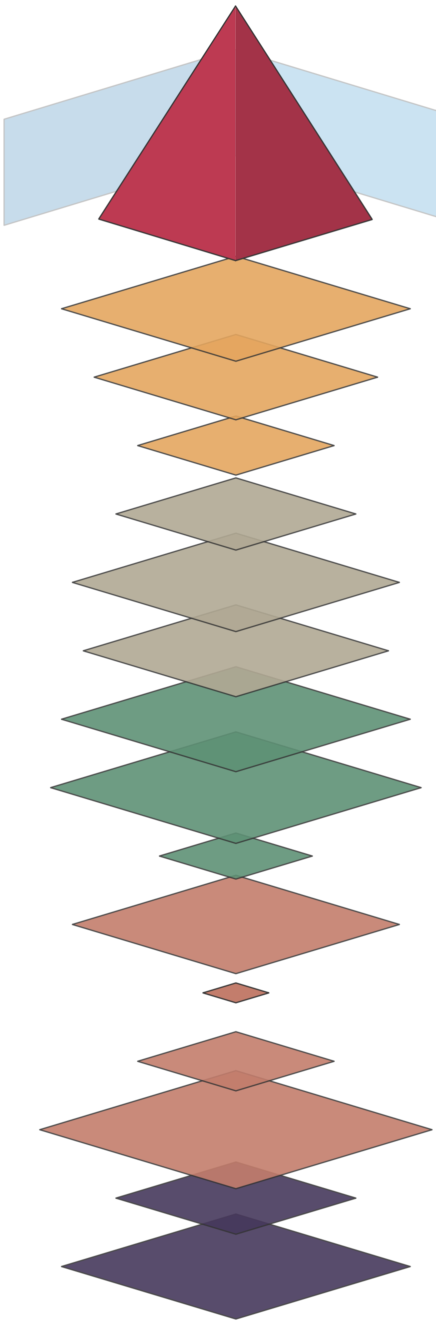
GLOBAL ORGANIZED CRIME INDEX

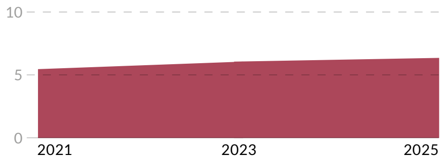
GLOBAL INITIATIVE AGAINST TRANSNATIONAL ORGANIZED CRIME

LAOS



6.37 ↗0.25 CRIMINALITY SCORE

39th of 193 countries ↗7
15th of 46 Asian countries ↗4
7th of 11 South-Eastern Asian countries ↗1



CRIMINAL MARKETS	6.33	↗0.00
HUMAN TRAFFICKING	8.00	↗1.00
HUMAN SMUGGLING	6.50	0.00
EXTORTION & PROTECTION RACKETEERING	4.50	↘0.50
ARMS TRAFFICKING	5.50	0.00
TRADE IN COUNTERFEIT GOODS	7.50	0.00
ILLICIT TRADE IN EXCISABLE GOODS	7.00	0.00
FLORA CRIMES	8.00	0.00
FAUNA CRIMES	8.50	0.00
NON-RENEWABLE RESOURCE CRIMES	3.50	0.00
HEROIN TRADE	7.50	0.00
COCAINE TRADE	1.50	↘1.00
CANNABIS TRADE	4.50	0.00
SYNTHETIC DRUG TRADE	9.00	↗0.50
CYBER-DEPENDENT CRIMES	5.50	0.00
FINANCIAL CRIMES	8.00	0.00

CRIMINAL ACTORS	6.40	↗0.50
MAFIA-STYLE GROUPS	2.50	↗1.00
CRIMINAL NETWORKS	7.00	↗0.50
STATE-EMBEDDED ACTORS	7.50	↗1.00
FOREIGN ACTORS	8.00	0.00
PRIVATE SECTOR ACTORS	7.00	0.00

This project was funded in part by a grant from the United States Department of State.

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Funded by the European Union

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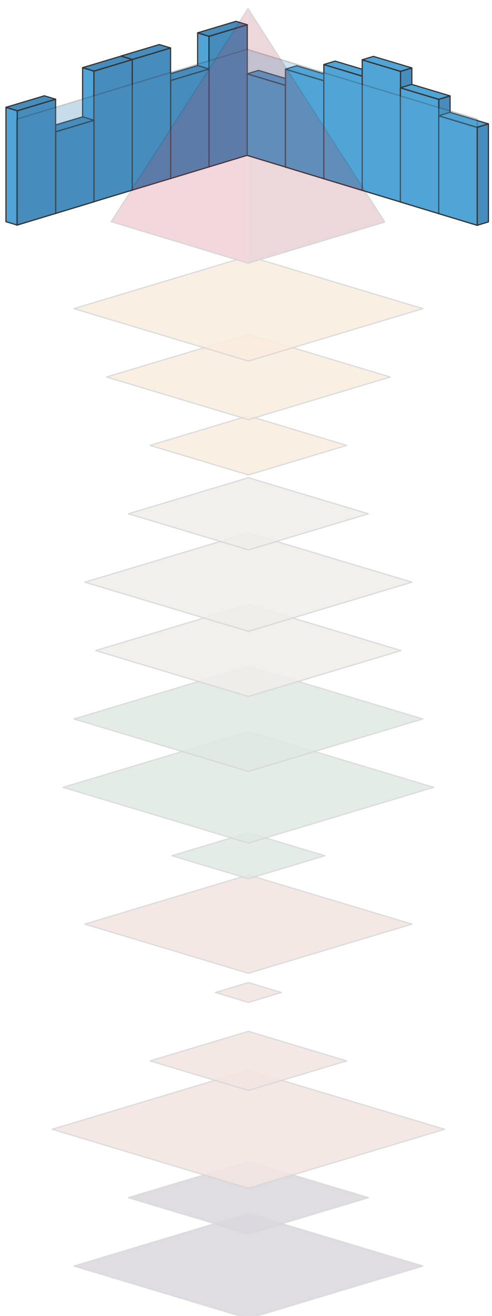
LAOS



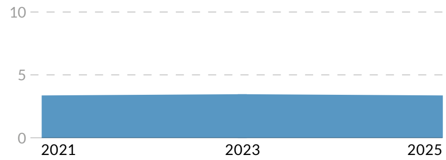
3.38 ↘0.08

RESILIENCE SCORE

151st of 193 countries ↘4

36th of 46 Asian countries ↘2

10th of 11 South-Eastern Asian countries -



POLITICAL LEADERSHIP AND GOVERNANCE	**3.50**	0.00
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	**2.50**	0.00
INTERNATIONAL COOPERATION	**4.00**	0.00
NATIONAL POLICIES AND LAWS	**4.00**	0.00
JUDICIAL SYSTEM AND DETENTION	**3.00**	0.00
LAW ENFORCEMENT	**4.00**	0.00
TERRITORIAL INTEGRITY	**2.50**	0.00
ANTI-MONEY LAUNDERING	**3.00**	↘0.50
ECONOMIC REGULATORY CAPACITY	**3.50**	↘0.50
VICTIM AND WITNESS SUPPORT	**4.00**	0.00
PREVENTION	**3.50**	0.00
NON-STATE ACTORS	**3.00**	0.00

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CRIMINALITY

CRIMINAL MARKETS

PEOPLE

Human trafficking remains deeply entrenched and widespread in Laos, which functions as a source, transit and, increasingly, a destination country for trafficking victims. Such activity is concentrated in areas like the Golden Triangle Special Economic Zone (SEZ). Victims – including men, women and adolescents – are recruited through social media and deception and forced into labour or sexual exploitation. The market is driven by both domestic and foreign criminal networks, particularly Vietnamese and Chinese syndicates. These groups use false job advertisements to lure victims before trafficking them to scam compounds across the region, including within Laos. Victims are subjected to debt bondage, physical abuse and coercion, with their passports confiscated to prevent escape. A concerning trend has emerged in which victims are 're-sold' or trafficked multiple times. Victims come from around the world, including China, South Asia, East Africa and Latin America. The trafficking of women and children for sex work, forced marriage and domestic servitude is widespread. Laotian nationals are also trafficked abroad to countries such as Thailand and Japan.

Human smuggling in Laos receives less public attention but remains persistent. The country primarily serves as a source for smuggling into Thailand. Economic hardship and rising inflation continue to drive individuals to migrate irregularly, typically in search of work in the agriculture, construction and service industries. Smuggling operations are well-organized and involve both Laotian and Thai actors, with routes commonly crossing the Mekong River. Migrants often contact smugglers directly or are connected through Thai employers. Although the smuggling journey is generally not considered hazardous, some cases have involved extortion or racketeering. However, these incidents are less common than in neighbouring countries.

Extortion and protection racketeering are poorly documented in Laos. Nevertheless, some cases suggest a link between extortion cases and other serious crimes, including kidnapping and trafficking. There are increasing concerns about extortion within the Chinese community in Laos, though the full scale and methods of these operations remain unclear. The lack of detailed information and reporting prevents a comprehensive understanding of this illicit market segment.

TRADE

Arms trafficking in Laos, while less prominent than other illicit markets, remains a concern. The country primarily serves as a destination for trafficked weapons, which are often sourced from neighbouring countries such as Thailand and Vietnam. These firearms are frequently used in drug trafficking operations and illegal hunting. Reports indicate a connection between arms seizures and drug shipments, particularly in the Golden Triangle SEZ. Although the arms market in Laos appears under-developed, instances of online weapons sales and isolated seizures point to low-level but persistent trafficking. Recent reports also indicate how Laos is increasingly being used as a transit point for arms trafficked into Myanmar.

The trade in counterfeit goods is well-established in Laos, which acts as a source, transit and destination country for counterfeit and illicit products. Goods from Chinese-owned factories are smuggled into Laos and then moved across the Laos–Vietnam border through routes such as the Se Pon River. Weak enforcement has allowed this market to flourish, with local communities, including ethnic minorities, often co-opted into storing and transporting goods. The introduction of plain cigarette packaging in 2024 has inadvertently made it easier to counterfeit tobacco products by simplifying packaging. Additionally, illegal alcohol production has recently gained prominence after a case of methanol poisoning resulted in tourist deaths, prompting government action.

The illicit trade of excisable consumer goods, particularly tobacco and alcohol, is widespread. These goods are often smuggled into Vietnam through porous border crossings. Both domestic and foreign criminal networks, including Vietnamese actors, collaborate to sustain this trade. The market is driven by seasonal demand and enabled by weak border controls and limited regulation. SEZs, known for their lax oversight, also serve as storage and distribution hubs for these goods.

ENVIRONMENT

Flora-related crimes in Laos are significant, with illegal logging and timber smuggling posing major challenges. The country is a primary source of high-value timber, such as rosewood, much of which is trafficked into Vietnam. Smugglers use sophisticated concealment methods, and inconsistencies in customs reporting between borders help sustain the trade. Laos also faces increasing issues related to the illegal harvesting of ornamental plants like orchids and the use of plants in unregulated medicinal practices. Despite Laos's participation in international initiatives and the implementation of some enforcement measures, these markets persist, driven by high external demand, entrenched corruption and weak institutional oversight.

Fauna-related crimes are also deeply entrenched in Laos. The country functions as a source, transit point and destination for a wide range of illegal wildlife products, including pangolins, tigers, macaques, bear bile and lion bones. Despite some government efforts, weak legislation and limited enforcement allow these markets to thrive. Online sales of wildlife products are increasing, and some species are legally traded due to vague regulations. Farms breeding tigers and lions operate legally, but concerns remain about their role in the illegal wildlife trade. Cross-border smuggling networks connect Laos to Thailand, Vietnam, China and beyond.

Crimes involving non-renewable resources – particularly gold, copper and sand – are not uncommon in Laos, which is a source of illegally mined gold, much of which is smuggled into Vietnam. The copper supply chain is especially vulnerable to financial crime, with corruption evidence across the licensing, extraction and export processes. While local actors are involved, most operations are led by well-organized transnational networks. Law enforcement responses have been limited, and weak oversight allows the illicit mining and copper trade to continue.

DRUGS

The heroin trade remains a serious concern in Laos, though its prominence has waned with the rise of synthetic drugs. The country acts as a source, transit point and destination for heroin and opium. Opium cultivation is concentrated in the north, particularly among H'mong communities, where it is driven by economic necessity and traditional use. Trafficking networks involve both local and foreign actors, with routes extending into Vietnam and Cambodia. While heroin seizures have decreased in recent years, opium cultivation and seizures have increased. The heroin and opium trades are closely linked to other criminal markets operating in SEZs and border zones.

Cocaine plays a minimal role in Laos's drug market. Seizures are uncommon, and the country is neither a major transit point nor a major consumer market. The cocaine trade remains under-developed and overshadowed by synthetic drug trafficking.

The cannabis market in Laos has shown signs of growth, particularly after Thailand legalized marijuana. Recreational use is widespread, especially among younger populations. Cannabis products, including cannabis-infused beverages, are smuggled from Thailand into Laos, where they are openly sold, despite being illegal. Domestic production is also becoming a concern. The market is shaped by social acceptance, weak law enforcement and increasing tourism. Although medical hemp is legal under strict conditions, the overlap with the illicit market complicates enforcement efforts.

Synthetic drug trafficking is deeply entrenched in Laos, with the country serving as a source, transit point and destination for methamphetamine and other synthetic drugs. Production hubs in Myanmar's Shan State are closely connected to trafficking routes through Laos, particularly via Bokeo province and the Golden Triangle SEZ. Key players include transnational organized crime groups and non-state armed actors from Myanmar's ethnic regions. SEZs, which operate with minimal government oversight, are central nodes in this trafficking network. Methamphetamine, ketamine and precursor chemicals such as pseudoephedrine are trafficked through Laos to regional and global markets, including Australia, South Korea and Japan. Despite some enforcement success, efforts are undermined by corruption and limited institutional capacity. The synthetic drug trade is closely linked to other criminal sectors, including environmental crimes and financial fraud – particularly within SEZs.

CYBER-DEPENDENT CRIMES

Although limited internet access and infrastructure may reduce some exposure, Laos faces growing vulnerabilities in its digital landscape, particularly in terms of affordability, connectivity quality and regulatory gaps. These challenges have not stopped the rise of cyber threats, which remain a significant concern. A wide range of actors are involved, including criminal networks, domestic and foreign nationals, and private-sector entities. Perpetrators often exploit popular social media platforms to lure victims into fraudulent cryptocurrency trading schemes.

FINANCIAL CRIMES

Financial crimes in Laos are widespread, with the misappropriation of funds and financial fraud being major concerns. SEZs, initially intended to attract investment, have become key hotspots for such activities. Investment and romance scams are prevalent, targeting both Laotian and foreign victims. Regulatory weaknesses, limited institutional capacity and corruption create an environment in which financial crimes thrive. Organized crime groups – including transnational syndicates and state-embedded actors – exploit these gaps, operating scam compounds located primarily within SEZs. These operations generate significant illicit profits, often through forced criminality.

CRIMINAL ACTORS

Where there is insufficient evidence to confirm the significant presence of mafia-style groups in Laos, certain criminal entities – including powerful families with political influence – exhibit similar characteristics. These groups maintain strong territorial control and are believed to wield substantial influence over customs, immigration and law enforcement agencies.

Criminal networks in Laos are expansive, loosely organized and highly active across a range of illicit economies. They are especially concentrated in areas such as the Golden Triangle SEZ and Bokeo province. These networks are primarily involved in human and wildlife trafficking, cyber scams and the smuggling of gold and precursor chemicals. Violence is notably high among actors engaged in human trafficking and online scams. Transnational connections are a defining feature of these networks, particularly through trafficking routes that link Laos to synthetic drug markets in Australia, Japan, South Korea and New Zealand.

State-embedded actors play a critical role in Laos's organized crime landscape, particularly through corruption or complicity in criminal activities. While direct involvement in transnational crime is difficult to quantify, credible reports indicate that some local authorities and political actors have participated in wildlife trafficking, fraud schemes and drug smuggling – or have provided protection to other criminal actors. Corruption remains a significant issue to effective law enforcement, undermining government efforts to combat organized crime. Some law enforcement officials have exploited their positions for personal gain, including by under-reporting drug seizures and diverting confiscated substances for profit.

Foreign actors exert significant influence over Laos's criminal markets, operating across various sectors, including synthetic drug trafficking, human trafficking and financial crimes. Chinese nationals, often incentivized to leave China and invest in Laos, have been implicated in cyber scam operations concentrated in the Golden Triangle SEZ. Vietnamese groups reportedly control gold and timber smuggling along border regions, while other crimes such as passport theft and visa fraud also involve foreign actors. In collaboration with non-state armed groups from Myanmar, foreign syndicates dominate regional methamphetamine trafficking routes. Despite some enforcement actions – including the deportation of hundreds of individuals in recent years – foreign criminal actors remain deeply embedded in Laos, exploiting the country's regulatory and enforcement gaps.

Private-sector actors in Laos are closely linked to organized crime. They are actively engaged in illicit activities such as human trafficking, online fraud schemes and the distribution of counterfeit and excisable goods. These actors use their illicit profits to expand and sustain their operations, often employing bribery to avoid interference from authorities. They are also involved in construction fraud and the misappropriation of development funds. The San Chiang area in Vientiane is known for selling a wide range of illicit products, including illegal wildlife.

RESILIENCE

LEADERSHIP AND GOVERNANCE

Laos continues to face challenges in political leadership and governance. The country operates under a one-party system, with no electoral competition and centralized control over policy decisions. While there has been some progress in legislative development, it is overshadowed by the lack of representative governance structures. Recent reports highlight persistent extrajudicial actions, suppression of basic freedoms and entrenched corruption – particularly in infrastructure-related projects. Laos's efforts to combat organized crime have been reflected in several initiatives. The government has launched measures targeting human trafficking, drug trafficking and cybercrime, although enforcement remains inconsistent. Drug control has been prioritized on the national agenda, with stricter policies and targeted law enforcement strategies leading to the arrest of thousands of people. Progress in addressing human trafficking, particularly within SEZs, has been limited. Some measures have been implemented, including the creation of an Anti-Trafficking Department office, the inspection of companies within SEZs and negotiations on a memorandum of understanding to grant the Lao Federation of Trade Unions access to these zones. However, corruption continues to undermine state functions, exacerbated by economic pressures and insufficient oversight.

Government transparency and accountability are notably lacking. Electoral laws ensure the continued dominance of the ruling party, and there is no legal requirement for public officials to disclose their income, limiting financial transparency. Consequently, bribery and the awarding of public contracts to politically connected individuals are widespread. Although anti-corruption bodies exist and citizens are allowed to report misconduct, structural barriers and fear of retaliation discourage effective civic participation. The government has passed anti-corruption legislation and joined several international initiatives, but enforcement remains weak and high-level officials rarely face prosecution. Efforts such as transaction digitization and the development of a digital currency have yet to address Laos's entrenched reliance on cash or improve financial inclusion.

Laos has demonstrated selective international cooperation on organized crime. The country is a signatory to various regional and international conventions and has entered into high-level bilateral agreements with neighbouring countries to combat trafficking, cybercrime and financial crime. Recent partnerships with Vietnam and Thailand have focused on strengthening extradition procedures and cross-border information sharing. However, implementation lags due to a lack of legal expertise and weak institutional capacity. Laos's suspension under the Convention on International Trade in Endangered Species of Wild Fauna and Flora for non-compliance further underscores challenges in the country's adherence to international standards.

National policies and legislation targeting organized crime have expanded across multiple sectors, including human trafficking, environmental crime and cybercrime. However, enforcement remains a persistent issue due to insufficient training, political interference and limited resources. The legal framework only indirectly criminalizes participation in organized criminal groups, reducing its overall effectiveness. Implementation of national strategies is further hampered by weak monitoring mechanisms and technical capacity.

CRIMINAL JUSTICE AND SECURITY

Laos's judicial system consists of five hierarchical levels that form the national judiciary. However, it lacks independence and suffers from pervasive corruption. Court decisions are often made without transparency, and bribery is reported to influence verdicts. Due process is frequently undermined, with arbitrary arrests and warrantless searches common. The appeals process is limited, and the rights of defendants are often neglected. Local mediation units, operating outside formal legal frameworks, handle non-criminal disputes, further diminishing the role of the judiciary. Government authorities often restrict access to independent monitoring of prison facilities, limiting oversight of detention conditions. The prison system itself is characterized by poor infrastructure and procedural deficiencies. Available reports highlight inadequate food, lack of medical care and allegations of mistreatment in detention centres.

Law enforcement institutions face similar challenges. While specialized units addressing trafficking and environmental crime have been established, they operate with limited training, equipment and financial support. Oversight of law enforcement agencies is weak, accountability is minimal and there are reports of disproportionate use of force during arrests. International support has helped develop training programmes and procure equipment, and regional cooperation has contributed to modest enforcement successes. Police and border officials have received training on anti-trafficking legislation, prosecution techniques, prevention and protection measures, investigative coordination and the use of both domestic and international legal frameworks. However, the baseline skill level remains low and investigative capacity is lacking, particularly in complex cases involving financial crime and transnational networks. Despite legal prohibitions, arbitrary arrest and detention remain ongoing concerns due to inconsistent adherence to the law by some officials.

Territorial integrity remains vulnerable due to Laos's geography and systemic weaknesses. The country's porous borders with five neighbouring states are exploited for a range of illicit activities, including drug and human trafficking and the smuggling of wildlife and timber. The Golden Triangle SEZ, in particular, serves as a major hub for organized crime, operating with minimal government oversight. Corruption among border officials and limited operational capacity facilitate the continued use of unofficial border crossings.

ECONOMIC AND FINANCIAL ENVIRONMENT

Laos's anti-money laundering (AML) framework is formally established but remains ineffective in practice. International assessments classify Laos as high risk for money laundering. The Anti-Money Laundering Intelligence Office, operating under the Bank of the Lao PDR, is responsible for financial intelligence gathering. However, the country's cash-based economy, limited investigative capacity and widespread corruption weaken enforcement. Investigators often prioritize predicate crimes over financial evidence, and the use of criminal asset forfeiture is rare. Although Laos has signed regional AML agreements and attempted to regulate cryptocurrency, it remains vulnerable to laundering activities tied to trafficking, cybercrime and environmental offences.

Laos struggles to foster a regulatory environment conducive to lawful economic activity. The economy has been severely affected by inflation, currency devaluation and external shocks, leading to increased reliance on resource extraction. Governance issues – such as inconsistent enforcement of regulations, lack of transparency and administrative inefficiencies – discourage legitimate business operations. The informal economy remains extensive, undermining regulatory oversight and providing opportunities for criminal infiltration. While there has been some progress in increasing exports and reducing poverty, these gains have not translated into a more robust regulatory framework. Efforts to curb illicit cross-border trade and mitigate the economic effects of organized crime have yet to yield substantial results.

CIVIL SOCIETY AND SOCIAL PROTECTION

Victim and witness support services in Laos have improved, particularly in regards to human trafficking. The central Anti-Trafficking Department leads victim identification efforts, and formal guidelines have been introduced to protect victims in court. However, services remain inconsistent and are largely dependent on international organizations and NGOs. Support for male and LGBTQI+ victims is limited, and foreign victims often receive inadequate assistance. Drug rehabilitation services – including community-based treatment centres and alternative development programmes – are available but operate with minimal resources. The identification and referral of victims remain uneven, especially in high-risk sectors.

Prevention strategies have expanded in recent years, but remain fragmented and heavily reliant on donor funding. The government has launched education campaigns and collaborated with civil society and international partners to address trafficking and drug-related crimes. However, institutional capacity for planning, risk assessment and implementation remains limited. Initiatives such as the national action plan against human trafficking have seen nominal progress due to a lack of annual reporting and weak inter-agency coordination. Preventive measures within SEZs are inadequate, with authorities often reclassifying trafficking cases as labour disputes. While awareness campaigns have had some success in changing behaviour, they are not part of a comprehensive, government-led strategy.

Non-state actors in Laos face significant constraints due to state control and censorship. Media freedom is restricted, with most outlets either owned by the state or closely monitored by the government. Academic freedom is also limited, and independent civil society organizations must obtain government approval to operate. Social media has become a platform for public discourse, but it is heavily monitored. Laws restricting online expression, including limits on SIM card ownership and data collection requirements, further curtail digital freedoms. Instances of targeted harassment underscore the risks faced by dissenting voices. Despite these challenges, some civil society groups and international NGOs continue to operate, providing support services and advocating for stronger protections and greater transparency.

This summary was funded in part by a grant from the United States Department of State. The opinions, findings and conclusions stated herein are those of the authors and do not necessarily reflect those of the United States Department of State.