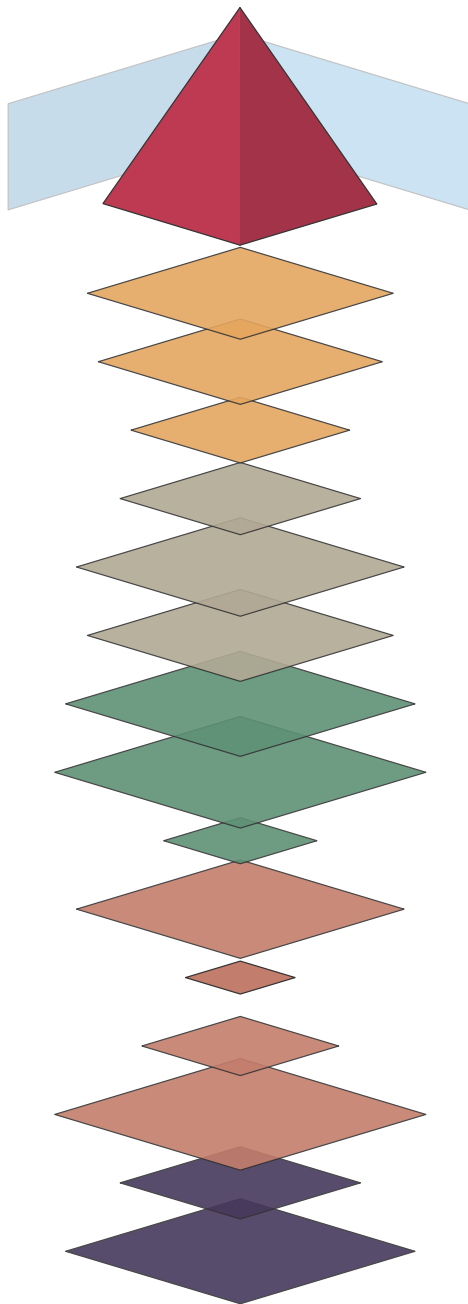


 **LAOS**



 **6.12**  
**CRIMINALITY SCORE**

46<sup>th</sup> of 193 countries  
19<sup>th</sup> of 46 Asian countries  
8<sup>th</sup> of 11 South-Eastern Asian countries

 **CRIMINAL MARKETS** **6.33**

HUMAN TRAFFICKING	7.00
HUMAN SMUGGLING	6.50
EXTORTION & PROTECTION RACKETEERING	5.00
ARMS TRAFFICKING	5.50
TRADE IN COUNTERFEIT GOODS	7.50
ILLICIT TRADE IN EXCISABLE GOODS	7.00
FLORA CRIMES	8.00
FAUNA CRIMES	8.50
NON-RENEWABLE RESOURCE CRIMES	3.50
HEROIN TRADE	7.50
COCAINE TRADE	2.50
CANNABIS TRADE	4.50
SYNTHETIC DRUG TRADE	8.50
CYBER-DEPENDENT CRIMES	5.50
FINANCIAL CRIMES	8.00

 **CRIMINAL ACTORS** **5.90**

MAFIA-STYLE GROUPS	1.50
CRIMINAL NETWORKS	6.50
STATE-EMBEDDED ACTORS	6.50
FOREIGN ACTORS	8.00
PRIVATE SECTOR ACTORS	7.00

 **3.46**  
**RESILIENCE SCORE**



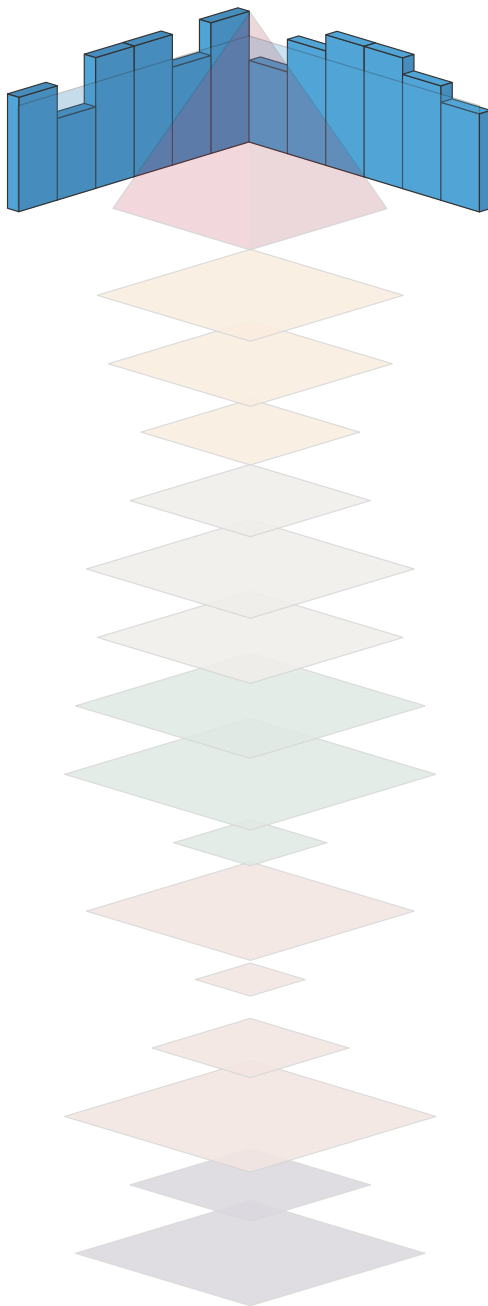
Funding provided by the United States Government.



Funded by the European Union

ENACT is funded by the European Union and implemented by the Institute for Security Studies and INTERPOL, in affiliation with the Global Initiative Against Transnational Organized Crime.

 **LAOS**



 **3.46**  
**RESILIENCE SCORE**

**147<sup>th</sup>** of 193 countries  
**34<sup>th</sup>** of 46 Asian countries  
**10<sup>th</sup>** of 11 South-Eastern Asian countries

<u>POLITICAL LEADERSHIP AND GOVERNANCE</u>	<b>3.50</b>
<u>GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY</u>	<b>2.50</b>
<u>INTERNATIONAL COOPERATION</u>	<b>4.00</b>
<u>NATIONAL POLICIES AND LAWS</u>	<b>4.00</b>
<u>JUDICIAL SYSTEM AND DETENTION</u>	<b>3.00</b>
<u>LAW ENFORCEMENT</u>	<b>4.00</b>
<u>TERRITORIAL INTEGRITY</u>	<b>2.50</b>
<u>ANTI-MONEY LAUNDERING</u>	<b>3.50</b>
<u>ECONOMIC REGULATORY CAPACITY</u>	<b>4.00</b>
<u>VICTIM AND WITNESS SUPPORT</u>	<b>4.00</b>
<u>PREVENTION</u>	<b>3.50</b>
<u>NON-STATE ACTORS</u>	<b>3.00</b>

 **6.12**  
**CRIMINALITY SCORE**

 <b>CRIMINAL MARKETS</b>	<b>6.33</b>
 <b>CRIMINAL ACTORS</b>	<b>5.90</b>



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# CRIMINALITY

## CRIMINAL MARKETS

### PEOPLE

Laos is known for being a source, transit and destination country for human trafficking. The underlying factors that contribute to trafficking in Laos are closely linked to poverty, limited economic opportunities and a demand for cheap labour and sex from various groups such as tourists, travellers, foreign workers and businesspeople. The majority of victims trafficked from Laos are young people between the ages of 12 and 18. The enforcement of anti-trafficking measures in the country is hindered by weak rule of law and a lack of transparency. Additionally, the construction of new roads in Laos has aided trafficking operations, and inspections of workplaces, including those in hazardous industries, do not take place regularly. Victims of both Laotian and foreign origin are exploited within the country, and traffickers also exploit victims from Laos abroad, particularly in Thailand and China. Traffickers usually rely on personal connections for recruitment and are increasingly collaborating with local go-betweens. Corruption also plays a significant role in the human trafficking market, with some low-level officials allegedly accepting bribes to facilitate cross-border transportation of victims. The pandemic has further exacerbated the situation by forcing more Laotians to seek precarious employment.

Human smuggling is another significant issue in Laos. Smuggling and trafficking in persons is often facilitated using fraudulent travel or identity documents. Corruption at borders and inexperienced workers further increase the risk of human smuggling. Although officials recognize the problem, it is often challenging to assess the extent of the market because officials and the media conflate human smuggling and trafficking. Young men, particularly those working in construction, agriculture and Thailand's fishery sector, are reported to be the most smuggled individuals from Laos with reports indicating that tens of thousands of Laotians are smuggled to Thailand each year, with irregular migration being less expensive than legal migration. Both domestic and foreign actors profit off of the market.

Although information on extortion and protection racketeering in Laos is limited, there are occasional reports of arrests for crimes such as kidnapping, holding victims for ransom and murder. Overall, the threat of kidnapping for ransom in Laos remains moderate.

### TRADE

Arms trafficking is a significant issue in Laos as the country serves as a transit point for arms smuggling into Myanmar. Although civilian possession of firearms is mostly banned, there are exceptions in rural areas for traditional hunting purposes. However, the illegal trade in firearms has contributed to communal violence and has led to an increase in violent crime, including robbery and murder, in the capital city Vientiane. The use of illegal firearms in Laos is often linked to other crimes and wider illicit transnational trades. Firearms are also reported to be sold increasingly on social media, which reflects a likely proliferation of arms online.

Counterfeit goods are widespread in Laos, especially in tourist markets, where clothing, accessories and jewellery are sold in morning and night markets. Laos is also a destination country for counterfeit goods from China, with Vietnam serving as a transit country. Counterfeit goods are usually transported in containers moving from China to Laos and Cambodia, which often contain both legal and illegal goods, such as electronics, refrigeration equipment, auto parts and clothing. Recent discoveries have raised concerns about the involvement of actors from Laos and Vietnam in transnational smuggling rings. The import of fake medicine into Laos is also considered a significant problem.

The illicit trade of excise consumer goods from Laos to Vietnam is also a common issue. Criminal networks, consisting of Lao and Vietnamese citizens using social media, smuggle luxury cars, tobacco, alcohol and electronic goods across the border. Quang Tri province, which borders the provinces of Savannakhet and Salavan in Laos, is a key area for tobacco smuggling. Despite the presence of functional force, the Sepon River route remains popular for illicit trade due to its rugged terrain and low water level, especially during the dry season.

### ENVIRONMENT

Illicit logging is a massive criminal market in Laos. It is driven by cultural and economic factors, increasing demand from neighbouring countries and Laos's use as a transit country. The logging of the famed rosewood forests in the Greater Mekong region is estimated to be one of the highest value and highest volume illicit flora trades globally, and it fuels the majority of illegal logging in Laos. Despite legislation aimed at curbing illegal logging, allegations persist that corrupt officials in some areas are still facilitating the sale of illegal timber. Legal conversion forestry practices are allegedly used as an excuse to carry out large-scale logging activities, with entire areas of forests lost to the market, putting flora and fauna under severe stress. Laos has been a significant source of illegal timber for neighbouring

countries, particularly Vietnam, which led to an export ban in 2016. Although there have been improvements in the response by Central and Provincial Forest Inspection officers to reports of illegal logging, their capacity to travel and investigate forest crimes is substantially limited.

Laos is a major hub for the illegal wildlife trade, with a particular focus on protected species, and ranks among the top 10 countries globally involved in such trade. The trade is driven by a combination of cultural and economic factors, increasing demand from neighbouring countries, corruption and a lack of regulation, monitoring and law enforcement. Social media platforms are also emerging as a prolific site of illegal wildlife trade, which includes trade in ivory and other internationally protected species. Captive tiger breeding facilities in Laos are believed to be involved in the illegal wildlife trade, with evidence of tigers disappearing from such facilities to be bought dead or alive for their parts. Demand from China, along with Vietnam, is an important stimulus for the pangolin trade, with African pangolins trafficked from Cameroon and Nigeria, through Laos, to Vietnam or China.

Illegal sand and gold mining is also a problem in Laos. Authorities have warned residents in Phou Koud district to cease all unlicensed gold mining due to accidents related to the activity, with little to no compliance from locals. Sand mining is a pervasive activity in much of the Lower Mekong region and involves Laos too, although to a lesser extent than its regional neighbours, such as Cambodia and Vietnam. Overall, despite these issues, there is no significant non-renewable resource crimes market in Laos.

## DRUGS

Laos plays a significant role in the heroin trade, serving as a source, destination and transit country. Its borders with Myanmar and Thailand have contributed to the trafficking of heroin, and tighter security controls along Myanmar's borders have led to Laos becoming a new gateway for drug traffickers. Opium is also grown in Laos as a means for some farmers to generate income, which feeds into wider criminal networks. It is reported that the heroin trade is mostly concentrated in the Bokeo region and linked to Chinese organized crime operating in that area. The drug trade has thrived during the COVID-19 pandemic, with an increase in production and seizures. Corruption among security and other government officials is endemic, and these officials benefit financially from the heroin trade. In contrast, Laos's cocaine trade remains relatively small and mostly involves foreign actors; Laos is not a key destination country for the drug but instead part of wider regional transit routes for cocaine trafficking.

Laos has a small domestic cannabis cultivation industry and is a transit country for cannabis trafficking to neighbouring countries. The domestic retail market for cannabis is mostly concentrated in urban and tourist hubs, and the demand

for cannabis is generally higher in neighbouring countries than locally. Although illegal, cannabis is readily available and is believed to have medicinal properties. Because cannabis has become legal in Thailand, the market for it in the region is expected to shift, potentially having an impact on regional trafficking patterns.

Laos is a major transit hub for domestic and international drug trafficking, particularly for amphetamine-type stimulants. The synthetic drug trade in Laos is reportedly one of the fastest growing in South East Asia, due to the availability and low cost of drugs in the region, with methamphetamine in pill and crystal forms emerging as the primary drug of choice. Retail prices for amphetamine-type stimulants are reported to have fallen, particularly for those coming from Myanmar, and the Golden Triangle remains one of the biggest synthetic drug production and distribution points in the world. Laos has become a gateway for traffickers moving meth out of Myanmar because China and Thailand have strengthened law enforcement activity on their borders, while there is relatively weak law enforcement capacity in Laos. Seizures in Laos have increased sixfold in recent years.

## CYBER-DEPENDENT CRIMES

Laos ranks low in terms of digital access, affordability and quality of internet services, and the risks from cyber-dependent crimes are estimated to be limited. Threats include distributed denial-of-service attacks and malware, also targeted at government agencies and financial institutions. Investment scams involving cryptocurrencies are reportedly common in the Golden Triangle special economic zone and in casinos in Laos.

## FINANCIAL CRIMES

Financial crime is a rising concern in Laos, with reports of scams disguised as support services from international organizations. These scams often involve victims being asked to pay registration fees of thousands of dollars. Additionally, corruption has led to the loss of millions of dollars in government funds through development and investment projects over the past decade. Laos is also a key player in transnational financial fraud, such as illegal gambling and fake investments, often run by trafficking syndicates with links to human trafficking. Victims of these crimes are often trapped as forced labourers in Laos and neighbouring countries, including Cambodia, Thailand and Myanmar.

## CRIMINAL ACTORS

Criminal networks are widespread in Laos, with human trafficking and drug trafficking being two of the most significant criminal activities. Human trafficking networks in Laos are highly profitable for international criminals, and

informal recruitment channels and undocumented travel make it easier to engage in this crime. Criminal networks are involved in multiple illicit activities and trades, and there is evidence of collusion and cooperation with foreign groups. Foreign criminal networks, especially those from China, are heavily involved in drug and human trafficking, money laundering and the illegal trade in wildlife products. Vietnamese and Thai criminal syndicates are also active in Laos, controlling various markets such as the illicit ivory trade.

Corruption is a pervasive issue in Laos, with government officials at various levels engaging in bribery and fraud. The government's regulation of most aspects of life provides ample opportunities for state-embedded actors to engage in corruption and facilitate criminal markets, such as the illegal wildlife trade and illicit logging industry. Evidence also suggests that these actors are involved in transnational human trafficking and wildlife trafficking operations. However, there has been increasing openness among law enforcement officials about discussing corruption, and

the government has taken action to prevent corruption in some agencies.

Private sector actors in Laos are involved in various criminal activities, including drug smuggling, human trafficking, financial fraud and counterfeit goods smuggling. There have been reports of forced labour in Laos, with victims being sent to casinos and other locations to work in scams. Victims who do not meet quotas or pay for release may be sold to other scam gangs or to sex trafficking rings. Moreover, Laotian and Vietnamese communities have been reported to work with criminal networks to smuggle consumer goods across the Sepon River in Quang Tri province, indicating strong transnational links. Although the level of influence of organized crime groups on private sector actors in Laos varies, these actors play a significant role in facilitating criminal activity. Overall, there is not sufficient evidence to indicate the presence of large mafia-style groups in Laos, although the country is considered 'extremely vulnerable' to trafficking activities by organized groups.

# RESILIENCE

## LEADERSHIP AND GOVERNANCE

Laos is a one-party state in which the ruling party dominates all aspects of political life. Corruption is widespread, and anti-corruption laws are poorly enforced, providing ample opportunities for bribery and fraud. Despite some minor improvements in governance, major policy decisions are reserved for Laos's ruling party. Elections in Laos are not considered to be free or fair, and no international observers are allowed to monitor them. Laws are often passed by the government without adequate representation of the electorate. Road and bridge construction projects have been reported to be particularly susceptible to corruption, and there have been calls to increase efforts to expose corruption and prosecute corrupt officials. Although there have been recent improvements, Laos is still perceived as highly vulnerable to corruption because of a lack of government transparency and accountability.

Laos has been successful in attracting foreign aid from various partners but with minimal results. It has built relationships with South East Asian countries and is a member of Association of Southeast Asian Nations. Laos has also ratified international treaties on drug trafficking, corruption and the endangered species trade. The country has received significant investments from China, Thailand and Vietnam, primarily for large infrastructure projects, with China being Laos's largest single creditor. However, despite this aid, Laos still struggles with issues such as border management and identity fraud.

The government of Laos has launched its ninth national development plan to improve the well-being of its population and address environmental, governance and connectivity challenges. However, implementation remains a major issue in the country, despite its having most of the required national policies and laws in place. Laos has recently adopted new laws to combat most types of crime except cybercrime, which still requires training and practice in knowledge of the law, evidence gathering and building a prosecution case. Although participation in organized criminal groups can result in higher penalties for specific crimes, Laos's penal code lacks specific legislation to criminalize such groups.

## CRIMINAL JUSTICE AND SECURITY

Laos has established five different court levels, but due process is often denied in practice. The courts are heavily influenced by corruption and subject to the ruling party's influence, with key decisions often made secretly. Defendants are often presumed guilty, and the judicial system is plagued by long procedural delays. Appeals processes are either non-existent or delayed indefinitely. Additionally, arbitrary arrests and searches without warrants occur frequently. There are serious concerns about the treatment of detainees in Laos. Pre-trial detention periods are often lengthy, and there are reports of torture and other forms of mistreatment. Prisons are overcrowded, with poor sanitation and inadequate medical care. Furthermore, there are reports of political prisoners being held without charge or trial.

Although the law in Laos prohibits arbitrary arrest and detention, concerns remain about the persistence of such practices, as well as law enforcement agencies' impunity and use of excessive force. The lack of capacity and training in criminal investigations hinders the fight against organized crime, and complicity by some government officials allows wildlife trade and other illegal activities to continue. Although Laos has an anti-money laundering law compliant with international standards, prosecutors have a limited understanding of how to prosecute such offences, and criminal asset forfeiture provisions are rarely used. Similar issues are found in efforts to curb human trafficking and enforce wildlife and forestry laws.

Laos shares porous borders with Myanmar, Thailand, China, Cambodia and Vietnam, making it vulnerable to illegal cross-border activities such as drug trafficking, human trafficking, the smuggling of wildlife and timber and money laundering. Despite government efforts, drug gangs continue to target Laos's border, while human trafficking is facilitated by foreign traffickers collaborating with local Laotian go-betweens. Laos's Bokeo province, which is part of the Golden Triangle, is a known drug production and transit area.

## ECONOMIC AND FINANCIAL ENVIRONMENT

Money laundering is an increasing threat in Laos due to the country's poor implementation of existing laws, its weak financial regulation and border controls as well as reduced investigative capacity. Although the country has an anti-money laundering law that complies with international standards, investigators remain focused on the predicate crime and continue to rely on securing confessions rather than capturing evidence. Additionally, Laos has a weak capacity to enforce stringent cryptocurrency regulations, making it an attractive offshore base for foreign businesspeople engaged in illicit and criminal activities. Furthermore, the country is considered to have strategic anti-money laundering deficiencies, and it is viewed as a country of primary concern regarding money laundering and financial crimes.

Laos's economic environment and governance systems are vulnerable to regional and global influences, such as the slowdown in regional economies, cross-border projects along the Mekong River and the illicit movement of drugs, timber and wildlife. Agriculture and industry are driving growth, but the tourism, hospitality, transport and other service sectors have been hit hard by the pandemic. Despite making progress in reducing poverty, Laos remains one of the poorest countries in the region. The business environment in Laos is not conducive to attracting foreign direct investment due to governance challenges such as bureaucratic inefficiencies, corruption and a lack of transparency. The informal sector's practices put formal firms at an unfair disadvantage, and the informal sector's share of the economy is estimated to be one of the highest in the Asia-Pacific region.

## CIVIL SOCIETY AND SOCIAL PROTECTION

In Laos, NGOs and international organizations are the primary providers of victim protection services, although the government has made some strides in providing official assistance to trafficking victims, including shelter for both men and women. However, in some areas, the implementation of victim and witness protection measures appears to be lacking due to a shortage of financial and human resources. Moreover, the provision of shelter or other protective services for victims is generally not contingent upon their cooperation with law enforcement or testimony in court. Although the government has distributed victim identification manuals to relevant authorities, such as border officials stationed near at-risk communities, border authorities do not adequately screen returning migrants for trafficking indicators, and the government does not aid foreign victims.

Criticism has been levied against the government for its inadequate understanding and implementation of crime prevention strategies. The primary prevention activities are a limited number of community awareness campaigns. Although the government has consulted with civil society organizations for a new plan to combat human trafficking until 2025, its annual progress report on implementation has not been made publicly available. Training sessions on victim identification and referral, transnational organized crime and the importance of crime prevention education have been conducted, and CCTV cameras have been helpful in monitoring and resolving crimes.

Press freedom in Laos is severely restricted as the ruling party strictly controls the media, leading many people to turn to the internet and social media for information. Legal restrictions and intimidation tactics against state critics have resulted in widespread self-censorship, and independent media outlets are primarily entertainment magazines that avoid political commentary. A task force was formed by the government to monitor social media use, focusing on 'fake news' and posts criticizing the government or ruling party. Civil society organizations in Laos primarily serve to support the government in meeting development needs, rather than being a critical voice or having any investigative role. Activists face kidnappings and government intimidation, and the government restricts the establishment of civil society organizations. Foreign media can set up offices in Laos, but they must submit to censorship by the Lao People's Revolutionary Party (LPRP). Although population surveillance has decreased in recent years, security agencies and LPRP-backed organizations still monitor public dissent, and courts in Laos have handed down harsh sentences to people who post criticisms of the government online.

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