

Laos

A\$6.8_{million}
investment in agricultural
research for development

20 projects



17 Bilateral and regional
research projects



3 Small projects and research
activities



7 Projects specific to
Laos



13 Regional projects

Note: Additional projects may be commissioned during 2024–25.



Agriculture plays a significant role in the Lao economy, however the sector's share of gross domestic product has decreased from 51% in 2000 to below 16% in 2023. Although export opportunities are increasing for agricultural products, most production is consumed domestically.

The Lao economy had a growth rate of 3.7% in 2023, an increase from 2.7% in 2022. Improved performance in tourism, transport, logistic service and foreign investment has contributed to continuing economic recovery. However, the growth was lower than expected due to a sharp decline in the value of the Lao kip, inflation, labour shortages and unfavourable weather. Ongoing high inflation continues to have impacts on the economy, especially in labour-intensive sectors, including agriculture, manufacturing and the service sector.

Despite recent growth and policy support, the development of the export sector is constrained by many challenges. Biosecurity issues are impacting the production of cassava and banana, although they continue to remain important export commodities, as does rubber. However, the production of livestock for export remains well below the country's targets.

Rural communities

Subsistence agriculture is still the primary economic activity of approximately 61% of the national labour force. The 2019–20 agriculture census nationwide indicated that smallholder farmers accounted for 52% of total agricultural households, the majority of whom were poor and face a wide range of supply-side challenges that affect productivity and market participation. Inflationary pressures continue to impact the prices of fuel, fertiliser and feed constraining the ability of Lao farmers to produce crops and limiting the country's food production and household incomes.

Political and economic environment

The Government of the Lao People's Democratic Republic has a vision to move the country from a landlocked country to one that is linked to the Asia region through infrastructure (roads, railways and airports) that fosters trade and integration. To this end, it has made significant investments to improve regional connectivity. The northern corridors connect with China, the western corridors connect with Thailand, and the eastern corridors connect with Vietnam.

While the Laos–China railway and the Thanaleng Dry Port have increased export capacity from the country, the Lao kip continues to weaken against the US dollar, impacting the speed of economic recovery. According to World Bank, Lao public and public guarantee debt was estimated at 110% of GDP and consumer price inflation was above 31% in 2023. Growth of GDP was estimated at 3.7% in 2023, and is projected to increase to 4% in 2024.

Climate change

Laos is among the countries most vulnerable to climate change. Its communities face significant climate-related hazards and livelihood vulnerability. Around 80% of Lao land area is mountainous and 20% is low-lying plains along the Mekong River and key tributaries. This topography makes Laos vulnerable to increasingly heavy rainfalls, flooding and landslides, which are projected to significantly increase by 2030. With 61% of the population engaged in agriculture, climate change and extreme events are expected to exacerbate food and economic insecurity. According to the preliminary assessment by the Lao National Disaster Management Committee, tropical typhoon Yagi which hit the country in September 2023 destroyed almost 30,000 hectares of agricultural land, 125 irrigation schemes and more than 12,000 head of livestock – impacting the lives of more than 200,000 people.

Food insecurity

According to FAO and the UN World Food Program, Laos continues to face the risk of food insecurity. Key factors include vulnerability to drought, floods and typhoons, declining arable land, volatile prices, low productivity and lack of diversified livelihood options. High inflation and escalating costs of living have reduced spending on essentials such as food, education and healthcare. The price of rice, eggs, meat and cooking oils have steadily increased since 2021, reaching high records in May 2024. The latest World Bank survey showed that 63% of low-income households and nearly all of the surveyed households are cutting back on meat and fish consumption. This reduction of protein intake will likely further hinder nutrition progress and child development across Laos. There have been strong government efforts and policy to boost domestic production to reduce imports, however this is a very complex issue and requires coordinated structural reforms and monetary policy interventions.

Partnering with Australia

Australia and Laos are longstanding bilateral and regional partners. The relationship, Laos' longest unbroken diplomatic partnership, is underpinned by development cooperation, business ties and people-to-people links. Australia and Laos cooperate through regional organisations and programs, including supporting Laos as ASEAN Chair in 2024.

Building on 72 years of diplomatic relations, the leaders of the 2 countries signed an agreement to elevate relations to a Comprehensive Partnership at the Australia–ASEAN Special Summit in March 2024. The partnership focuses on 4 key pillars:

- » people, education and human resource development
- » economics, trade and investment
- » climate, environment and energy
- » defence and law enforcement.

In addition, the recent whole-of-government 5-year Laos–Australia Development Partnership Plan 2024–2029 outlines 4 outcome areas:

- » build effective, accountable states that drive their own development
- » enhance state and community resilience to external pressures and shocks
- » connect with Australia and regional architecture
- » generate collective action on global challenges that affect us and our region.

ACIAR has been brokering and funding agricultural research for development partnerships in Laos since 1990. Given the significance of agriculture to the Lao economy and the increased interests of Australia to invest in the sector in the region through the Southeast Asia Economic Development Strategy to 2040, ACIAR will continue to work in partnership with Ministry of Agriculture and Forestry through research collaborations with National Agricultural and Rural Development Research Institute, National University of Laos, and with regional universities on the 6 program areas that were mutually agreed with the Lao government. In addition to this, DFAT through its Climate Resilience Community Initiative has undertaken a scoping study to explore the opportunity to invest in climate-resilient agriculture. ACIAR is working closely with DFAT to ensure the investment builds on and complements previous work supported by ACIAR.

Country priorities

The Government of the Lao PDR is committed to transforming its agrifood system to be more sustainable and modernised, and while contributing to the national economic base maintaining a strong focus on support for smallholder farmers. The government's Agricultural Development Strategy provides the framework, vision and long-term development goals for ensuring national food security and sustainable development of the agriculture, forestry and natural resources sectors.

The partnerships that ACIAR brokers and supports between its partners in Laos, Australia and international research, strives to support and advance this vision. The Lao Ministry of Agriculture and Forestry has the Agricultural Development Plan 2021–2025, which focuses on improving food security and encourages commercial agriculture for domestic and export purposes, increasing agricultural productivity, providing employment opportunities in rural areas, and improving production systems and practices.

In 2024–25, ACIAR will continue to evolve the long-term strategic program priorities based on consultation with Lao stakeholders. The strategic priority outcomes that currently guide our investments in Laos are:

- » innovative livestock systems that allow for intensification and land-use requirements, while raising animal health and biosecurity levels, for domestic and international markets.
- » sustainable crop production systems (including improved genetics and seed production and distribution) and improved value chains for coffee, vegetables, citrus and rice
- » efficient and sustainable forestry industries, including non-timber products, with suitable climate-change resilience
- » increased fish habitat restoration and protection of fish migration routes
- » cost-effective and sustainable rice-based farming systems, through mechanisation, diversification and intensification, along with better crop quality, quarantine standards and value-adding for domestic and export markets
- » improved natural resource management that benefits livelihoods and food security by delivering land-use options to smallholders, with attention to both water and nutrient management within climate-change adaptation
- » improved institutional training and communication frameworks that enable smallholders to adopt and adapt new technologies, and increase the capacity development of researchers and educators.

2024–25 research program

In 2024–25, ACIAR supports 20 agricultural research-for-development projects in Laos, 7 of which are specific to this country and the remainder are part of regional projects.

The projects address the high-level objectives outlined in the ACIAR 10-Year Strategy 2018–2027, as well as specific issues and opportunities identified by partner countries and ACIAR.

All research investments have the underlying goal of also contributing to:

- » agrifood systems and rural communities resilient to the impacts to climate change
- » equitable research benefits and outcomes for all community members
- » increased scientific and policy capability of individuals and partner institutions.








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Current and proposed projects in Laos, 2024–25

Program	Project title & code	Country	Start	End	Total investment
	Agribusiness				
	Food loss in the Pangasius catfish value chain of the Mekong River Basin CS/2020/209	Cambodia, Laos, Vietnam	01/04/23	30/06/26	A\$1,441,700
	Crops				
	Weed management techniques for mechanised and broadcast lowland crop production systems in Cambodia and Laos CROP/2019/145	Cambodia, Laos	01/07/20	30/06/25	A\$2,257,184
	Disease-resilient and sustainable cassava production systems in the Mekong region CROP/2022/110	Cambodia, Laos, Vietnam	01/11/23	30/06/28	A\$3,500,000
	Fisheries				
	FishTech: integrating technical fisheries solutions into river development programs across Southeast Asia FIS/2018/153	Cambodia, Indonesia, Laos, Myanmar, Thailand	01/01/20	31/12/25	A\$8,509,334
	Forestry				
	Building an effective forest health and biosecurity network in Southeast Asia FST/2020/123	Cambodia, Laos	01/11/21	30/06/26	A\$1,898,717
	Forest restoration for economic outcomes FST/2020/137	Laos	01/07/23	30/06/28	A\$4,306,332
	Sustainable expansion of forestry and wood processing in Laos and Australia FST/2023/153	Laos	15/11/24	14/11/29	A\$3,100,000
	Horticulture				
	An integrated management response to the spread of Fusarium wilt of banana in Southeast Asia HORT/2018/192	Indonesia, Laos, Philippines	01/01/20	31/12/25	A\$3,037,493
	MeloRisk Australasia: reducing the risk of exotic root-knot nematodes in Australasia HORT/2023/167	Indonesia, Laos, Philippines, Vietnam	12/06/23	31/03/25	A\$87,500
	Livestock Systems				
	Investigating and developing interventions to mitigate food borne parasitic disease in production animals in Laos LS/2014/055	Laos	15/11/20	31/12/24	A\$1,600,000
	Livestock enhancement through Ecohealth/One Health assessment in Southeast Asia LS/2022/163	Indonesia, Laos, Philippines	12/12/22	31/12/25	A\$997,838
	Social Systems				
	Building the evidence base on the impacts of mobile financial services for women and men in farming households in Laos and Cambodia SSS/2020/160	Cambodia, Laos	01/09/21	31/05/27	A\$2,998,851
	Pathways for future farmers in Southeast Asia SSS/2022/134	Laos	01/08/24	31/03/26	A\$957,210
	Harnessing the potential of digital agri-market services for inclusive and competitive markets in Cambodia and Laos SSS/2023/105	Cambodia, Laos	01/07/25	30/06/30	A\$3,500,000
	Assessing the social and economic implications of transitioning to low-input and organic rice production in Laos SSS/2023/137	Laos	01/10/23	31/12/25	A\$500,000
	Strengthening the research-policy nexus in the Laos for agricultural and rural development SSS/2023/160	Laos	01/03/25	30/07/30	A\$3,190,000

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	Soil & Land Management				
	Quantifying the impacts of nitrogen use and developing sustainable agricultural nitrogen management strategies in Laos rice-based farming systems SLAM/2022/102	Laos	01/01/24	31/12/28	A\$3,089,448
	Assessment of the adoption and adaptation of conservation agriculture and direct seeded rice in South and South-East Asia SLAM/2022/172	Bangladesh, Cambodia, India, Laos, Philippines, Vietnam	19/12/22	31/03/25	A\$357,424
	Management practices for profitable crop livestock systems for Cambodia and Laos SMCN/2012/075	Cambodia, Laos	22/03/16	31/12/2024	A\$3,142,140
	Water				
	Water for rice and fish: co-design and piloting of water management interventions for enhanced productivity of rice–fish systems in the Mekong floodplains WAC/2022/153	Cambodia, Laos, Vietnam	01/12/24	30/11/27	A\$2,100,000

Note: Additional projects may be commissioned during 2024–25.



More information about our projects is available on the ACIAR website. Search for the project title or project code.
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