

ERIA Collaborative/Support

RESEARCH REPORT

**Empirical Research to Examine the Effectiveness of
Supporting Policies to SMEs of Handicraft Industries
in Lao PDR as to Realize Some Collaborations with
Traditional Craft Industries in Japan**

March 2019

Edited by

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Preface

Since fiscal year (FY) of 2001, the Japan External Trade Organization (JETRO) has supported handicraft industries in Lao PDR in cooperation with the Lao Handicraft Association (LHA) on the basis of a request from the government of Lao PDR. Through these projects, companies of handicraft industries in Lao PDR have enhanced not only the techniques how to manufacture with good designs, but also the ways of marketing how to sell to whom. As results, some handicraft companies in Lao PDR have realized collaboration with traditional *Kimono* producers in Kyoto by supplying fabrics.

This research project entitled “Empirical research to examine the effectiveness of supporting policies for SMEs of handicraft industries in Lao PDR to realize some collaborations with traditional craft industries in Japan,” organized by ERIA Support Office, JETRO and Institute of Developing Economies, JETRO (IDE-JETRO) in FY 2018, is a first trial to empirically evaluate the effects of such support projects. The support projects evaluated in this research project are GIFT project, conducted in FY 2015 – 2017, and SOZAI (materials) project, an ongoing project, which has just started in FY 2018. Both projects were implemented by Business Development and Human Resources Support Department, JETRO and JETRO Vientiane. For evaluating the GIFT project, IDE-JETRO and Economic Research Institute for Industry and Trade, Lao PDR (ERIIT) conducted a questionnaire survey with samples of 184 handicraft companies in Lao PDR. For SOZAI project, we set targets to realize collaborations between handicraft companies in Lao PDR and companies of traditional craft industries in Japan and we closely observe how an interior and lifestyle producer, Mr. Junya Kitagawara, lead the companies in Lao PDR to realize the target. Consequently, ten handicraft companies in Lao PDR exhibited their works at SOZAI exhibition at the 5th Life × Design exhibition at the Tokyo International gift Show Spring 2019 in February 2019 and 46 business talks were held between the handicraft companies in Lao PDR and visitors to the exhibition.

This research project, however, could not have been realized without supports from various persons and organizations. Here we show our thanks to Mr. Hansana Sisane, President, Lao Handicraft Association (LHA) and its member companies, Dr. Xaysomphet Norasingh, Director General, Department of Trade Promotion, Ministry of Industry and Commerce and staffs of Economic Research Institute for Industry and Trade

(ERIIT). The views and errors in the volume of this report are those of the authors and do not necessarily reflect the views of the organizations.

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March 2019

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Abbreviations

B2B	Business-to-Business
B2C	Business-to-Consumer
DBJ	Development Bank of Japan
DENSAN	Association for the Promotion of Traditional Craft Industries (in Japanese, 一般財団法人伝統的工芸品産業振興協会)
DOIC	Department of Industry and Commerce
ERIIT	Economic Research Institute for Industry and Trade, Lao PDR
ERIT	Economic Research Institute for Trade, Lao PDR
FDI	Foreign Direct Investment
FY	Fiscal Year
ICT	Information, Communication Technologies
IDE-JETRO	Institute of Developing Economies, JETRO
ITECC	International Trade Exhibition and Convention Centre
JETRO	Japan External Trade Organization
JICA	Japan International Cooperation Agency
JOCV	Japan Overseas Cooperation Volunteers
JPY	Japanese Yen
LAK	Lao Kip
Lao PDR	Lao People's Democratic Republic
LHA	Lao Handicraft Association
LNCCI	Lao National Chamber of Commerce and Industry
MAPS	Macroeconomic Policy Support
MCCI	Morioka Chamber of Commerce and Industry
METI	Ministry of Economy, Trade and Industry, Japan
MITI	Ministry of International Trade and Industry, Japan
MOIC	Ministry of Industry and Commerce, Lao PDR
MSME	Medium-Sized Manufacturing Enterprise
NGO	Non-Governmental Organization
NPO	Non-Profit Organization
ODOP	One District One Product
OVOP	One Village One Product
PDCA	plan-do-check-act
PR	Public Relations
SME	Small and Medium Enterprise