

CIRCULAR ECONOMY BUSINESS CASE STUDIES IN SOUTHEAST ASIA



Ban Khao Hom

-  Vientiane, Laos
-  Retail, Fast-moving consumer goods
-  facebook.com/bankhaohom.laos
-  Analysis period: 2021-2026

Pioneering Circularity in Grocery Shopping

Business Spotlight

Ban Khao Hom, a pioneering bulk refill store, has created an innovative, zero-packaging retail model in Vientiane to combat an escalating single-use plastics crisis in Laos. Operating in the fast-moving consumer goods (FMCG) and retail food sector, the shop encourages customers to bring their own reusable containers to refill daily household essentials, dry foods, and organic products. Their core innovation is the exclusive use of reused packaging in the retail sector that allows consumers to reuse packaging instead of having to follow the linear 'take-make-waste' model of conventional single-use packaging in mainstream retail.

The repeated reuse of packaging showcases circular resource use as the main contribution to the circular economy. As an added benefit, customers buy only the quantity they need rather than having to accept supplier-dictated standard sizes, thus potentially reducing waste and contributing to resource efficiency. The circularity initiative extends into sourcing: local procurement and organic produce are prioritised, which together achieve resource efficiency in the supply chain.

The Ban Khao Hom model generates customer loyalty, which has built a unique market niche that in turn supports local livelihoods by sourcing directly

from sustainable Lao producers. Future plans for the company include expanding their supply chain of plastic-free Lao goods.

 Keywords

Bulk refill, Packaging reuse, Organic, Local sourcing

 Innovation

Distribution, Resource circularity, Resource efficiency



Analysis of Ban Khao Hom Refill Shop

Context and baseline

The Lao People's Democratic Republic (Lao PDR) faces an escalating urban waste management crisis driven by rapid urbanisation and the rise of consumerism. Every day the country generates approximately 6,900 tonnes of household waste; the capital city Vientiane alone produces over 700 tonnes per day, representing roughly 10% of the national total.¹ Municipal collection services currently cover less than half of Vientiane's urban waste, resulting in an estimated 18,000 tonnes of unmanaged plastic annually. Non-biodegradable plastics account for 12%–24% of municipal refuse, most of which ends up in rivers and open dumpsites.²

This crisis has been significantly exacerbated by the mainstream fast-moving consumer goods (FMCG) sector, as an estimated 45% of local plastic pollution stems directly from discarded single-use food and beverage packaging. Traditional grocery distribution relies almost exclusively on single-use packaging such as plastic bags, flacons, bottles, tubes and multi-layer sachets, less than 7% of which is recycled domestically.³

The concept for the Ban Khao Hom Refill Shop emerged from this failure to curb packaging waste. Although a growing group of eco-conscious consumers were already seeking to lower their environmental footprint, the retail environment lacked grocery options based on reusing packaging. To bridge this structural gap, the founders of Ban Khao Hom established co-creation partnerships with regional organic farming cooperatives and sustainable food producers and they built a locally grounded network designed to bypass import-heavy, over-packaged supplies of groceries.

Innovation

Ban Khao Hom has introduced a bulk refill service for food and household items that reuses packaging as a better alternative for the conventional single-use packaging retail model. Instead of buying pre-packaged products, customers bring their own jars, bags, bottles and containers to fill by weight, completely eliminating single-use consumer packaging in distribution and retail.

The refill concept itself is not new; it simply disappeared from the market and then went out of fashion over the past few decades. The reintroduction

of refill as the business model in grocery retail is thus new to Laos. Combined with preferential sourcing of local and/or organic produce, the refill business model has replaced the common supply chain by means of intensive co-creation with local suppliers. Rather than accepting single-use plastic and other packaging, Ban Khao Hom works with vendors to deliver goods in bulk carboys, large sacks, or returnable crates. This operational shift reduces costs, keeps value within the domestic market, and promotes an authentic, planet-first mindset.



Circular Economy impact

The Ban Khao Hom store directly drives resource circularity and resource efficiency, both of which contribute to a circular economy transition.

The refill system keeps the (reused) packaging and/or other containers in continuous circular use and reuse cycles, showcasing resource circularity. The shift away from single-use packaging is thus averting some 8,000–10,000 items per month of single-use plastic bottles, wrappers, and bags from being dumped into local ecosystems.

Because bulk buying lets customers purchase exactly what they need, domestic waste of food and other items is also reduced, which achieves resource efficiency for the consumers.

1 Ministry of Public Works and Transport Official Report (2026), <https://kpl.gov.la/EN/detail.aspx?id=97113>

2 World Bank Group 2026 Project Appraisal on localized waste hotspots, infrastructure funding initiatives, and plastic pollution mitigation under the Lao PDR Pollution and Waste Management Project framework. World Bank Document - Lao PDR Pollution and Waste Management Project

3 MDPI Open Access Sustainability Studies (2026) tracking scenario-based emissions models, international trade flows (UN Comtrade data), and circular economy pathways explicitly for plastic packaging loops inside Laos. MDPI Sustainability Journal - Transitioning Plastic Packaging Waste Management in Laos

Furthermore, Ban Khao Hom incorporates a strict substitution strategy by curating a product line made of eco-friendly, locally-sourced materials (particularly organic whole foods, natural loofahs, and bamboo items). These materials are more resource efficient in production and supply compared to their mainstream alternatives. On a modest scale, the Ban Khao Hom retail model is putting into practice the ambitions of the Laos National Plastic Action Plan and the country's climate goals.



Business and market impact

Financially, the bulk retail business model yields clear operational cost savings by eliminating retailer expenses of commercial labelling and individual wrapping of locally sourced produce. For a small retailer, this offsets the initial capital expenditure needed for bulk dispensing infrastructure.

Since its launch in 2023, Ban Khao Hom has built a resilient and growing market niche in Vientiane. Revenue is driven by a loyal customer base that prioritises well-being and low-plastic living, coupled with an increasing demand from the expatriate and hospitality markets. Looking ahead, the firm plans to scale its operations by rolling out a wider inventory of household items, increasing their digital presence for bulk pre-ordering, and exploring B2B partnerships with local eco-conscious hotels and restaurants.

Stakeholders

A wide community and supply network is vital to Ban Khao Hom's day-to-day operations. The business acts as a dynamic platform for small-scale Lao farmers, organic producers, and eco-entrepreneurs who would otherwise lack the capacity to access sustainability-conscious consumers through mainstream, high-barrier supermarkets.

By intentionally sourcing local items, the Ban Khao Hom retail model is creating sustainable livelihoods across rural and peri-urban communities, and thus introducing income directly back into the local economy. Internally, the shop cultivates an inclusive workplace where staff are trained in environmental advocacy and circularity practices, which in turn transforms the daily routine of retail workers into the role of educators who guide consumers on their sustainable consumption journeys.



Implementation

Implementing the first refill business model shop in Laos has created both distinct barriers and unique advantages. A major challenge was to shift consumer habits, as many shoppers are accustomed to the convenience of cheap, single-use plastic packaging. Ban Khao Hom addressed this challenge through community workshops. Another hurdle was to manage logistics with suppliers unfamiliar with bulk delivery methods and returnable bulk supply packaging.

However, the growing awareness of plastic pollution among consumers has created strong incentives. Replicating the Ban Khao Hom model offers significant opportunities across other major urban centres in Laos, such as Luang Prabang, where eco-tourism and green commerce are expanding.

Takeaways

Ban Khao Hom is proving that retail without single-use packaging is achievable and commercially viable in developing urban markets like Vientiane in Lao PDR. The company serves as an encouraging beacon for other Southeast Asian retailers, demonstrating that small businesses can lead environmental action by shaking up conventional retail businesses and their supply networks.

For policymakers, the Ban Khao Hom shop offers tangible evidence that grass-roots, private-sector initiatives are effective in advancing national plastic reduction and circular economy targets. Ultimately, their story reminds us that simple, mindful actions, like refilling a used jar, can collectively spark a shift toward environmental resilience.



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