Strong domestic and international demand for Lao silk has resulted in a shortage of Lao silk yarn.

The Sustainable Silk Production Partnership Project aims to overcome this supply constraint by working with leading silk companies to support farmers to invest in sericulture expansion.

The project trials an innovative model that establishes silk production partnerships linking rural communities to markets, and provides diversified income-generating opportunities.

Lead firms are carefully selected based on criteria such as capacity, social commitment, established market, fair trading relations with farmers, and reputation.

**SSPP Project Fast Facts**

- **Target**: 1,200 disadvantaged rural households; double Lao silk production
- **Timeframe**: April 2011 - April 2015
- **Locations**: Sekong, Houaphanh, Xieng Khouang, Bolikhamxay and Phongsali provinces in 2012
- **Budget**: USD $1,876,200.00
- **Donor**: Japan Social Development Fund/World Bank
- **Partners**: Ministry of Industry and Commerce, Trade and Product Promotion Department, Netherlands Development Organisation (SNV), Lao Handicraft Association, Provincial Industry and Commerce departments

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Implementing Agencies:
Silk Sector in Lao PDR

The silk handicrafts sector has a long and significant history in the People’s Democratic Republic of Lao (Lao PDR) and continues to play a vital role in the national economy. The domestic market for silk handicrafts is strong, with Lao women using silk material to make traditional clothes and decorations. With a long tradition of using natural dyes and hand weaving intricate designs, the high quality of Lao silk handicrafts is gaining prominence throughout the world. This is stimulating demand in regional and international markets for Lao silk handicrafts, and boosting export earnings, while also increasing opportunities for domestic producers.

The strong demand for Lao silk has resulted in a shortage of Lao silk yarn. The Sustainable Silk Production Partnership Project aims to overcome this supply constraint by working with leading silk companies to support farmers to invest in sericulture expansion.

Key constraints limiting silk yarn production include the lack of cost effective investments in modern systems of production; knowledge of inputs at critical points in the value chain; and the supply of high quality eggs.

The Sustainable Silk project seeks to improve production process by establishing silk production partnerships that link rural communities to markets.

Project Activities

The project partners with leading silk producing companies that support existing sericulture in rural areas. By assisting to improve quality and productivity, the project provides direct tangible benefits to the company and their network of farmers.

The project provides key inputs to assist silk companies to expand sericulture production. This includes:

- Inclusive business planning that supports fair and transparent production agreements between companies and farmers
- Critical farming inputs, such as fencing and rearing shed materials for farmers
- Subsidised mulberry saplings for farmers to establish their mulberry plantation
- Sericulture production training for farmers to ensure high quality production techniques
- Farmer group formation to support ongoing sustainability of sericulture in rural areas

Silk represents a small percentage of the global textile fibre market but is a premium agricultural commodity. Lao domestic production is low in comparison to major silk producing countries such as Thailand and Vietnam. Given similar geographical and climatic conditions, the production potential in Lao PDR is significant.