

Investment Opportunity in a Very Stable Business – Public Water Supply!



Lao PDR
Houaphanh Province
Sop Baoa District

Estimated annual revenue after 3 years in operation of approx. 691 million kip.



Project details

Houaphanh Province is rich in culture and traditions. It is blessed with natural resources, most of which are still untapped. The province enjoys good weather year-round.

From 2006 to 2015, more than 500 private business entities, domestic and foreign, chose to invest in Houaphanh. As the private sector grows, so do the province's urban areas. The need for quality water supply, a critical determinant of population and public health, is increasing exponentially.

The Department for Investment Promotion seeks investor(s) with capital and expertise in the water supply business to establish a water supply company in Sop Bao District. The project's duration is 50 years.

Site Location: The proposed project is approximately 15 km from Route 6. It is only 2 km from Sop Bao Municipality, which has services such as a health center and a bank.

Local services: The site has access to electricity, water piped in directly from a creek, sewers, and garbage collection, as well as internet and landline and mobile phone services.

Local Produce: Beef, buffalo, goat, pork, chicken, duck, fish and other seafood as well as fresh fruits and vegetable are easily accessible.

Labor: Sop Bao District has a total population of approximately 22,700.



Once the company is in full operation, its income will be derived mainly from selling water to Sop Bao's residents and businesses. Current water supply rates in the province are:

1) Residential:

- a. up to $7 \text{ m}^3 = \text{US}\0.455 per 1 m^3 ;
- b. above 7 m^3 to $15 \text{ m}^3 = \text{US}\0.556 per 1 m^3 ; and
- c. above $15 \text{ m}^3 = \text{US}\708 per 1 m^3 .

2) Government offices:

- a. $1 \text{ m}^3 = \text{US}\0.716 per 1 m^3 .

3) State enterprises, private shops, car repairs and offices:

- a. up to $15 \text{ m}^3 = \text{US}\0.716 per 1 m^3 ;
- b. above 15 to $25 \text{ m}^3 = \text{US}\0.758 per 1 m^3 ; and
- c. above $25 \text{ m}^3 = \text{US}\0.804 per 1 m^3 .

4) Hotels and Resorts as well as other businesses utilizing water as a raw material:

- a. up to $25 \text{ m}^3 = \text{US}\0.804 per 1 m^3 ;
- b. above 25 m^3 to $50 \text{ m}^3 = \text{US}\0.852 per 1 m^3 ; and
- c. above $50 \text{ m}^3 = \text{US}\0.903 per 1 m^3 .

Incentives

- All incentives will be granted in accordance to the governing laws and regulations.

Support from the Government

- Shorten the application process;
- Shorten the business operation approval process;
- Provide consultation in every step of the project application process; and
- Facilitate access to other public services.

Minimum Requirements:

- Memorandum of Understanding (MOU);
- Feasibility studies and business development plan;
- An Initial Environmental Examinations (IEE) will be required for the water supply plant. The IEE will involve the public and seek to mitigate negative impacts while maximizing benefits;
- Concession agreement;
- Any business operation licenses and agreements required by concerned government authorities;
- Capital of approximately 15,532,700,000 kip;
- Must have a 'buy local' policy;
- Must provide business opportunities for local community;
- Must give priority to locals in the job recruitment process; and
- Must contribute to the community development fund.



Contact:

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