

CHINA-LAOS RAILWAY TOURISM HELPS LAOS REVIVE THE ECONOMY



source of economic growth.

Laos shows signs of economic improvement as its projected growth rate is expected to reach 4% in 2023, 1.7 percentage points higher than in 2022. It is also expected to return to pre-pandemic levels. The China-Laos Railway, which connects the two countries, started operating international passenger trains on April 13. Tourism, which makes up approximately 10% of Laos' GDP, is an important

According to Lao government statistics, the number of foreign tourists from January to April this year reached 1.11 million, surpassing the level from January to June 2022. **It's estimated that the number of foreign tourists in Laos should reach 2.6 million in 2023, double that in 2022.** Although there is still a significant gap from 4.8 million in 2019, the tourism industry contributes a lot to the economy. Railway tourism is highly beneficial.

The fully opened China-Laos railway drives tourism. The railway, which connects Vientiane, the capital of Laos, and Kunming, the capital of Yunnan Province in China, has a total length of about 1,000 kilometers. International freight trains started operating in December 2021, and international passenger trains in April 2023. The project's total cost is US\$6 billion, 60% financed by the Export-Import Bank of China.

A passenger train runs daily between Laos and China in both directions, passing through Luang Prabang and the border town of Mohan in China.

Last May, the government of Laos unveiled a three-year initiative to attract more Chinese tourists. Although Thai and Vietnamese tourists remain the top foreign visitors to Laos, Chinese tourists spend generously, significantly contributing to the country's economy.

It was initially projected that 370,000 Chinese tourists would visit Laos in 2023, a 20% increase from 2022. However, over 200,000 Chinese tourists have already visited the country in the first four months alone. To accommodate this demand, the Lao government has implemented various measures such as training more Chinese-speaking tour guides, increasing flights between major cities in China and Laos, and promoting the use of mobile payments. **Additionally, they encourage private sector involvement in the tourism industry.**

The Chinese government is encouraging its citizens to visit Laos by including it among the 20 recently opened destinations for outbound group tours, as announced in February.

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