



Lao People's Democratic Republic

Peace Independence Democracy Unity Prosperity

National Assembly

No 27/NA

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Law on Protection of Manufacturers affected by Goods Importation

Part 1

General Provisions

Article 1: Objectives

This law determines principles, regulations and measures for the administration, monitoring, and inspecting the works on protection of manufacturer affected by goods importation in order to ensure this work be efficient and effective focusing on enabling the domestic manufacturer to improve themselves to be strengthening, growing, and competitive with the imported goods, contributing to the national socio-economic development.

Article 2: Protection of Manufacturers affected by Goods Importation

Protection of manufacturers affected by goods importation is the use of measures on tariffs or limiting import quota for a period in order to protect the domestic manufactures who have received serious injury or any threats that can cause serious injury by an increased import.

Article 3: Definitions

The terms used in this law shall have the meaning as described below:

1. Domestic manufacturers means the producers of industrial and agricultural goods or other goods in Lao PDR that are similar or competitive directly with the imported

goods or it is the producer that has the aggregated outputs with the major proportion of the total domestic outputs.

2. Similar goods means goods that have same basic features or similar to the goods produced in Lao PDR such as: operation, application, quality, technical components, and lists under the same type of goods;
3. Direct competitive goods means industrial and agricultural goods that can be substituted with domestic goods;
4. Increasing imports means import of goods that the quantity is increasing substantially and comparatively by comparing with the quantity of similar goods or direct competitive goods produced in Lao PDR;
5. Stakeholders means producers, exporters or importers and State of exporting country that has caused losses to domestic producers, who produces similar goods or direct competitive goods with import goods, group, association or organisation that is a representative to protect the benefits of domestic producer;
6. Substantial increased import quantity means import quantity that increases based on percentage or quantity in comparison between import quantity and domestic production quantity;
7. Serious injury means loss caused by general significant effect for domestic producers;
8. A threat potentially causing serious injury means an event that is going to occur in the near future with domestic producers that will certainly lead to serious injury.

Article 4: State Policies on Protection of Manufacturers affected by Goods Importation

State promotes the protection of manufacturers affected by goods importation by formulating policies and measures to create the environment and conditions for domestic manufactures for enabling them to improve themselves to be competitive with imported goods.

State provides funds, human resource, transports, and equipment for the organisation that is responsible for implementing the work on protection of manufacturers affected by goods importation efficiently and effectively.

Article 5: Basic Principles on Protection of Manufacturers affected by Goods Importation

Protection of manufacturers affected by goods importation shall comply with the following principles:

1. Ensuring compliance with policies and law;
2. Ensuring transparency, conciseness, and justice;
3. Use the measures when necessary with a certain period and non-discrimination.
4. Compliance with the international agreements and treaties that Lao PDR is a party to.

Article 6: Scope of Applications

This Law shall be applied to individuals, legal entities including domestic and foreign organisations who are domestic producers and goods importers.

Article 7: International Cooperation

The State promotes foreign, regional and international cooperation in the protection of manufacturers affected by the goods importation affairs by exchanging the lessons, information, scientific, technology, and trainings, upgrading the technical capacity for ensuring the effective performance of protection of manufacturers affected by goods importation and the conformity with the international agreements and treaties in which Lao PDR is a party to.

Part II

Determination and Investigation the information on the Loss

Chapter 1

Determination of the Loss of the manufacturers affected by goods importation

Article 8: Loss of Domestic Manufacturers

Loss of domestic manufacturers means overall serious injury of trade benefits caused by a substantial increased import of goods and has caused domestic manufactures serious injury or threats potentially cause serious injury.

Article 9: Determination of Serious Injury

Determination of serious injury of domestic manufacturers shall consider the following factors:

1. Proportion and quantity of the increased import goods is substantially and comparatively;
2. Decreased market segmentation of domestic manufacturers;
3. Change in selling level;
4. Change in production output level;
5. Change in productivity;
6. Change in production capacity;
7. Change in profit or loss level;
8. Change in employment level;
9. Other related factors.

Loss caused by other factors that is not from the increased import is not considered as vast loss.

Details of the first 8 factors of loss and its vast loss level are set in a different regulation.

Article 10: Determination of Threats causing serious injury

Determination of threats causing serious injury for domestic manufacturers shall follow those factors that are set in Article 9 of this law.

Chapter 2

Investigation on the information of Loss caused by goods importation

Article 11: Investigation on the information of loss caused by Goods Importation

Investigation of the information of loss caused by goods importation is the finding of the information to certify serious injury or threats potentially causing the loss by domestic manufacturers due to the abnormal substantial increasing import.

Investigation on the information of loss caused by goods importation shall be conducted only if it is due to one of the reasons set in Article 12 of this law.

Ministry of Industry and Commerce shall conduct the investigation on the information of loss cause by goods importation through coordination with line Ministries, relevant organisations prior to propose to the State to consider using the measures set in Article 24 of this law.

Article 12: Reasons for Investigation

Reasons for investigating loss caused by goods importation are as followings:

1. There is a request from domestic manufacturer or its representatives;
2. The investigating authority found information or evidence of loss of domestic manufacturer.

Article 13: Request of Domestic Manufacturers or its Representatives

Domestic manufactures or their representatives can submit their request to Ministry of Industry and Commerce based on the application form in order to proceed with the investigation following the factors that are set in Article 9 of this law.

The request shall consist of the following information:

1. Information on the increasing imported goods;
2. Information on manufacturers, exporters and importers;
3. Connection between the increasing import with serious injury or threats potentially causing the loss;
4. Improvement plan of domestic manufacturers;

Upon receiving the request, the investigating authority shall finish considering the information or evidence within 15 working days from date receiving the request. Otherwise, the investigating authority can propose to Ministry of Industry and commerce for an extension for a maximum of 10 working days.

In the case that the investigating authority do not find any information or evidence to prove that there is an increasing imported goods and loss of domestic manufacture, the

investigating authority shall report to the Minister of Industry and Commerce and notify the person who has submitted the request know about the result of the investigation.

In the case that the investigating authority found information or evidence proving that there is an increasing imported goods and serious injury of domestic manufacturers or threats potentially causing the loss, the investigating authority must report to the Minister of Industry and Commerce in order to consider issuing a decision on the approval of investigation process.

Article 14: Finding of Information or Proof by Investigating Authorities

When the investigating authority found the information or evidence proving that the increasing imported goods has caused vast loss for domestic manufacturer or threats potentially causing the loss, the investigating authority must report to the Minister of Industry and Commerce in order to consider issuing a decision on the approval of investigation process.

Article 15: Investigation Procedures

Investigation process shall follow the procedures below:

1. To issue a decision to proceed the investigation;
2. To proceed the investigation;
3. To summarise and report on the result of the investigation.

Article 16: Issuance of Decision to Conduct Investigation

Upon receiving the report from the investigating authority, Minister of Industry and Commerce shall consider issuing a decision to conduct the investigation as well as to designate the investigating committee on the loss caused by the good importation.

The committee consist of the investigating authority, officials of Industry and Commerce sector, and representatives from other related sectors.

Article 17: Information Investigation Operation

Upon Minister of Industry and Commerce issue a decision to conduct the investigation, the investigating committee shall follow the procedures as followings:

1. Notify the exporting country, the person submitting the request, the World Trade Organisation, and related stakeholders prior to conducting the investigation;
2. Disseminate the decision on the approval to conduct the investigation through a media in order to inform the society widely;
3. Consult with related stakeholder for them to show the evidence, documents, and comments on the use of the measures to guarantee the public benefits;
4. Collect information from all related places to certify the accuracy and truth about the effect of the goods importation.

The investigation process must finish within 180 days from the date of issuing the decision. Otherwise, the investigating committee can propose to Minister of Industry and Commerce for a consideration of an extension for a maximum of 60 days.

Article 18: Summary and Report on the Information Investigation

Upon completion of the investigation, the investigating committee shall summarise and report the result of the investigation together with all the collected evidence to the Minister of Industry and Commerce in order to propose to the State for a consideration whether to use the measures or not.

Article 19: Cancellation of Information Investigation Operation

Minister of Industry and Commerce shall issue a decision to terminate the investigation process if any of following cases has occurred:

1. The requested person withdraw his/her request;
2. There is no connection between the increasing imported goods and serious injury or threats potentially causing the loss;
3. Other reasons.

Upon issuing a decision on termination of the investigation process, Ministry of Industry and Commerce shall notify to the World Trade Organisation and related stakeholders as well as to inform the society.

Article 20: Confidential Information Keeping

The investing authority and committee shall keep all the confidential information or the information that the providers have asked to keep it confidentially and the information shall not be disclosed to the society without permission from the information providers.

The investing authority and committee may request the information providers to summarise briefly about the information that can be disclosed. Otherwise, the information providers shall give the reasons.

In case the investing authority and committee consider that the request to keep the information confidentially is not reasonable and the information providers do not agree to disclose to the society or can not summarise it briefly without sufficient reasons, the investigating authority and committee may not take that information to support the investigation unless there is a proof from other sources that the information is correct.

Article 21: Responsibility on the Operation of Information Investigation

The expenditure on the operation of investigation on the loss caused by the goods importation will be the government fund as set in the related law.

Article 22: Investigating Authorities

The investigating authority is the government officials who have been designated by Minister of Industry and Commerce to responsible for the work on the investigation on the loss caused by goods importation as stipulated in this law.

Article 23: Rights and Duties of Investigating Authority

The investigating authority has the following rights and duties:

1. Collect and analyse the information on the loss caused by increasing imported goods;
2. Ask, request the information from the person who makes the request, the importers and the domestic manufacture about the loss caused by increasing imported goods;
3. Summarise and report on the result of the investigation on the loss caused by goods importation to the Minister of Industry and Commerce for a consideration;
4. Study and propose on the cancellation or extension of period on using protection measures on the effect caused goods importation;

5. Apply the rights and implement other duties as stipulated in the law.

Part III

Measures of Protection of Manufacturers affected by Goods Importation

Chapter 1

Types of Protection of Manufacturers affected by Goods Importation Measures

Article 24: Types of Protection of Manufactures affected by Goods Importation Measures

There are two types of measures to protect the domestic manufacturer affected by goods importation as followings:

1. Temporary measures;
2. General measures.

Article 25: Temporary Protection Measures

Temporary protection measures are the measures used with the importer during the investigation period where the importer makes a security contract in cash with Ministry of Finance base on the specified regulation.

Article 26: General Protection Measures

General protection measures are the measures used with the importer upon completion of the investigation when it is found that there is serious injury to a single type of goods based on the factors set in Article 9 of this law. The measures include limitation of import quantity or increase of import tariffs for that goods.

Chapter 2

Application of Temporary Protection Measures

Article 27: Application of temporary protection measures

During the investigation, if there is an evidence certifying that the increasing imported goods has caused serious injury or threats potentially causing the loss to domestic manufacturers or if the delay of the process may cause a serious injury, which is difficult to solve, the investigating committee must report to Minister of Industry and Commerce immediately in order to propose to the State for a consideration to use the temporary protection measures.

Upon the government agrees to use temporary protection measures, Ministry of Finance and related sectors shall implement the measures accordingly.

Ministry of Industry and Commerce must notify about the application of temporary protection measures to the World Trade Organisation and related stakeholders.

Article 28: Period of temporary protection measures application

The maximum of the duration of applying temporary protection measures shall not exceed 200 days from the date of issuing a decision to use this measures and it shall be expired upon completion of the investigation or until the last day of the period of applying this measures.

Article 29: Cancellation of temporary protection measures application

The State shall consider the termination of temporary protection measures before the expiry of the duration set in Article 28 if it is found that the increasing imported goods has not caused any serious or threats potentially causing the loss based on the report from Ministry of Industry and Commerce.

Ministry of Industry and Commerce shall notify about the termination of temporary protection measure to the related stakeholders and Ministry of Finance must return the security contract in cash to the importer immediately.

Chapter 3

Application of General Protection Measures

Article 30: Application of General protection measures

Upon completion of the investigation and the result certifying that the increasing imported goods has caused serious injury or threats potentially causing the loss to domestic

manufacturer, the investigating committee shall report to the Minister of Industry and Commerce in order to propose to the State for a consideration to use the general measures.

Upon receiving the letter from the Ministry of Industry and Commerce, the State shall consider issuing the approval to use the general protection measures within 15 working days through a quantity limitation of import goods and to assign the Ministry of Industry and Commerce to implement it accordingly. Limitation of quantity of imported goods shall not cause a decrease in the import below the quantity of import during the last final three years on average unless there is a reason certifying that only the lower number can solve the effect.

For the measure on increasing import tariffs, Ministry of Finance shall study and consider the request from Ministry of Industry and Commerce and thereafter to report to the state for a consideration to the national assembly committee for an approval.

The general protection measures will be used only when necessary. If the measure is used longer than a year, the level of using the measures shall be reduced periodically.

Ministry of Industry and commerce shall responsible for notifying the use of the general protection measure to the World Trade Organisation and related stakeholders.

Article 31: Period of general protection measures application

The duration of using the general protection measure shall not exceed four years from the date of using the temporary protection measures unless the extension is granted as stipulated in Article 33 of this law.

Article 32: Review of General Protection Application

For the general protection measures that has the period of application longer than three years, after completing half of the period Ministry of Industry and Commerce shall conduct a review of implementing that measures and to propose to the State for a consideration whether to keep, reduce or terminate.

Ministry of Industry and Commerce shall responsible for notifying the result of the review and the decision of the State to the World Trade Organisation and related stakeholders quickly.

Article 33: Extension of Period of general protection measures application

The general protection measures can be extended twice. The first time shall not exceed four years and the second time shall not exceed two years. However, the domestic manufacturer shall request to Ministry of Industry and Commerce for six months before the deadline in order to consider extending the duration of using that measures.

Upon receiving the request from domestic manufacture, Ministry of Industry and Commerce must study and consider within 15 working days. If it is necessary to continue using that measure, the Ministry of Industry and Commerce shall propose to the State for a consideration.

In the case that the extension is granted, the intense level of the measure must be reduced.

Ministry of Industry and Commerce shall notify about the extension of using the general protection measure to the World Trade Organisation and related stakeholders quickly.

Article 34: Re-Application of General Protection Measures

For general protection measures that have finished but continue causing loss to domestic manufacturer, it can be reapply to goods that has been received that measure before. However, it shall be done upon half of the duration of using the previous measures at least not less than two years.

For the measure with the duration does exceed 180 days, it may be reapply to the imported goods when it has been used at least one year but must not be used more than twice within five years.

Article 35: Settlement of Effects from Application of General Protection Measures

In the case of using or extending the period of using the general protection measures longer than three years, the State of Lao PDR may consult with the exporting country that may be affected by the measures by keeping the level of tariff reduction to be equivalent to the level of obligation of Lao PDR under the World Trade Organisation.

Article 36: Non-Application of Measures on Protection of Manufacturers affected by Goods Importation

The general protection measures shall not be used for the following cases:

1. The import proportion of developing countries who are the members of the World Trade Organisation does not exceed 3% of the total import that is investigated or the proportion of the total import from developing countries does not exceed 9 %;
2. The uses of the measures have caused the loss to the national socio-economic.

Ministry of Industry and Commerce shall notify to the World Trade Organisation and related stakeholders on the non-use of that measures.

Part IV

Prohibitions

Article 37: General Prohibitions

It is prohibited for an individual, legal entities, and organisations to act as followings:

1. To provide help, protect the violators of the law and regulations on protection of manufacturers affected by goods importation;
2. To be a middle person or take the bribe for his or her own benefits,
3. To interrupt the working of the investigating authority and committee;
4. Other actions that violates the laws.

Article 38: Prohibitions for Domestic Manufacturers

It is prohibited for domestic manufacturers to act as followings:

1. To impute the importer of the same goods, counterfeit, distorted, or provide incorrect information to the investigating authority and committee;
2. To give bribe to the officer and individual related to protection of manufacturers affected by goods importation;
3. Other actions that violates the laws.

Article 39: Prohibitions for Authorities, Investigating Committee and Relevant Officials

It is prohibited for the inspecting authority and committee and related officials to perform as followings:

1. To misuse of power, duty, position for his or her own benefit, their party and group and organisation or an individual;
2. To take bribe from domestic manufacturer or goods importers;
3. To disclose the information, confidential document without a permission;
4. To delay the duration of consideration of documents without reasons or
5. To accomplice with domestic manufacturer to hide any information and evidence;
6. Other actions that violate the laws.

Part V

Management and Inspection

Chapter 1

Management of Protection of Manufacturers affected by Goods Importation

Article 40: Protection of Manufacturers Affected by Goods Importation Management Organization

The State manages protection of manufacturers affected by goods importation in a centralised way and uniformly throughout the country by assigning the Ministry of Industry and Commerce to be directly responsible and coordinate with Ministry of Finance, other sectors and related local management organisations.

The management organisation of protection of manufacturers affected by goods importation shall consist of:

1. Ministry of Industry and Commerce;
2. The Industry and Commerce Division at Provinces and Capital City;

3. The Industry and Commerce offices at Districts, Municipality, and City.

Article 41: Rights and Duties of Ministry of Industry and Commerce

In the management of protection of manufacturers affected by goods importation, Ministry of Industry and Commerce has the rights and duties as followings:

1. Study, formulate policies, strategies and law in order to present to the State for a consideration;
2. Modify policies, strategies, law and regulations on protection of manufacturers affected by good importation;
3. Advertise, disseminate the policies, strategies, law and regulations on protection of manufacturers affected by goods importation;
4. Study and propose to the State for a consideration to issue a decision to use the protection measures for domestic manufacturers affected by goods importation;
5. Issue a decision, order, and guidance on protection of manufacturers affected by goods importation;
6. Create, enhance and upgrade technical officials on protection of manufacturers affected by goods importation;
7. Designate the investigating authority and committee on protection of manufacturers affected by goods importation;
8. Consult and coordinate with line ministries, other state's agency in creation, other sectors and local management organisations;
9. Cooperate and exchange experience with international organisation on protection of manufacturers affected by goods importation;
10. Summarise and report on the operation of protection of manufacturers affected by goods importation to the State regularly;
11. Perform other rights and duties as prescribed in the law and regulations.

Article 42: Rights and Duties of the Industry and Commerce at Provinces and Capital City

In the management of protection of manufactures affected by goods importation, the Industry and Commerce at Provinces and Capital City has the rights and duties as followings:

1. Modify and implement the policies, strategies, law, regulations, and operation plans on protection of manufacturers affected by goods importation;
2. Advertise, disseminate the policies, strategies, law, and regulations on protection of manufacturers affected by goods importation;
3. Facilitate and cooperate with the investigating authority and committee on the implementation of protection of manufacturers affected by goods importation;
4. Receive the request and the notification on protection of manufacturers affected by goods importation and other related sectors in order to report to Ministry of Industry and Commerce for a consideration to solve the problems;
5. Monitor and inspect the implementation of the law and regulation related to the loss caused by goods importation;
6. Summarise and report on the implementation of protection of manufacturers affected by goods importation to Ministry of Industry and Commerce and provincial management organisations regularly;
7. Perform other rights and duties as prescribed in the law and regulations.

Article 43: Rights and Duties of the Industry and Commerce Office at Districts, Municipality, and City.

In the management of the protection of manufacturers affected by goods importation, the industry and commerce office at district, municipality and city shall be entitled to and shall perform their rights and duties as followings:

1. Implement the actions plans, decisions, orders, and guidance on the protection of manufacturers affected by goods importation;
2. Disseminate law and regulations on protection of manufacturers affected by goods importation;
3. Facilitate and cooperate with the investigating authority and committee on the implementation of protection of manufacturers affected by goods importation;

4. Monitor and inspect the implementation the law and regulations on the protection of manufactures affected by goods importation;
5. Summarise and report on the implementation of protection of manufacturers affected by goods importation;
6. Perform other rights and duties as prescribed in the laws and regulations.

Article 44: Rights and Duties of Ministry of Finance

In the management of protection of manufacturers affected by goods importation, Ministry of Finance has the rights and duties as followings:

1. Keep or return the security contract in cash from using the temporary protection measures;
2. Collect imported tariffs from using the temporary protection measures;
3. Coordinate with Ministry of Industry and Commerce on the study on the imported tariffs in order to protect domestic manufacturer;
4. Issue decision, order, and guidance on keeping or returning the security contract in cash from using the temporary measures and imported tariff of imported goods;
5. Summarise and report on the operation of protection of manufacturers affected by goods importation under their own rights and duties to the State regularly;
6. Perform other rights and duties as prescribed in the law and regulations.

Article 45: Rights and duties of other sectors and local management organisations

The other sectors and local management organisations has the rights and duties in the cooperation, providing information, and coordinate with Industry and Commerce sector, Financial sector, public security sector on the operation of protection of manufacturers affected by goods importation falling under their own roles and responsibilities.

Chapter 2

Inspection of Protection of Manufacturers affected by Goods Importation

Article 46: Protection of Manufacturers Affected by Goods Importation Inspecting Organization

The organisations that are responsible for inspecting the work on the protection of manufacturers affected by goods importation are as followings:

1. Internal inspection organisation is the same organisation as the organisation that is responsible for managing the work on the protection of manufacturers affected by goods importation as set in Article 40 of this law;
2. External inspection organisations are the national assembly, provincial assembly, State Inspection organisation, State Audit organisation, the Lao Front for National Construction, Mass organisations, and social media are those inspecting the implementation of the work on protection of manufacturers affected by goods importation.

Article 47: Contents of Inspection of Protection of Manufacturers affected by Goods Importation

The inspection of the work on protection of manufacturers affected by the goods importation has main contents below:

1. The implementation of policies, strategies, law and regulations on the protection of manufacturers affected by goods importation;
2. The organisational structure and performance of the protection of manufacturers affected by goods importation;
3. The responsibilities, actions, and work performance of officials, investigating authority and committee on the loss.

Article 48: Approaches of Inspection of Protection of Manufacturers affected by Goods Importation

Inspection of protection of manufacturers affected by goods importation shall has following approaches:

1. A regular inspection which is an inspection operated in accordance with law, action plans in which it has certain duration.

2. Inspection with an advance notification is an inspection outside the action plans when it is seen as necessary and to notify the person who will be inspected at least 24 hours beforehand;
3. An urgent inspection is an inspection in the case of urgency with a notification to the person who will be inspected.

Operation of inspection of the protection of manufacturers affected by goods importation shall be conducted on both documentations and at the location of importers, domestic manufacturer in accordance with specified law.

Part VI

Policies towards Persons with Outstanding Achievement and Measures against Violators

Article 49: Policies towards Persons with Outstanding Achievement

Individual, legal entities or organisations which have made outstanding achievement in the implementation of this law will be praised or obtain other awards in accordance with laws and regulations.

Article 50: Measures against Violators

Individual, legal entities or organisations that have violated this law will be educated, warned, subject to disciplinary measures, fined, pay compensation or subject to criminal sanctions and additional measures depending on the seriousness of the offense in accordance with laws and regulations.

Part VII

Final Provisions

Article 51: Implementation

The Government of Lao People's Democratic Republic shall implement this law.

Article 52: Effectiveness

This law shall become effective from the date the President of Lao People's Democratic Republic issue the decree to promulgate the implementation and upon it has been posted on to the Lao Official Gazette for 15 days.

Any terms, provisions or other legislations that contradict to this law shall be repealed.

President of the National Assembly

(Signed and Seal)

Pany Yathortou