

National productivity promotion events in Lao PDR

Lao PDR became an APO member in 2002, and the Lao National Productivity Organization (LNPO) was established within the Ministry of Industry and Handicraft in the following year. To accelerate the productivity movement in the country, the LNPO organized two national-level productivity promotion events on 30 and 31 January.

The Seminar on the Dissemination of Demonstration Companies Project for Productivity Improvement highlighted the results of a demonstration project in four selected companies in Vientiane: 1) Vientiane Steel Industry Co., Ltd; 2) Pan Motor Electric Factory; 3) Pharmaceutical Factory No. 2; and 4) Phetlaiphone Concrete Factory. LNPO staff with the help of Toshiyuki Yamana, a United Nations Volunteer dispatched by the APO for six months to the LNPO, rendered consultancy services to the four model companies on improvement of their workplaces by implementing 5S and applying the concept of kaizen in their management. In addition, short-term experts were dispatched from the Japan Productivity Center for Socio-Economic Development (JPC-SED) to provide technical services. As a result of the joint efforts, operations at the model companies improved dramatically. The outcomes of the demonstration project were presented to the public on 31 January. Approximately 50 attended the morning seminar, followed by afternoon visits to the demonstration companies for firsthand observations.

The changes in the model companies, lessons learned, and future challenges identified in the process of the implementation of the model project were presented for frank discussion at the seminar. The implementation of 5S and kaizen is a simple but effective method to improve productivity without extra funding, and therefore they were considered feasible productivity enhancement measures for SMEs in Lao PDR.

One thousand video CDs summarizing the improvement process in the four model companies were produced for wider dissemination of the demonstration project results and to create awareness among the general public. After undergoing intensive on-the-job training during the model project with the UN Volunteer and JPC-SED experts, LNPO staff will be able to extend their consultancy services to other SMEs to contribute to the national productivity movement. Specifically, the LNPO will continue its demonstration project in two agro-industry SMEs, Lao Furniture and Animal Feed (Gold Coin) under the Agricultural Productivity Enhancement in Asian Least Developed Countries (APE-LDC Program), which is supported by the Japanese Government.

The utility of the project was acknowledged by the Lao government, and the Deputy Minister of Industry and Handicraft congratulated the four companies on their successful outcomes and the LNPO on its plans to extend its services to two others. The seminar was widely publicized in the Lao press, including Vientiane's English-language newspaper, which has led to expressions of interest from other firms that would like to join in the demonstration project.

The Forum on Public-Private Sector Agro-industry Working Group was a one-day follow-up to two previous APO projects: 1) Study Mission on Agro-industry under the Special Program of APE-LDC, 28 November–9 December, Japan; and 2) Working Party Meeting on Integrated Community Development for the Mekong Region: "One Village One Product (OVOP)" in CLMV Countries, 19–24 December,

Thailand. The one-day follow-up seminar was held in Vientiane on 31 January and attended by approximately 60 from the government, private sector, development organizations, and others. After an introduction of the APO-NPO system, presentations on "The current status and challenges of agriculture and agro-industry," "Case study of three food companies," and "Learning from OVOP in Japan and Thailand" were given by former participants in APO projects. An innovative feature of the seminar was an exhibit of the products of three agro-industry companies at the venue. The seminar was organized jointly by the NPO/Ministry of Industry and Handicraft, Ministry of Agriculture and Forestry, and Ministry of Interior.



Sayasith Khamphasith (R), APO Liaison Officer for Lao PDR, presenting 2005 activities of LNPO

The seminar demonstrated how many local companies in the food industry manage to succeed even in the difficult environment. Participants debated methods to protect and promote agro-industry under the National Poverty Eradication and Growth Strategy, which calls for Lao PDR to eliminate poverty by 2020. They identified challenges to be resolved, such as 1) inappropriate system and unclear procedures for expanding businesses and exporting; 2) insufficient loan system; and 3) weak market information. OVOP for agro-industry was recognized as an innovative way to promote local production and consumption in the agriculture-based economy. The LNPO will therefore organize a study mission to northeast Thailand to observe its OVOP movement before initiating its own in mid-2006. The mission will be supported by the APE-LDC Program. ☺

