

India – Laos Relations

Based upon historical and civilizational foundations and the role played by India as Chairman of the International Commission for Supervision and Control (ICSC) on Indo-China, India and Lao People's Democratic Republic (PDR) enjoy longstanding, friendly and mutually supportive relations. Lao PDR has been supportive on major issues of regional and international concerns to India, including our claim for permanent membership of the UN Security Council.

Political Relations: were established in February 1956. Since then, the following high-level visits between the two countries have added momentum to the relationship: Prime Minister, Pandit Jawahar Lal Nehru in 1954, PM Shri Atal Behari Vajpayee in 2002, PM Dr. Manmohan Singh, in 2004 for ASEAN Summit, President Dr. Rajendra Prasad in 1956, President Smt. Pratibha Devisingh Patil in September 2010, Vice President of India, Shri Mohammad Hamid Ansari in September 2015. From Lao PDR, Prince Souphanouvong, commonly known as the Red Prince visited India in 1975, President Mr. Choummaly Sayasone in August 2008 and Prime Minister, Mr. Thongsing Thammavong on December 20-21, 2012.

Institutional consultative mechanisms include FOCs (the 2nd FOC was held in New Delhi in August, 2015) and JCM (the 8th JCM was held in New Delhi on 10 August, 2015).

Agreements signed between the countries include: India-Laos Cultural Agreement (August, 1994), Agreement for setting up of Joint Commission on Trade, Economic and Scientific Cooperation – May 1997, Agreements on (i) Trade and Economic Cooperation; and (ii) Bilateral Investment Promotion & Protection (9 November, 2000), Agreement on Cooperation in Defence (November, 2000), Agreement on Cooperation in Science & Technology (June 2003), Agreement on Exemption of Visa Requirement for holders of Diplomatic and Official Passports (2005),

Defence Cooperation: Since 1994, under ITEC Agreement, an Indian Army Training Team conducts training for Lao defence personnel in English, Computers and Basic Tactics. The Indian team is the only foreign training team besides the Vietnamese and the Chinese. Indian Army had also conducted three training capsules on UXOs and De-Mining in Laos in 2011, 2012 and 2013.

Commercial Relations:

Bilateral Trade:

	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
EXPORT	16.93	13.11	14.97	28.91	49.89
IMPORT	20.05	0.22	89.53	138.64	39.40
TOTAL TRADE	36.98	13.33	104.50	167.56	89.29

Source: Department of Commerce, Government of India. (Figures in US\$ million)

Metals, ores, machinery, electronic equipment, pharmaceuticals and timber are the main products traded between India and Lao PDR. In pursuance of the announcement made by the Prime Minister India in April 2008, India has accorded the Duty Free Tariff Preference Scheme (DFTP) to Lao PDR. The Scheme grants Laos duty free access to 94% of India's total tariff lines.

Foreign Direct Investment (FDI): India ranked 8th in FDI in Laos with total 33 projects and investments of US\$ 161 million. Some Major Indian investments include: (i) Birla Lao Pulp and Plantation, established in June 2006, is committed to investing US \$ 400 million in a Eucalyptus pulp and plantation project in Savannakhet province; (ii) The Lao SPG CMC Mining Company Limited, a subsidiary of GIMPEX India, obtained a license for an iron ore mine in 2008, with a commitment to invest US \$ 10 million and (iii) The HSMM Group has invested US \$ 13.8 million in agarwood plantations and two factories in Vientiane and Xaysomboun, Vientiane province.

Projects under Lines of Credit: The following projects have been supported through Indian Lines of Credit over the past few years.

1. US\$ 10 million LOC for 115 KV Transmission Line from Ban-Na in Champassak Province to Attapeu (2004) – completed in 2006
2. US\$ 33 million LOC for (a) Equipment for rural electrification, (b) Pakson-Jaingxai-Bangyo Transmission Line and (c) Nam Song 7.5 MW Hydropower Project (2008) – completed in 2009, 2010 and 2012 respectively.
3. US\$ 17.3 million LOC for Irrigation schemes in Champassak Province : comprising 3 components: (a) Conversion of diesel to electric driven pump sets & improvement of 3 pumping stations, (b) installation of ten large pump sets and (c) six large irrigation schemes (2009) – completed in 2014,
4. US\$ 37.30 LOC for 230 KV Double Circuit Transmission Line from Nabong to Thabok and sub stations (2010) – to be completed in 2015,
5. US\$ 30.94 LOC for Irrigation projects in three provinces (2013) – ongoing.

Cultural Relations:

Human Resource Development: The Government of India has been providing over 200 scholarships to Lao nationals under various schemes. So far, under ITEC, GOI has trained about 1500 Lao nationals. The LIEDC (Lao-India Entrepreneurship Development Centre) set up in November, 2004, trains Lao entrepreneurs for setting up small and medium scale business. The LICELT [Lao India Centre for English Language Training] set up in Vientiane on June 2007 is one of our assistance projects in human resource development. India set up an IT centre in Vientiane in November 2004, as well as a National Data Centre in May 2006. Ten Rural Telecommunication Centres were set up in seven Provinces and three in the Ministry of Health, the Government's Office and in the office of the Governor of Vientiane.

Heritage Conservation: An MOU was signed with the Ministry of Information and Culture in May 2007 for the restoration of the UNESCO world heritage site at Vat Phu. The work on the project began in June 2009. India will spend US\$ 4.1 million on the project over an eight year period

Indian Community:

The 400-strong Indian community has grown in profile over the years. It is engaged in jewellery trade, the restaurant and hotel industry, manufacturing, garments, mining, plantations and agarwood. A few members work for international organizations, multinationals, consulting organizations and private businesses. It is understood that the number of Indian in Laos was much higher during the sixties and early seventies. The only Indian association in Vientiane is INCHAM – the Indian Chamber of Commerce. Its current President is Mr. Subhash Bhargava, Tel : 00856-20-55500611. Though it does not cover all Indians living in Laos and is also not very active, it is the only umbrella for Indians and PIOs in the country.

Useful Resources:

Embassy of India, Vientiane website:

<http://indianembassylaos.org>

Embassy of India, Vientiane Facebook:

<https://www.facebook.com/India.in.Laos>

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