11 August, 2025
Issue 2

LPI NEWSLETTER

New Decree on Industrial Estate

A new Decree on Industrial Estate No. 313/GOV, dated 6 June 2025 has been officially enacted, effective from 23 July 2025, with the goal of enhancing industrial development in a modern, green, and sustainable direction. The decree outlines the legal framework for the promotion, protection, development, and supervision of industrial zones to strengthen the national socio-economic foundation.

Key Highlights:

- **Definition of Industrial Estate**

A designated area authorized for the development of technical infrastructure, encompassing roads, electricity, water supply, etelecommunications, drainage, waste treatment, flood control, housing, fire prevention systems, and other essential facilities necessary to support industrial investment.

- **Minimum Requirements:**
  1) A total land area of not less than thirty (30) hectares;
  2) Basic infrastructure, including roads, electricity, water supply, and telecommunications;
  3) Office facilities and training centers;
  4) Commercial amenities, including shops and restaurants;
  5) Waste treatment, flood control, and safety/security systems;
  6) Other support facilities as may be necessary.

- **Investment Models for Industrial Estate Development**
  1) 100% private investment
  2) 100% state-owned investment
  3) Public-private partnership model – No minimum shareholding ratio is prescribed; the proportion of shareholding shall be mutually agreed upon by the investors.
- **Incentive Policies**

Developers of an industrial estate shall be entitled to tax incentives, land use privileges, infrastructure development support, and such other incentive policies as may be determined for the specific industrial estate.

Key Changes from the Regulation on Industrial Estate No. 1510/MOIC, dated 30 Oct 2019

Although no written legal announcement has been issued, it may be implied that the Regulation on Industrial Estate No. 1510/MOIC, dated 30 October 2019, has been repealed and replaced by the Decree on Industrial Estate No. 313/GOV, dated 6 June 2025.

Key changes under the new Decree include:

1) Removal of minimum capital requirement – The previous requirement for a minimum registered capital of LAK 25 billion has been abolished;
2) More comprehensive provisions on documentation and legal responsibilities of developers and investors, including:
   - 2.1) Labor and financial management obligations;
   - 2.2) General and specific prohibitions applicable to industrial estate developers and investors;
   - 2.3) Strengthened provisions on workplace safety and enhanced inspection mechanisms within industrial estate.

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For tailored legal advice or assistance with industrial zone compliance and investment structuring, please contact the **LPI Legal Team**.
Written by: Oulayvone Banouvong

www.laopremier.com +856-21 265 471 info@laopremier.com

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Comparison of Key Changes: 2025 Decree vs. 2019 Regulation

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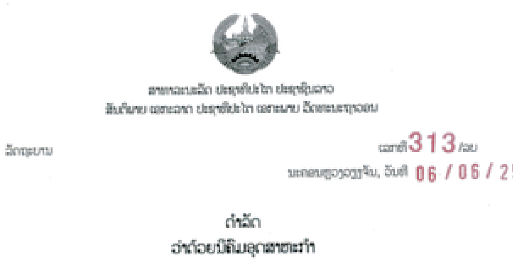
ເລກທີ 1510/ອຄ.ກອຄ
ນະຄອນຫຼວງວຽງຈັນ, ວັນທີ 30 ຕຸລາ 2019

ຂໍ້ຕົກລົງ
ວ່າດ້ວຍນິຄົມອຸດສາຫະກຳ



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ເລກທີ 313/ລບ
ນະຄອນຫຼວງວຽງຈັນ, ວັນທີ 06 / 06 / 2

ດຳລັດ
ວ່າດ້ວຍນິຄົມອຸດສາຫະກຳ

Topic	Regulation On Industrial Estate No. 1510/MOIC, dated 30 October 2019	Decree on Industrial Estate No. 313/GOV, dated 06 June 2025
Types of Industrial Zones	Defined multiple types of zones in Article 5	Abolished category (Article 5 removed)
Investment Models	4 models including state-to-state	Reduced to three models: private, state, and joint venture; state-to-state
Requirement		
Documentation Requirements	General requirements, less specific	Expanded and more detailed requirements for establishing industrial zones
Roles of Developers and Investors	Less distinction between roles	Clearly separated and defined
New Chapter on Labor and Finance	Not included	Included (Chapter 4)
Inspection and Workplace Protection	Limited detail on inspection mechanisms	Enhanced inspection mechanisms and workplace safety provisions in Chapter 7
Prohibited Activities	Not clearly specified	Clearly detailed in Chapter 6 (general and specific prohibitions)

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Written by: Oulayvone Banouvong
ce
emier.com +856-21 265 471 info@laopremier.com

The Decree on Industrial Estate No. 313/GOV, dated 06 June 2025 introduces significant reforms, simplifying investment models, removing minimum capital requirements, and enhancing regulatory clarity on roles, prohibited activities, and workplace protections. These changes signal the Lao government's commitment to fostering a more conducive, transparent, and responsible industrial investment environment, consistent with sustainable development objectives.