

## Tire Manufacturing Project in Khongxedon

**Be the first tire manufacturer in a country of rubber plantations  
and a growing demand for tires.**

Lao PDR  
Salavan Province  
Khongxedon District

Lao PDR, Salavan Province. Call Now: +856-034 211028



### Project details

Khongxedon is among the most ready districts in Salavan Province to absorb large-scale manufacturing industries. Equipped with well-constructed roads and bridges, Khongxedon City is home to nearly 40,000 people. On Route 15B, it is 74 km from Salavan City; while on Route 13, it is about 68 km from Pakse.

The number of imported cars in the city, and the country as a whole, is a good indicator of the society's spending power, which has increased exponentially in recent years. The more vehicles there are, the more spare parts needed, especially tires. There are no tire factories in the country, or in the sub-region, to take advantage of local markets or the rubber plantations in the country.

To substitute imports with domestic products, and to export to neighboring countries, the Khongxedon government sees great potential in the district for a tire manufacturing plant. An investor(s) is sought after to carry out this business on a 1-hectare property in Na Pho Village in Khongxedon District. The site is only 200 meter from Route 13, an ideal location for a factory.

The investor(s) may buy raw materials from para-rubber tree plantations in Salavan and neighboring provinces.

**Project duration:** 30 years.

### Project details (continued)

**Local services:** The proposed location is less than 20km from the Lao-Thai border. It is approximately 5 km from Khongxedon's administrative offices, Khongxedon Hospital, a market and a bus terminal. It has access to electricity, water supply, and sewers, as well as landline, mobile phone and the internet services.

**Local construction supplies:** The developer(s) may utilize available local construction materials such as sand and gravel, cement, bricks, clay blocks, roof tiles, zinc sheets, wooden boards and beams, and steel bars. Some electronic appliances can also be found locally.

**Construction machineries:** The investor(s) may find locally 10-wheelers, excavators, cranes, bulldozers and other hydraulic machines needed for construction.

**Local Produce:** Beef, buffalo, goat, pork, chicken, duck, and fish as well as fresh vegetable and fruits can be found locally.

**Labor:** Khongxedon District has a total population of approximately 62,500 people with the working youth accounting for 30% of the population. Local daily wages range from 40,000 kip to 50,000 kip per person.



## Income/Incentives & Minimum Requirements

### Income generating opportunities from:

- Selling tires to domestic and export markets .

### Incentives

- 5 years Profit Tax holidays; and
- Import Tax Exemption for materials and equipment necessary for the project operation, which are not available domestically.

### Support from the Government

- Shorten project application 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 Examination (IEE) or an Environmental and Social Impact Assessment (ESIA) with Environmental and Social Management and Monitoring Plan (ESMMP). The IEE or ESIA will involve the public and seek to mitigate all negative impacts while maximizing benefits;
- State land concession agreement;
- State land lease agreement;
- Any business operation licenses and agreements required by concerned government authorities;
- Capital of 4,500,000 USD;
- Must have a 'buy local' policy;
- Must provide business opportunities for local community and promote the livelihood of local villagers;
- Must give priority to locals in the job recruitment process; and
- Must contribute to the community development fund.



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