

LAOS

By a Special Contributor

A small land-locked country with a land area of 237,000 km² and a population of 4.5 million, Laos offers bright prospects as a repository of gold. It has attracted moderate attention as an investment destination, with joint venture opportunities opening up with local entrepreneurs. Laotian economic policy of *Chin tanaken may* (new imagination) is based on the profit motive. All economic sectors, whether government or private should earn profits and not look to the state for finance. The legal structure is geared to encourage and guide foreign investment. Foreign capital and technology have been recognised as the engines of growth.

Laos is rich in mineral wealth, which includes tin, iron ore, coal, gypsum, limestone, potash, precious and semi-precious stones. Nevertheless, only iron ore, tin and gypsum are now extracted. The major resource is iron ore, reserves of which are estimated at 1,000 Mt with over 60% Fe content. The deposits are mostly in Xien Khouang Province. An iron ore mine in Xien Khouang and a gypsum mine in Savannakhet were developed with

Vietnamese assistance. Newmont Mining of the US has a long-term agreement, through its subsidiary Newmont Viengkham Ltd, to prospect for and produce gold in an area covering 6,500 km² in the provinces of Vientiane and Sayaboury. Rio Tinto is believed to have a similar agreement over an area of 5,000 km² in Savannakhet and Khamouane, close to the Vietnam border. Laos has widespread deposits of placer gold.

Proved deposits of tin are placed at 65,000 t, but actual reserves are considered much larger. Very little prospecting has been done, but knowledgeable observers say that the deposits can support an output of 2,000-3,000 t/y for several years. Only two mines are exploited and the concentrate (50% Sn) is sent for refining to Malaysia. The Vientiane plain has large deposits of sylvite-potash. Potash also occurs near the Thai border and the northern area has an estimated reserve of 150 Mt of lignite. The natural resources mostly remain unutilised because of lack of infrastructure, poor management and red tape.