

**Lao's People Democratic Republic**

**Ministry of Planning and Investment  
Lao Statistics Bureau**

**“Draft”  
Country Work Plan on  
“Statistical Business Registers for Improved Information on Small,  
Medium-Sized, and Large Enterprises”**

**LSB  
September, 2014**

## Contents

<b>I. Overviews</b>	<b>3</b>
<b>II. Purpose of the country proposal</b>	<b>4</b>
<b>III. Stakeholders, role and report system.</b>	<b>4</b>
1. Department of Register and Business Management, Ministry of Industries and Commerce	4
2. Tax Department, Ministry of Finance	5
3. Economic Statistics Department, Lao Statistics Bureau, Ministry of Planning and Investment.	6
<b>IV. Plan and activities</b>	<b>7</b>

## I. Overviews

Statistical Business Registers (SBR) is one of the key indicators for macro-economic development plan, which will allow policy maker to monitor economic growth, enterprise unit and identify the number of potential business unit which government need to promote as well as unproductive unit which could not greatly contribute revenue to government, which and need to be improve. Hence, this emphasize as important national indicator and it is also being taken to account in our strategy of development statistic under working program No.3 out of 12 working program from SD NSS 2020 which was established in 2010 and this year is the third year of its implementation. However, this statistic has not developed and implemented individually and effectively.

The Statistical Business Registers in Lao PDR is not implemented in a full system. In order to access to these information, Lao Statistics Bureau (LSB) conducted the Economic Census 2 times in 2006 and 2013. Those data was estimated for bench mark and applied to National Account, it also was used for sample frame. Moreover, LSB also conducted Annual Establishment Survey since 2002 to 2005 in order to update this information. The result from both census and survey were significantly emphasized economic trend by sectors. Despite the enormous results that we have gain from economic census, which information can produce only every 5 years when the survey is conducted. The Annual Establishment survey is conducted since 2002, however it still remain limited budget from government.

The number of business register was collected and compiled by Register and Business Management Department (RBMD), Ministry of Industries and Commerce (MIC). The process of business register was decentralized management and issued from district, province and central authorities depend on their number of register fund. The business identity was designed and issued by central office at RBMD. Moreover, all those information was stored by RBMD in both format software and hardware. However its evaluation of activities, death and survival are yet compiled.

Tax Department, Ministry of Finance (MOF) plays an important role for business monitoring. Enterprises were identified by using Tax Identify Number (TIN). This number was used for tax follow up purpose, which update the business activities in yearly. However, the record system especially in term of software has to be reinvestigated. Due to the tax management was decentralize, only the concession and large enterprises were controlled by central government.

Never the less, there were other agencies who also compile and monitor enterprises activities yearly for their management purpose, such as Bank of Laos, Special Economic Zone, etc.

In conclusion, business register statistics in Lao PDR is yet implemented. But it was compiled and collected for difference purpose among government agencies. However, those data is not alive statistics due to it was not store as time series database for a business unit. So, it is difficult to monitor or update business status such as survival, change activities, change location, death and etc.

Recently, government is raising attention and aware of realistic estimation of economic growth in order to apply to country development plan and policy. Therefore, the SBR is required to produce to give basic information of business unit. It also could assist us to estimate the economic growth as well as reduce the survey cost and can be a best resource for sample frame.

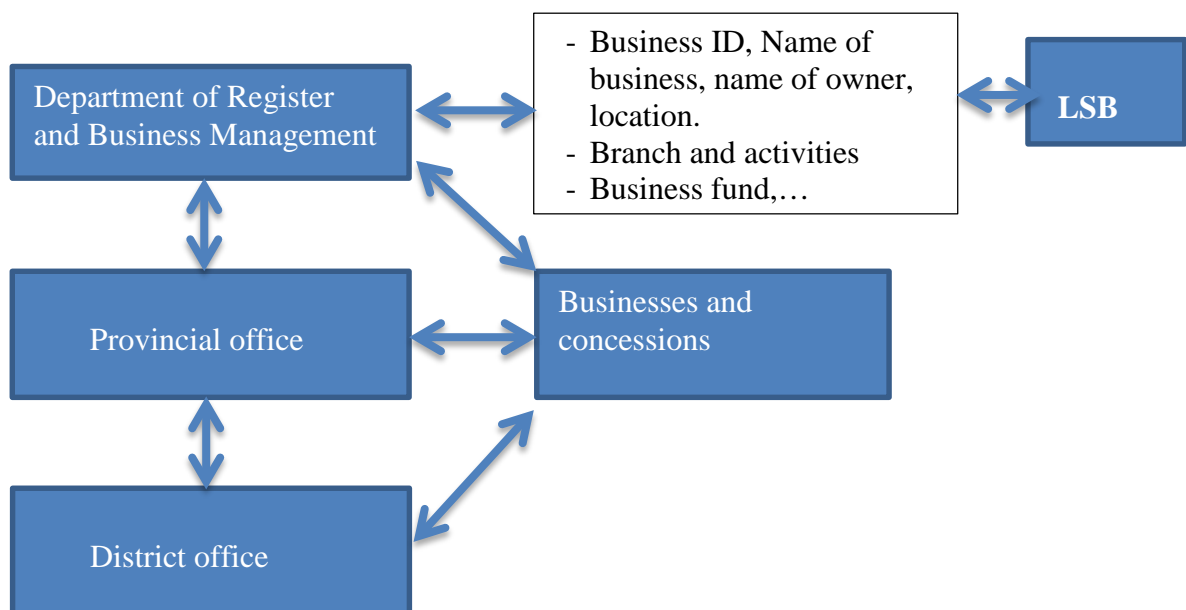
## II. Stakeholders, role and report system.

The SBR stakeholder meeting was organized by LSB and ADB on early September, and participated by line ministries such as Ministry of Finance, Ministry of Industry and Commerce, Bank of Laos, Special Economic Zone, Lao National Chamber of Commerce and Industries, Ministry of Planning and Investment. As a result, the core stakeholders were identified as Department of Register and Business Management, Ministry of Industry and Commerce; Department of Tax, Ministry of Finance; The meeting also bared out other stakeholders such as Special Economic Zone, Bank of Laos and Custom Department, Ministry of Finance.

### 1. Department of Register and Business Management, Ministry of Industries and Commerce

Department of Register and Business Management, Ministry of Industries and Commerce is a core agency to carry out the information of business birth/register. They also only one agency that business identity of enterprises was issued. Therefore, in order to implement SBR, this basic information will be compiled and collected by department. (Diagram1)

**Diagram 1:** The database management and report system of business register in Department of Register and Business Management



The business information from Department of Register and Business Management, namely business register name, owner name, its identification, activities, branch, total registration fund, etc. Those data has to be provided as a database format and updated yearly to LSB (Annex 1, Business register form).

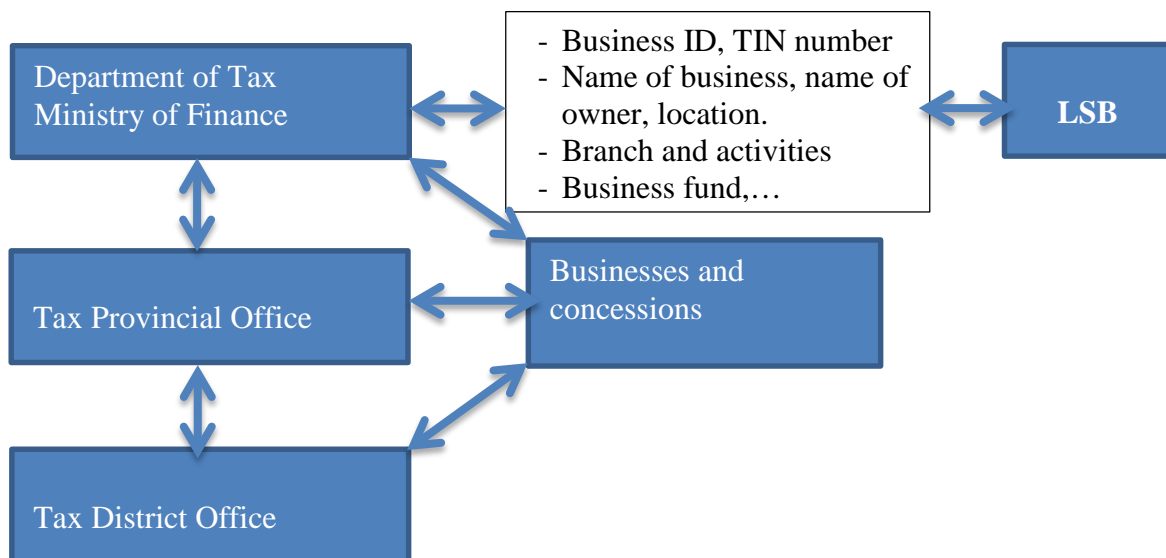
## 2. Tax Department, Ministry of Finance

Tax Department, Ministry of Finance is a main agency who can follow up and update the information of business register such as changing in activities, location and owner. They also can investigate and provide information of business death and survive which will make SBR a live statistics. Moreover, the TIN is a key identification that will allow us to integrate data from all agencies. Furthermore, due to Tax department is decentralized in order to strengthen the local government, it was divided the management level. Central government will control only the large enterprises and concessions. Therefore, the local government plays an important role to monitor the medium and small enterprises.

To collect and compile the basic information of establishment, LSB and Tax department have to work together and collaborate with tax provincial offices. See Diagram2, shows the coordinate system in the Tax department from provincial office to central level and also data sharing to LSB.

The data needs to be provided by Tax Department such as business name, its ID, TIN number, name of owner, location, branch and activities, business registration fund. Those have to be compiled include new business and also update the status of old business (live business statistics) and provided to LSB (Annex 2, TIN form).

**Diagram 2:** The database management and report system of business register in Tax Department



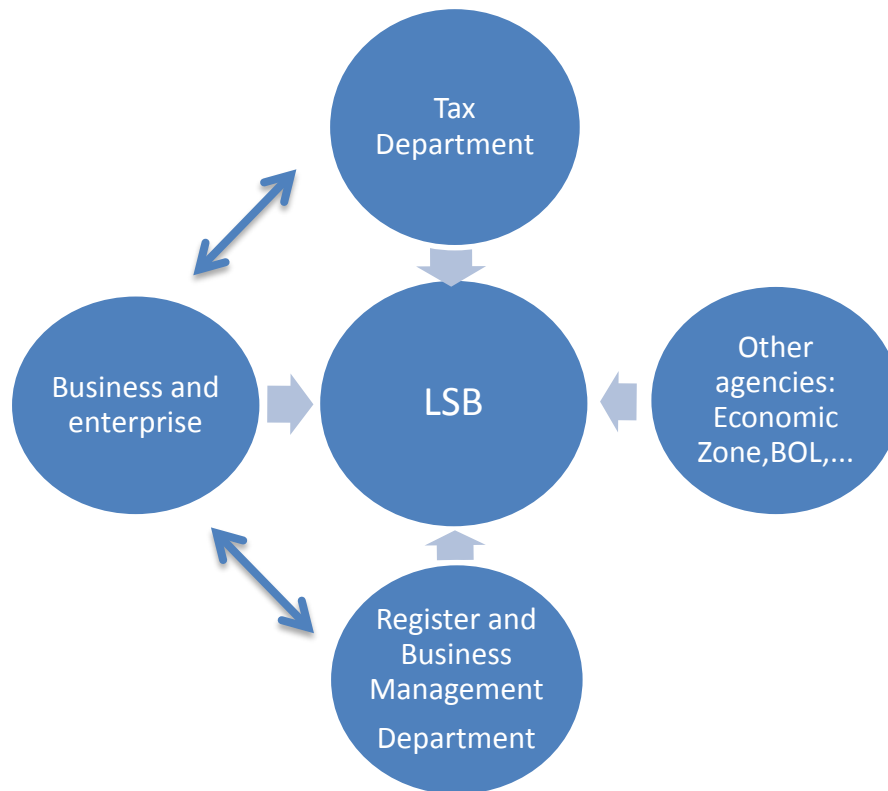
### **3. Economic Statistics Department, Lao Statistics Bureau, Ministry of Planning and Investment.**

Economic Statistics Department, Lao Statistics Bureau is a central of coordination between line ministries (Horizon) and provincial statistical offices (Vertical). Economic Statistic Department will be a National Implementing Agency (NIA) to be a focal point to collaborate with other agencies namely Ministry of Finance and Ministry of Industry and Commerce, to compile the business information. Those data will be linked to make the database alive and established the Statistic Business Register (SBR). LSB also play an important role on update the SBR by conduct the Economic Census every 6 years and Annual Establishment Survey (Annex3: questionnaire).

The SBR contains the business basic information such as, business ID, TIN, name of business, owner name, branch, type of investment, registration fund, year of start business, year of end (if business stop), activities and type of product classify by ISIC. rev 2014. That information has to be updated yearly.

The diagram 3 indicates the administrative data report structure of SBR between LSB and 2 key agencies from Ministry of Finance and Ministry of Industry and Commerce, and also with other agencies such as Bank of Laos, Economic Zone. Furthermore, LSB also can access to enterprise information directly from the survey.

**Diagram 3:** Statistic Business Register (SBR) report system



### III. Plan and activities

In order to start SBR compilation and collection, LSB has to begin with 2 forms of databases namely, administrative and survey.

#### 1. Economic Census and Annual Establishment Survey

**Activity 1:** LSB has to revise all related data of Economic census 2006 and 2013, and Annual Establishment Survey 2002, 2003, 2004 and merge them to construct the SBR primary database. This particular work had been considered since LSB was funded by Sida project and conducted the 1<sup>st</sup> Annual Establishment survey in 2002 and continued yearly survey to 2004. During that time, we tried to merge between those datasets but it did not success, due to the business identification was not in a well form, TIN was not available, the business location had moved, name of the owner had change and so on. Therefore, this activity 1, LSB needs Technical Assistant (TA) form international expert who has more experience in linking that kind of information to assist us merge and construct the SBR dataset format.

**Activity 2:** Revise the questionnaires from Economic Census and Establishment Survey, this activity will assist to create new format of questionnaire which serve the purpose of SBR for the next survey. LSB plan to conduct the Annual Establishment survey 2015 and other related survey such as Establishments survey in Economic Zone and FDI survey. In order to enhance this activity, the capacity building needs to be considered. The LSB staff needs to improve the

knowledge on SBR compilation, methodology application and report process via training, workshop and study tour, to learn from other countries experiences.

## **2. Administrative information and other sources**

**Activity 3:** International Training on the knowledge of statistic business register role and important, framework, methodology is needed for LSB staff, in order to understand more deeply before apply to the real practice, moreover they also will be a trainer for other staff within LSB and core agencies in the next period.

**Activity 4:** In-house training/workshop on statistic business registers concepts, roles and framework is need to be provided to improve knowledge and understanding within LSB, other agencies namely Ministry of Industry and Commerce, Ministry of Finance, Ministry of Planning and investment, BOL, Economic Zone, and some provincial office who involving in compilation and collection of SBR. This course will open the views of SBR to key agencies to encourage their collaboration in the future.

**Activity 5:** Office visit and database analysis. In order to start create the form of administrative report with MIC and MOF, LSB has to visit the two agencies Department of Register and Business Management and Tax Department, to study and analyze the data availability and possibility to merge and link them together. The TA is need to be supported for this activities, due to our knowledge and experience in this activity is limited. Moreover, the data availability is complicate and the key link is not yet identified.

**Activity 6:** Create data format and link. This activity, LSB needs to learn from other countries' experience on the data sharing, linking and SBR framework between 3 agencies. In the long term, in order to enhance SBR to continuously compile and report, LSB, MIC, Tax Department need to have a common compilation form which can easily link among those 3 agencies. This activity require some TA to provide the knowledge and guide the staff on create this form.

## **3. SBR database, report and analysis.**

**Activity 7:** Enhance report system, coordinate and collaborate mechanism. This activity is very important action; it is a key factor of SBR framework. In order to strengthen the coordination and collaboration between 3 agencies, LSB has to play an important role as a central coordinate with other agencies. The regular meeting on progress report and implementation plan of SBR needs to be organized regularly, it will allow the 3 agencies to discuss on activities and plan for each step of SBR framework. The MOU also need to be made for an agreement between 3 agencies on database access and report system.

**Activity 8:** SBR database and linking system. This activity is a program and IT framework, the database will base in Department of Economic Statistics, LSB. However, the link and analysis programs have not been identified. Therefore, this activity remains critical challenge for LSB and donors.



#### **4. Resource Requirement**

- In short-term, LSB has to assign at least 3 people to Economic Statistic Department, Sector and Price Statistic Division, 1 person for analyzes survey data. 2 people work on the development of SBR administrative data. In addition, at least 1 person has to be assign from IT division, Department of Services, in order to assist on data link framework.
- In Long-term, LSB has to recruit 6 to 8 people to work on SBR database creation. Who will compile and collaborate with other agencies, follow up and update data set, assist on survey frame, work on report and analysis.
- In the other hand, hardware and software is need to be supply for SBR framework as well. For the short-term, 2 laptops and 1 desktop are basically required which will be used for database analysis in both survey and administrative data. In long term, all of the SBR's staff has to be fully equipped such as computers and its compilation software. In addition, 1 server and hard disk of server 4 units are also needed in order to store the database, back up and also for the link process.