



Mr Dethphouvong
Moularat.

Stock market to boost economy

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Laos' macro economy will greatly benefit from the planned establishment of a stock market in 2010, according to the Security Market Establishment Committee President.

Mr Dethphouvong Moularat said production and investment would expand rapidly and with stability because publicly-listed companies were capable of raising large amounts of finance to meet demand for investment. To be publicly listed, companies need to have been profitable for at least one year, operate with transparency, have a sound business plan and demonstrate good governance.

Mr Dethphouvong, who is also the Bank of the Lao PDR Assistant Governor, said listed companies would increase the quality of products and services and generate more government revenue through increased taxes.

Companies listed on the stock exchange have to produce clear and accurate accounts because they will be checked regularly by domestic and external auditors and shareholders, which will

ensure they cannot avoid paying taxes, he said. This will reduce the workload of Ministry of Finance staff.

If a company is listed on the stock market, it will make it easier for the ministry to collect taxes and it won't be necessary to assign staff to regularly check the company's accounts because they will have already been examined by auditors and the public.

Preparations for the establishment of a stock market in Laos are progressing well.

The committee plans to set up a company in 2009 to choose which companies will be listed on the stock market. This will be done after a stock market decree has been passed and handbooks describing the system have been published.

Mr Dethphouvong said, "To start with we will select five firms for listing on the stock exchange."

The Bank of the Lao PDR held a seminar on the introduction of the stock market on Monday, which focused on Thailand's experiences. The workshop aimed to prepare Lao officials for their responsibilities when the stock market is opened in 2010.