

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:

	Visits from India	Visits from Lao PDR
	President:	
1	Dr. Rajendra Prasad - 1956	Prince Souphanouvong, commonly known as the Red Prince - 1975
2	Smt. Pratibha Devisingh Patil – Sept. 2010	Mr. Choummaly Sayasone - August 2008
	Vice President:	
1	Shri Mohammad Hamid Ansari – Sept. 2015	
	Prime Minister:	
1	Pandit Jawahar Lal Nehru - 1954	Mr. Thongsing Thammavong – Dec.2012
2	Shri Atal Behari Vajpayee - 2002	
3	Dr. Manmohan Singh - 2004	
4	Shri Narendra Modi – Sept. 2016	

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

Shir N. Biren Singh, Chief Minister of Manipur and Shri Chowna Mein, Deputy Chief Minister of Arunachal Pradesh with their respective delegations visited Laos from August 6-8, 2017. Their visits were a visible symbol of India's Act East Policy and they participated in events commemorating the 25th Anniversary of India-ASEAN Dialogue Partnership. A Conference was organized by this Mission and ASEAN-India Business Council(AIBC) on August 7, 2017 in which the CM and Deputy CM participated. The CM and the Deputy CM spoke on the strong linkages between their States and South East Asia and asked for greater cooperation between the two regions. The CM and Deputy CM accompanied by their delegations met Prof. Dr. Bosengkham Vongdara, Minister of Information, Culture & Tourism, Ms. Khemmani Pholsena, Minister of Industry & Commerce, Mr. Alounkeo Kittikhoun, Minister in Prime Minister's Office and Mr. Kikeo Chanthaboury, Vice Minister of Planning & Investment and discussed various areas of cooperation in investment, trade, culture, connectivity etc.

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, 2002), Agreement on Cooperation in Science &

Technology (June 2003), Agreement on Exemption of Visa Requirement for holders of Diplomatic and Official Passports (2005), Agreement on Mutual Cooperation on Drug Demand Reduction & Prevention of Illicit Trafficking and related matters (February 2005).

Agreement between India and Lao PDR regarding India Grant Assistance for implementation of Quick Impact Projects (QIPs) [18 September 2015]. Air Services Agreement between India and Lao PDR [initialled on 18 September 2015].

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:

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
EXPORT	14.97	28.91	49.89	67.31	37.94	25.72
IMPORT	89.53	138.64	39.40	85.28	180.03	207.38
TOTAL TRADE	104.50	167.56	89.29	152.58	217.96	233.10

Top 5 Export from India to Laos		Top 5 import from Laos to India	
Item	Value (in US\$ million)	Item	Value (in US\$ million)
Electrical machinery and equipment	13.96	Gold/Natural or cultured pearl	110.79
Pharmaceutical	4.14	Ores Gold, Aluminium	81.85
Mechanical appliances	2.95	Wood	11.01
Optical / Photographic / Surgical instruments	0.67	Lead	1.71
Meat	0.64	Coffee/Tea	0.62

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

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): 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. But the project ran into some hurdles and so far they have invested only around US\$ 50 million. The Plant has not yet been set up. Indications are that the Birla Group are trying to exit from Laos. (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. However, to the best of this Mission's knowledge the project has not yet taken off. (iii) The HSMM Group has invested US \$ 13.8 million in agarwood plantations and two factories in Vientiane and Xaysomboun Province. (iv) From India CSS Champalao Co. Ltd. has invested in a coffee plantation in the Bolaven Plateau in Champassak Province of South Laos. Production has started and they have been growing and selling their coffee beans to other coffee manufacturers. Soon, they hope to set up a coffee processing plant on the

plantation and manufacture and market their own brand of gourmet coffee. (v) Several Indian companies manufacturing veneer and ply have invested in Laos to produce veneer and export to India. This includes India's largest veneer manufacturer Century Ply. However, in May 2016 the Lao Government issued an ordinance banning export of veneer from Laos as it is a semi-finished product and said only finished wood products can be exported. Hence all these companies have been asked to produce plywood in Laos and then export.

Projects under Lines of Credit: The following projects have been supported through Indian Lines of Credit over the past ten to fifteen 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 2015,

4. US\$ 37.30 LOC for 230 KV Double Circuit Transmission Line from Nabong to Thabok and sub stations (2010) – completed in 2017 and to be handed over soon.

5. US\$ 35.25 LOC for Extension of Nabong and Thabok to 230 KV and Nam Gnung (Thasala) to Laksao 115 KV Transmission Line Project – Government of Lao requested to propose alternate project as we did not approve the project being given to Angelique International Ltd. on nomination basis.

6. US\$ 30.94 LOC for Irrigation projects in three provinces (2013) – ongoing.

Cultural Relations:

Human Resource Development: The Government of India has been providing nearly 140 scholarships annually to Lao nationals under various schemes. So far, under ITEC, GOI has trained about 1600 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 National University of Laos, 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.

Agreement for setting up of Centre of Excellence in Software Development and Training (CESDT) in Vientiane under ASEAN Framework was signed on 10 August 2015 between Centre for Development of Advanced Computing (C-DAC) and the Institute of Post and Telecommunications of Lao PDR. As per the Agreement selected 10 Master Trainers were required to attend 6-months Advance IT Training in India. The first batch of 4 Master Trainers have already completed their training. The second batch of 6 Master Trainers are

in India for their training starting in August 2017 till January 2018. The Lao side has informed that the renovation of the building to be used as CESDT is expected to be completed by end-September 2017. Necessary approval from ASEAN Secretariat is awaited for providing of equipment for the Centre from India.

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 an ancient Shiva Temple. The work on the project began in June 2009. The budget is around US\$ 4.1 million.

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 Indians in Laos was much higher during the sixties and early seventies. Most of them left after the change or regime in 1975. Some of them returned after a lapse of some years. 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.

The ASEAN India Business Council (AIBC) based in Malaysia has now got a Chapter in Laos. Its Lao representative is also the owner of the HSMM Group.

Useful Resources:

Embassy of India, Vientiane website : <https://indianembassylaos.org>

Embassy of India, Vientiane Facebook: <https://www.facebook.com/India.in.Laos>

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