

## **India-Laos Relations**

India has enjoyed long-standing, friendly and mutually supportive relations with Laos. This relationship is based upon profound historical and civilizational foundations. The Lao PDR leadership admires the historic role played by India as Chairman of the International Commission for Supervision and Control (ICSC) in Indochina towards promoting national liberation movements, the independence of colonized countries and safeguarding newly acquired freedom.

Prince Souphanouvong, commonly known as the Red Prince undertook his first foreign visit to India in 1975, as a mark of gratitude for India's Chairmanship of the ICSC and the role it had played during the Indo-China war.

The Lao PDR has been supportive on all major issues of regional and international concern to India, including our aspiration for permanent membership of the UN Security Council, as well as our election as a non-permanent member the UN Security Council in the years 2011-12. It also supported the civilian nuclear programme of India.

Laos has been highly supportive of India in ASEAN and other international fora. As Country Coordinator, it played a central role in India's ab initio accession to Treaty of Amity and Cooperation and the East Asia Summit in 2003.

The President of Lao PDR, Mr.Choummaly Sayasone, visited India from 26-30 August, 2008. Such a high level visit had taken place after 33 year. A 15-member delegation led by the Deputy Prime and Minister of Foreign Affairs, Dr.Thongloun Sisoulith, participated in the 6<sup>th</sup> India-Lao Joint Commission Meeting held in Delhi from 31 January to 4 February, 2010. Dr. Thongloun went once again in 2010.

The President, Smt. Pratibha Devisingh Patil paid a state visit to Laos from September 9-13, 2010 on an invitation from her Lao counterpart, Mr.Choummaly Sayasone. This was the first Presidential visit since that of President Rajendra Prasad in March 1959.

The President was accompanied by Shri Kantilal Bhuria, Minister for Tribal Affairs and three Members of Parliament, Shri Mohan Singh, Shri N.Peethambara Kurup and Shri Anandrao Adsul. She was accompanied by a 17-member official delegation and a 19-member media delegation. She had talks with President Mr. Choummaly Sayasone at *Ho Kham* Palace. The Prime Minister of the Lao PDR, Mr. Bouasone Boupavanh and the President of the National Assembly, Mr. Thongsing Thammavong, called on her.

The two Presidents jointly inaugurated the 115 kv Paksong-Jiangxi-Bangyo transmission line project in Champassak province for which the Government of India had provided a credit for US \$ 18 million.

The President visited Luang Prabang, a UNESCO world heritage city, from September 11-12, 2010. Governor Bouheuang Douangphachanh called on her and hosted a banquet in her honour.

Mr. Phongsavath Boupcha, Minister in the President's Office and Chief of Cabinet visited India from February 8-15, 2011 under the ICCR's Distinguished Visitors Programme.

The President addressed the India-Laos Business Forum on September 13, 2010 in Vientiane. CII had mounted a 44-member delegation from CII, FICCI and ASSOCHAM, led by Mr. Sandipan Chakravorty, Chairman, Tata Steel (Processing and Distribution) Limited. The forum was attended by Dr. Nam Viyaketh, Minister of Industry and Commerce, and Mrs. Khempheng Pholsena, Minister to the Prime Minister's Office. A total of 250, including 158 businessmen from Laos, attended. The President called for greater exchanges between business delegations, participation in trade fairs and operationalisation of the India-ASEAN FTA to increase trade and investment.

Shri Dhruv Vijai Singh, Secretary, Ministry of Water Resources, visited Laos from April 22-25, 2011. He called on the Minister of Energy and Mines, Soulivong Dalavong; the Minister to the Prime Minister's Office and Head of Water Resources and Environment Administration, Khempheng Pholsena and the Governor of Luang Prabang, Dr. Khampheng Xaysompheng. He also met Somdy Douangdy, Minister of Finance; Hiem Phommachanh, Vice Minister of Foreign Affairs; Somboun Ratsasombath, Vice Minister of Energy and Mines and Dr. Ty Phommasack, Vice Minister of Agriculture and Forestry.

Chief of Army Staff (COAS) General V.K. Singh, accompanied by his spouse and Maj. Gen. A.K. Ahuja, GOC 2 Mountain Division, and Col. C.S. Dewgun, Director (IC), visited Laos from December 8-11, 2011 at the invitation of the Lao Ministry of Defence. During his stay in Vientiane, the COAS called on the Lao President Choummaly Saysone and Deputy Prime Minister and Defence Minister Lt. Gen. Douangchay Phichit. COAS met his counterpart Chief of General Staff Brig. Gen. Souvone Leuangbounmy and held extensive talks on the ongoing defence cooperation initiatives between India and Laos. This was the first-ever visit by an Indian Army Chief to Laos. COAS reaffirmed India's commitment to the capacity building of the Lao People's army and discussed a range of defence cooperation initiatives with the Lao army leadership. The delegation visited the Kaysone Phomvihane Academy for National Defence, where a two-member training team from the Indian Army has been in place for the last 15 years. The delegation also visited Luang Prabang province of Laos.

The excellent political relations between India and Lao PDR provide fertile ground for growth of the economic and commercial relationship. Indian exports to the Lao PDR consists of agriculture machinery, irrigation pumps, garment raw-material, drugs and pharmaceuticals, machinery, paints and varnishes, textiles, sports and electrical goods. Lao exports to India consist mainly of fragrant wood used for agarbattis and other agro-based products.

The political stability in Laos, commitment of its leadership, emergence of strong and effective transport connectivity, cheap professional labour, rich natural resources such as iron-ore, forestry, timber, land, electricity and water make it an ideal destination for Indian investments with ASEAN countries providing an effective market.

Under human resource development, the Government of India has been providing over 210 scholarships to Lao nationals through the Indian Technical and Economic Cooperation [150 slots], the TCS Colombo Plan [40 slots], the Mekong-Ganga Cooperation Scholarship Scheme [12 slots] and the General Cultural Scholarship Scheme [8 slots for higher studies]. In 2010-11 the GOI provided over 161 scholarships to Lao nationals under the above categories. So far, under ITEC, GOI has trained about 1000 Lao nationals.

A two member 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.

The LICELT [Lao India Centre for English Language Training] was set up in Vientiane on June 12, 2007 under the India-ASEAN Cooperation framework. The LICELT is one of our assistance projects in human resource development. The effort is in the direction of capacity-building and self-sustaining capability of Laos.

The LIEDC (Lao-India Entrepreneurship Development Centre) was set up under India-ASEAN Fund and inaugurated by our EAM in Vientiane on 27 November, 2004, LIEDC trains Lao entrepreneurs for setting up small and medium scale business. The Centre is functioning very well and contributing to development of local entrepreneurship.

Ten pilot Rural Tele Centres (RTC) along the Mekong river have been established and are in operation since July, 2009.

In June 2004, India provided a line of credit of US \$ 10 million for a 115 KV transmission line from Ban-Na in Pakse to Attapeu. The project was developed by Jaguar International and completed in 2006

A LOC of \$ 17.34 million was provided for development of irrigation schemes in Champassak province which had been undertaken by the provincial government through its own resources more than a decade ago. The pumps for the irrigation scheme had been supplied by the Kirloskar company. WAPCOS has already done the feasibility study.

The agreement on LOC of US \$ 33 million was signed between EXIM Bank and the Lao Ministry of Finance in New Delhi during the visit of President Choummaly Sayasone in August 2008. The projects under this LOC are nearing completion.

A 2-member Exim Bank delegation comprising of Mr. Prabhakar Dalal, Executive Director and Mr. Sailesh Prasad, Chief Manager visited Vientiane from September 12-14, 2010 Lao PDR and signed the Line of Credit Agreement of US\$ 72.55 million with Government of the Lao PDR during the visit of the President of India to Lao PDR.

Restoration work of Vat Phou Temple, the most ancient symbol of Hindu civilization in the region, by ASI Team is in progress as per MoU signed by India and Lao PDR in 2007.

**Main bilateral agreements that have been signed with Lao PDR include :-**

- Bilateral Investment Promotion & Protection in November 2000. Agreement on Cooperation in Defence: November, 2002
- Agreement on Cooperation in Science & Technology, June, 2003
- Agreement for Mutual Cooperation on Drug Demand Reduction and Prevention of Illicit Trafficking and related matters came into force from February, 2005.
- Agreement on Exemption of Visa Requirement for Holders of Diplomatic and Official Passports between India and Laos will come into force on 1 April, 2005.
- MoU for restoration of Wat Phou UNESCO World Heritage Site on May 30, 2007.
- MoU for setting up Centre for English Language Training on June 12, 2007

- Cultural Exchange Programme for the years 2011-2013 on September 10, 2010.
- Loan agreement for US \$ 72.55 million between EXIM Bank of India and Laos on September 13, 2010.
- A contract worth US \$ 4.3 million has been awarded to Kirloskar Brothers under the US \$ 17.34 million loan.
- Letter of award for the US \$ 10.1 million project on development of six irrigation schemes in Champasak province to M/s Angelique International Limited by the Department of Irrigation, Ministry of Agriculture and Forestry on March 24, 2011, under the US \$ 17.34 million loan.

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