

## **Profile of the Lao People's Democratic Republic (Lao PDR)**

### **I. Background:**

The People's Democratic Republic of Lao is a landlocked country in the centre of Indochina, sharing borders with China to the north, Myanmar to the north-west, Thailand to the west, Cambodia to the south, and Vietnam to the east.

The Municipality of Vientiane, on the banks of the Mekong River, is the capital of the Lao PDR and is the largest city. The city's exotic Eurasian setting fascinates most travellers.

The Lao PDR presently has a population of 5.37 million with an annual growth rate of 2.5 percent. The country covers 236,800 sq. km and 83% of the population live in rural areas. Around 70% of its terrain is mountainous. The mountains reach a maximum elevation of 2,820 m in Xiengkhuang province. The landscapes of northern Laos and the regions adjacent to Vietnam in particular are dominated by hills.

The Mekong River is the main geographical feature in the west and, in fact, forms a natural border with Thailand in some areas. The Mekong flows through nearly 1,900 km of Lao territory and shapes much of the lifestyle of the people of Laos. In the south the Mekong reaches a breadth of 14 km, creating an area with thousands of islands.

Administratively the country is divided into 16 provinces, one municipality, one special region (Xaysomboon Special region), 142 districts, and about 11,400 villages. In recent years, the country has experienced colonial, feudal and peoples democratic regimes, since the liberation in 1975. With an estimated GDP per capita of 329 US dollars (year 2001), the Lao PDR is classified as one of the least developed countries in the world.

From a geographical and economic development standpoint, the Lao PDR can be divided into three regions:

1. A northern region which is composed of 7 provinces: Phongsaly, Luangnamtha, Oudomxay, Bokeo, Luangprabang, Huaphanh and Xayabury
2. A central region with 6 provinces and 1 special region: Vientiane Municipality, Xiengkhuang, Vientiane province, Borikhamxay, Khammuane, Savannakhet, and Xaysomboon Special Region.
3. A southern region with 4 provinces: Saravane, Sekong, Champasack and Attapeu.

According to the 1995 Lao Population Census, the population was 4,574,848. Of these, 2,260,986 were men and 2,313,862 were women, giving a ratio of 97.7 men to every 100 women.

The average population density is 19.3 persons per square kilometer. The natural population growth rate is 2.4%. There are 748,529 households with an average size of 6.0 people. 17% of the population live in urban areas. A woman heads 11% of households.

More than 47 different ethnic groups live in the country. These include Lao (52.5%), Kmu (11.0%), Phutai (10.3%), Hmong (6.9%), Leu (2.6%), Katang (2.1%), Makong (2.0%), Kor

(1.4%), Xuay (1%), Laven (0.9%), Phounoy (0.8%), Taoey (0.7%), Nhuane (0.6%), Talieng, Tri, Phong, Yao, Thin (all 0.5%), and others (4.5%).

The main employment of the people is in the agricultural and fishery sectors. This involves 85.5% of the total economically active population. Of these 54.2% were women and 45.8% were men.

Laos enjoys a tropical climate with two distinct seasons-the rainy season from the beginning of May to the end of September and the dry season from October through to April. The annual average temperature is about 28<sup>0</sup> C, rising to a maximum of 38<sup>0</sup> C in April and May. In Vientiane a minimum temperature of 19<sup>0</sup> C is to be expected in January. In the mountainous areas, however, temperatures drop to 14-15<sup>0</sup> C during the winter months, and on cold nights easily reach freezing point.

The average precipitation is highest in southern Lao PDR, where the Annamite mountains receive over 3,000 mm of rain annually. In Vientiane rainfall is about 1,500-2,000 mm, and in the northern provinces only 1,000-1,500 mm.

The infrastructure of the province is still low in the Lao PDR, particularly in the rural areas. Only 19% of the rural villages have electricity and 9 out of 10 villages lack any kind of market. Less than half of the villages are accessible by truck in the rainy season. In all the provinces in the north, except Bokeo and Xayabury, half or more of the villages can not be reached by truck even in the dry season. The south is better off.

According to the Lao Expenditure and Consumption Survey in 1997/98 (LECS of 1997/98), agriculture is the most profitable activity in the provinces. The total annual agricultural revenue is 1,299,000 kip per household. (From March 97 to February 1998 the average exchange rate was US\$1 = 2,094 kip). Grain production accounts for around 46.6% of the total revenue, fruit and vegetables for 11.9%, meat for 22.0%, fish for 12.5% and other products for 7.0%.

The average monthly per capita expenditure was about 29,126 kip. About 30.6% of the population can be classified as poor and below the low poverty line. The percentage below the high poverty line was 39.0%.