficking of illicit drugs.

2.4. State sector:

1. Legislative body:

We improved mechanisms to monitor the performance of central and local administrations and judiciary bodies, amended and made 50 laws, and considered and approved the 6th five-year national socio-economic development plan as well as a budget for each fiscal year. Outstanding achievements included the monitoring of the implementation of financial discipline and administration by the government, and the performance of people's prosecutors and courts every six months. In particular, the National Assembly provided the public with information on the performance of the government in a comprehensive manner and in various ways.

2. Executive body:

We improved mechanisms for coordination among ministerial-sectoral bodies and between central and local level administrations by holding a joint meeting of the government and provincial governors twice a year. We also established administration and civil servant management mechanisms, and improved the structures of some sectors to provide practical working mechanisms. We improved the organization and role of 8 ministries, 3 universities and some bodies attached to the Prime Minister's Office. We centralized some areas of finance in particular customs, taxation and treasury, so as to secure and strengthen the state budget.

3. **Judiciary body(people's court and people's prosecutors):** We were active in restructuring organization and personnel. Most notable was the merging of district courts into a regional court, and also people's district prosecutors into a people's regional prosecutor. Also improved are the appeal courts and people's appeal prosecutors, which have become a division court and a people's division appeal prosecutor, respectively. The

two bodies also paid attention to improving political quality and the technical capacity of personnel so they are better able to play their role, ensuring the fast, realistic and fair proceeding of court cases.

2.5 National defense and security:

We mobilized and involved the masses in national defense and security in grassroots areas and work agencies, and continued projects designed to address negative social phenomena and counter crime. We were able to wipe out a number of criminal gangs and punish them in accordance with law. An outstanding achievement was that the armed forces ensured 100 percent security for major Party and state events and national festivals, such as the 25th Southeast Asian Games and international conferences. In short, we can secure political stability, peace and social order and social safety.

2.6. International relations

The Lao PDR was active in taking part in regional and international cooperation frameworks such as comprehensive cooperation with Asian including the Asian Free Trade Area (AFTA), cooperation between Asian and its dialogue partners, the Cambodia-Laos Vietnam (CLV) development triangle area, and Cambodia-Laos- Myanmar-Vietnam (CLMV) and Greater Mekong Sub region (GMS) cooperation. In addition, Laos hosted a number of regional and international conferences, notably the first international convention on cluster munitions. Laos was successful in its international relations, raising the country's profile in the international arena.

In conclusion, implementation of the 6th five year national socio-economic development plan (2006- 2010) saw achievements in most of the targets, creating a solid basis and new position for national development and defense as well as for implementation of the next five-year plan. This achievement was attributed to correct policies, in particular the resolution of the 8th Party Congress, effective supervision by the Party Central Committee and party committees at all levels, and government and local administrations. This achievement was also made possible due to the support and participation of the public, friendly countries and development partners.

The five-year socioeconomic development plan for 2011-2015 is designed to implement the resolution of the Ninth Party Congress.

It is also the means to continue the breakthrough approach to create a foundation and favorable conditions for the nation to shed its least developed country status by 2020 and progress firmly towards the goal of socialism.

To achieve the breakthrough goal, we have to firmly understand and identify four approaches that Party Secretary General Choummaly Sayasone raised during the Ninth Party Congress, as quoted in the Political Report.

To realize the socioeconomic development plan, the following approaches should be implemented:

1. Breakthrough in thinking:

Firstly we need to eliminate completely the impact of bureaucratic centralized and state subsidized mechanisms and then lead towards the mechanism of a market oriented economy under state management. We have to firmly regard economic development as the centre and keep harmony between economic development and socio-cultural development, enhance the capacity of all economic sectors to boost production capacity, and be more competitive in the era of international integration as well as ensure the continuation, stability and sustainability of the country's development.

2. Breakthrough in human resource development:

This is a breakthrough approach towards high-quality education, ensuring that investment in education and health reaches its target. This requires more use of a knowledge economy, the creation of a skilled labour force and specialists, creation of business operators, administrators and manager to meet economic development in line with market mechanisms and international economic integration. The use of the labour force should take place in an appropriate manner to create incentives for national construction and ensure that more agricultural workers move to the industrial and service sectors.

3. Breakthrough in mechanisms, procedures and rules of administration:

First of all, we have to consolidate administration and service delivery in an effective and transparent manner, create favorable conditions for equal competitiveness under the law, and proceed towards industrialization and modernization. We have to modernize coordination practice which is corresponding to international practice by using this breakthrough step in connection with activities related to the establishment of the Asian Community and the preparation of Laos's membership in the World Trade Organization (WTO).

4. Breakthrough in poverty reduction:

This is to be achieved by mobilizing funding and through special promotion policies; creation of a socio-economic infrastructure with a focus on land transport (including railways), air and water transport, linking the capital with the provinces and Laos with its neighbors and the international community; and the creation of an electricity network, telecommunications, communications, water supply and other necessary facilities.

1. Targets of the seventh socio-economic development plan (2011-2015)

Based on the current international situation, we have both opportunities and challenges as mentioned above by the Party Secretary General, and have accordingly set the targets for the seventh socio-economic development plan (2011-2015) as below:

1. Ensure continuation and stability of national economic growth with annual per capita income to reach US\$1,700 in 2015.
2. Achieve the Millennium Development Goals (GDP), adopt appropriate technology and skills and create favorable conditions for graduating from least developed country status by 2020, as well as progressing towards industrialization and modernization.
3. Ensure sustainable development by balancing economic development with social and cultural development and the protection of the natural environment.
4. Ensure political stability, security and social order, and be active in integrating the country with the rest of the region and the world.

2. Targets of the seventh five-year plan

2.1 Macroeconomics

- * Ensure GDP growth of not less than 8 percent per year, with the agriculture and forestry sector to grow by 3.5 percent annually, equal to about 23 percent of GDP; industry sector to increase by 15 percent annually and account for 39 percent of GDP; service sector to increase by 6.5 percent annually, to account for 38 percent of GDP.
- * Maintain inflation below the economic growth rate, alongside a stable exchange rate; yearly fluctuation of the kip should not be more than 5 percent against foreign currencies.
- * Ensure annual revenue collection is 19-21 percent of GDP, and the annual budget deficit is 3-5 percent of GDP.
- * Ensure debt reduction across the entire state financial system is less than 45 percent of GDP.
- * Increase money deposits by 25.6 percent.
- * Maintain foreign currency reserve levels sufficient for at least six months of imports in a year.

2.2 Balances at macro Level

- * Balance in investment: Ensure total investment covers 32 percent of GDP, or about 127 billion kip.

Of total investment funding, 10-12 percent is from the state budget, 24-26 percent from official development assistance (ODA), 50-56 percent from foreign direct investment (FDI), and 10-12 percent from bank credit.

The state investment structure envisages that the economic sector will account for 30 percent, the social sector 35 percent, and infrastructure (roads and buildings) 35 percent of total investment.

- Balance in budget: Expect total state revenue in the next five years to be 19-21 percent of GDP, budget expenditure to be 22-25 percent, and the deficit to be 3-5 percent of GDP.
- Balance in imports exports: Increase the value of exports and imports to meet the demand for development and investment.
- Balance in expenditure and savings: Increase bank savings to 39.5 percent of GDP annually; the state accumulation fund should hold more than 2-5 percent of domestic revenue.
- Balance in labour: Achieve a workforce supply of 3.17 million by 2015, including 277,000 new workers. This includes 210,000 workers in the agriculture sector, 14,000 for industry, and 53,000 in the service sector.

3. Directives and tasks of development by sectors and regions

3.1 Economic sector:

1. Agriculture and forestry:

Build the capacity and potential of agriculture by developing 7 priority plans, as well as developing small plans in the north of the country in an appropriate manner to ensure food security and supply raw materials to the processing industry.

On the other hand, integrated agriculture, green agriculture and organic agriculture must be promoted in response to domestic and export demands.

Main targets:

- **Food production:** By 2015, rice production should reach 4.2 million tonnes with a yield of 4 tonnes per hectare on average in one season; meat production should reach 221.5 thousand tonnes per year and aquatic foodstuff (fish, frogs and shrimp) production should amount to 157.2 thousand tonnes per year.
- **C o m m e r c i a l production:** 600,000 tonnes of rice to be produced for export annually.
- **Forestry:** Increase forest coverage to 65 percent of the country's total area by 2015, rehabilitate 3.9 million hectares of natural forest and reforest 200,000 hectares. Undertake a survey of 60 percent of forest cover under the three classification types and expand the certified production forest area by 10 percent in 2015.

2. Industry and commerce:

Develop the processing industry so domestic raw materials are available for long term supply and place importance on expanding light industry by using raw materials sourced from Laos and other countries to process for domestic consumption and export.

Promote small and medium enterprises (SMEs), small enterprises in rural areas, and family businesses; comprehensively promote handicraft products that represent Lao traditions; open trade cooperation and integration with foreign countries and carry out legal obligations as stipulated in international treaties, and actively prepare for entry into the Asian Free Trade Area in 2015 and the World Trade Organization.

Main targets:

- Expand the processing industry by an average of 12- 13 percent annually; expand handicraft production by an average of 15 percent per year.
- Increase trade volume by an average of 11 percent per year.
- Expand retail markets to cover 80 percent of all village groups, establish rural enterprise units to cover 30 percent of villages, and establish 2-3 modern trade centers and supermarkets in each urban town.

3. Energy and mining:

Focus on using and developing hydropower sources; study and use energy from other sources that are both competitive and friendly to the natural environment.

Install high- and medium voltage transmission lines; undertake a survey and create a mineral map that identifies the locations of mines and mixture of minerals; and build factories to transform minerals into finished products or semi finished products to reduce the export of raw materials.

Main targets:

- Expand medium voltage (22kv) transmission lines and off-grid power into remote areas to ensure the number of households with access to electricity reaches 80 percent by 2015.
- Establish 8 power plants with an installed capacity of 2,865.2MW; promote the construction of 10 more hydropower projects with a capacity of 5,015MW and the construction of other small and medium hydropower projects.
- Operate mines and process important minerals to transform them into finished products or semi-finished products before distribution, such as copper plates (86,200 tonnes per year), gold bars (6 tonnes per year), coal (1-2 million tonnes per year), copper powder (298,000 tonnes per year) and gypsum (600,000 tonnes per year).

4. Land management and development:

Promote land use and the use of other natural resources in parallel with preservation measures to ensure land is used in an efficient, sustainable and fruitful manner, with less impact on the environment and society, enabling Lao people to use it for their livelihoods, housing and agriculture in conformity with the law.

Convert land into capital or otherwise ensure it is a source of prosperity for people and the nation, ensuring laws related to land use and other natural resources are not violated.

Main targets:

- Formulate plans for land allocation at the macro and micro levels as well as complete a land use plan for the whole country.

- Delegate responsibilities regarding land use and management to organizations and individuals in line with the land allocation plan and the national land use plan, laws and regulations.

- Finish issuing one million land titles.

5. Public works and transport:

Infrastructure development related to public works and transport is fundamental to increasing the effectiveness of production, business and links to neighboring countries.

In addition, it is necessary to create basic conditions for the country to move towards industrialization and modernization.

Main targets:

- Build and expand national highways to connect the provinces, and connect Laos and the sub-region over a distance of 920km.

- Build and upgrade main roads in districts, and rural roads that connect with priority projects of the government and development village clusters to ensure these roads can be used in both the dry and wet seasons; build and improve connecting roads that are important for national defence and security.

- Complete the construction of the full set of transport systems connecting to Vietnam's sea port.

- Upgrade Wattay International Airport in Vientiane so it can accommodate a Boeing 747 aircraft and upgrade 4 other airports (in the provinces of Luang Prabang, Xieng Khuang, Savannakhet and Champassak) so they can accommodate a Boeing 737, in response to the need for international integration.

6. Post and telecommunications:

Promote infrastructure development in postal services, telecommunications and high-speed Internet to modernize this sector and make it an important driver for socio-economic development as well as a linkage with the region and the world.

Main targets:

- Expand the telecommunication network and services to rural areas to cover 90 percent of all villages and install 17,200 km of fiber optic cable.
- Expand mobile phone connections and fixed line phone connections to cover 80 percent of the total population.
- Build 3 stations to monitor and manage radio frequency use.

7. Tourism:

Promote and develop natural, cultural and historical tourism as green tourism, ensuring sustainability through the participation of local people.

Main targets:

- Ensure tourist arrivals of about 2.8 million people by 2015 to generate income of about US\$350 million per year.
- Build more hotels to reach a total of 300; explore and expand natural, cultural and historical attractions so Laos has two World Heritage Sites and 29 National Heritage Sites.

3.2 Social sector:

To balance economic development and socio cultural development to improve the livelihoods of people of all ethnic groups both materially and intellectually and to ensure sustainable development, in the next five years we will focus on specific tasks as below:

1. Rural development and poverty reduction:

The goal is to focus on improving administration and promoting the creation of income for people in rural areas and areas where poor people live through a special promotion policy in order to achieve the Millennium Development Goals (MDGs).

The main task is to develop the grassroots strongly and continuously in accordance with the four contents and four targets as directed by the Party politburo, with villages, development village clusters and poor revolutionary areas as the development focus; and then pay attention to building income for households through commercial production based on market potential and local traditions.

Agriculture technique service centres must play a leading role in agriculture production, seed provision and technical assistance to farmers in a practical manner. Another main task is to develop the necessary infrastructure in rural areas that currently lack such facilities. This will

enable rural areas to develop sustainably and become new community and development zones that make sustainable use of natural resources.

Main targets:

- Reduce the proportion of poor households to below 10 percent of the total.
- Build 1-2 model villages for development in each district in accordance with the four contents and four targets.
- Merge small villages in rural and problematic areas into larger villages and build new model communities (small towns). Each province should have at least 1-2 such models.

2. Education and human resource development:

Consider education and human resource development as an important factor for development, and ensure education develops continuously in both quantity and quality.

Continue national education reform in an active manner, and upgrade vocational training and educational institutions to a higher level to develop human resources in various professions, including skilled workers, technical experts, engineers, administrators, business operators, managers and specialists in agriculture and forestry.

Skills development aims to respond to the real needs of each sector and enable skilled workers to have sustainable jobs and earn higher incomes.

It is important to ensure that education development can accomplish the MDGs.

Main targets for 2015:

- Increase the primary school net enrolment rate to 98 percent, and increase the total enrolment at the secondary school level to 75 percent.
- Create a favorable environment to reduce illiteracy among citizens aged 15-24 years old so the literacy rate increases to 99 percent.
- Build at least 3 vocational training schools in towns that have high economic potential and growth.

3. Health:

Follow directives by taking disease prevention and health promotion as the main task and regarding health treatment and health services delivery to most people as an important job to ensure the good health of the population and achieve the MDGs.

Main targets:

- Reduce the maternal mortality ratio to 260 per 100,000 live births, reduce the infant mortality ratio to 45 per 1,000 live births, and decrease the under-five child mortality ratio to 70 per 1,000 live births.
- Ensure 80 percent of the total population has access to potable water, and 60 percent of the total population has access to latrines.
- Control malaria, tuberculosis and HIV/AIDS.

4. Labour and social welfare:

Develop and upgrade the skills, knowledge, ability, experience, vision and principles of the Lao workforce so they can obtain appropriate jobs, have social protection and better welfare; implement a policy package in gratitude to those who served during the revolution and have performed good deeds for the nation; strengthen the social welfare system.

Encourage society at large to participate in assisting disadvantaged people and victims of natural disasters.

Main targets:

- In the next five years, about 3.3 million jobs will need to be filled. The agriculture sector will account for about 70 percent; the processing industry, construction and mining about 7 percent; and the service sector about 23 percent. Create jobs for at least 277,000 new entrants to the labor market; maintain the unemployment rate at an average of not more than 2 percent; build 7 skill training centers at the provincial level.
- Implement a policy package for 71,000 senior officials who served in the revolution prior to 1954 and accomplished good deeds for the nation; finish building houses for disabled officers.
- Expand the social welfare system to the provinces to ensure that 50 percent of the total population receives health insurance.

5. Information and culture:

The focus task for the information sector is to use the media as a voice to advocate the directives of the Party and rule of law of the state, enabling the Lao people to access information and learn about new science and technology as well as about ways of living; contributing to fighting social problems and preserving the nation's fine traditional culture to ensure that Lao culture remains the foundation for the sustainability of the nation.

Main targets for 2015:

- Expand radio broadcast coverage to cover more than 95 percent of the country's total area.

- Improve the quality of TV programmers in the provinces and expand broadcasting to at least 10 hours per day, and expand TV receiving stations to cover 80 percent of the country.

- Increase model cultural villages to more than 700, increase cultural families to more than 100,000, and develop at least 4 public parks at the central level and one park in each provincial town and district town.

6. Justice:

Focus on developing both the quantity and quality of legal experts and justice officials in response to the political needs of the new era, and implement a strategic plan regarding building a state governed by the rule of laws and enforcing justice based on the rule of law; improve organization structure, working methods and administrative rules on justice to timely and effectively serve the people.

Main targets:

- Develop civil and penal codes, laws and other necessary legislation as well as amend existing laws and legislation appropriately.

- Timely enforce court rulings and enhance the quality of certifying the accuracy of documents.

Additionally, timely settle economic disputes, and ensure the accuracy and fairness of resolutions.

- Develop officials through comprehensive training and improve their knowledge and competence, particularly in the areas of politics, governance, expertise, ethics and morals, to protect the rights and interests of the population.

Judicial organizations: (People's court and people's prosecution):

- Continue to strengthen organizational structure by ensuring personnel have adequate expertise and qualifications in politics and are equipped with modern facilities to ensure job performance in protecting laws in an effective, strict and just manner. Strive to establish administrative courts, labor courts and juvenile courts in a systematic manner. Pay special attention to improving regional and divisional people's courts, and regional and divisional people's prosecutors to enable them to exercise their duty as stipulated by law.

3.7 National defense and security:

- Continue to comprehensively implement national defense and security guidelines throughout society; create and strengthen the national defense and security base in line with the three-step principle; solidly combine economic development with national defense, security and foreign affairs.

- Continue to increase relations and cooperation with the defense and security forces of brotherly and friendly countries; improve mechanisms and regulations concerning emigration and immigration inspection and population management in line with the new period; ensure security, social order and better living conditions for Lao people and foreigners.

- Improve infrastructure and technical facilities; develop modern vehicles and weapons gradually; and protect national sovereignty firmly.

3.8 International cooperation:

- Actively implement the foreign affairs guidelines of the Party and state, and create an external environment favorable to socio-economic development and national defense; implement policy on regional and international economic integration by focusing on cooperation within the Asian and Greater Mekong Sub-region framework; continue preparations for accession to the World Trade Organization; ensure proper preparations for hosting the Asia-Europe Meeting to be held in Laos in 2012.

4. Measures to implement the socio-economic development plan:

1. Measures to bolster growth and maintain macroeconomic stability are as follows:

- Enhance the potential of all economic sectors; mobilize investment from the whole of society to reach 32 percent of the gross domestic product by attentively implementing the market oriented policy and mechanisms, investment promotion laws and other related legislation; increase cooperation with friendly countries, development partners and international organizations to attract external assistance.

- All central sectors and local authorities must take more responsibility for exploring sources of revenue with full collection of revenue; strictly implement tax and customs law, urgently address loopholes in revenue collection, and prevent illicit trading more effectively.

- Implement a macro balanced system, with balances in capital, budget, imports and exports, subsidies, debt settlement, finance and currency, labour and raw materials to feed the manufacturing industry; implement policy to maintain prices at a reasonable level in line with market mechanisms and regulate the prices of some strategic goods.

- Of primary importance is that each central and local sector strictly follows planning and financial discipline, and strengthens coordination in prioritizing annual investment projects in a focal manner by referring to the project list of the five-year plan and available sources of capital. Never undertake projects without the approval of the National Assembly.

2. Measures to implement the Millennium Development Goals (MDGs):

- All line agencies and local organizations must fully understand the content of the nine MDGs, particularly the goals, targets, indicators, and activities under their responsibility, with a clear delegation of work and responsibility to officials and divisions.
- Quickly formulate and promulgate special promotion policies for rural development investment by economic sectors.
- All relevant organizations of the government (ministries of Foreign Affairs, Planning and Investment, and Finance) have a duty to coordinate with international organizations to mobilize and allocate sources of capital to goals, targets, and various activities. Another duty is to give advice on the allocation of funds so they reach people in a transparent manner and can be monitored.

3. Measures for coordination and solutions to inter-sectoral issues:

- The agriculture and forestry sector functions as a core organization to coordinate with the relevant sectors at both central and local levels in implementing food security projects and promoting clean and chemical-free agriculture. The ministry must be active in managing and coordinating with the relevant sectors to make use of forests sustainably.
- The National Land Management Authority must be active in coordinating with the relevant sectors to strictly enforce the law on land, and allocate, register and use land in line with the existing policy.

4. Measures to increase effectiveness of state management in the economy and society:

- Improve state organizations so they are effective and clean and offer services to the public sincerely through an efficient, streamlined and reasonable administrative structure; decisively suppress bureaucracy, corruption and other negative phenomena within state machinery and civil servants.
- Attentively improve and strengthen ministries and state central organizations so they have sufficient capacity to exercise their duties and role in macro-management, particularly by more strictly enforcing the laws, regulations and measures laid down by the National Assembly and government.
- Research, amend and formulate policies and legislation that are compatible with the development circumstances of each period, while monitoring and encouraging local organizations and micro units to carry out their work.

5. Measures to implement the 7th five-year socioeconomic development plan and delegation of management:

- The government reports the situation concerning the implementation of the national socioeconomic development plan and investment plan of the state to National Assembly

sessions, and issues Prime Ministerial Decrees on the implementation of the national socio-economic development plan and the investment plan after the resolution of the National Assembly is issued.

- The Ministry of Planning and Investment issues detailed instructions on the implementation of the national socio-economic development plan and the investment plan after the government issues a decree on the implementation of the two plans along with summarizing, assessing and reporting the implementation situation to the government regularly.

- The Ministry of Finance is tasked with managing and following up the distribution and spending of the state budget for the state investment projects of ministries and central and local organizations, along with summarizing the implementation situation and submitting a report to the Ministry of Planning and Investment, for regular reports to the government.

- Ministries, central and provincial organizations have a duty to summarize, conclude and report the outcomes of the implementation of the socio-economic development plan and investment projects financed by the state budget, private domestic and foreign investments, and overseas grants and loans within their scope of responsibility in each period, and later submitting a report to the Ministry of Planning and Investment according to the regulations.