

**Embassy of India-Laos  
Vientiane**

**India-Laos Bilateral Relations**

**Political**

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. More recently, Laos supported Indian candidatures in the International Court of Justice and UNESCO Executive Board elections.

After establishment of political relations in February 1956. Since then, the following high-level visits between the two countries have added momentum to the relationship:

	<b>Visits from India</b>	<b>Visits from Lao PDR</b>
	<b>President:</b>	
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
	<b>Vice President:</b>	
1	Shri Mohammad Hamid Ansari – Sept. 2015	
	<b>Prime Minister:</b>	
1	Pandit Jawahar Lal Nehru - 1954	Mr. Thongsing Thammavong – Dec.2012
2	Shri Atal Behari Vajpayee - 2002	Dr. Thongloun Sisoulith – Jan 2018
3	Dr. Manmohan Singh - 2004	
4	Shri Narendra Modi – Sept. 2016	

Institutional consultative mechanisms include FOCs (the 2<sup>nd</sup> FOC was held in New Delhi on 10 August, 2015) and JCM (the 9<sup>th</sup> JCM was held in Vientiane on 23 November, 2018).

Deputy Minister of Foreign Affairs visit to attend 10<sup>th</sup> edition of Delhi Dialogue – Mr. Thongphane Savanphet, Deputy Minister of Foreign Affairs together with a 4-member delegation comprising Mrs. Phimpha Keomixay, Deputy Director General, Institute of Foreign Affairs, MoFA, Ms. Veomanee Meunluang, Deputy Director of ASEAN Political-Security Community Division, ASEAN Department, MoFA, Mr. Phongsavanh Sisoulath, DG ASEAN Department, MoFA and Mr. Viengoudom Chanthavong, Deputy Director of External Relations Division, ASEAN Department, MoFA participated in the 10<sup>th</sup> edition of Delhi Dialogue on 19-20 July, 2018.

Delegation from Lao PDR attends Workshop on Blue Economy – Mr. Phongsavanh

Sioulath, DG ASEAN Department, Ministry of Foreign Affairs and Mr. Viengoudom Chanthavong, Deputy Director of External Relations Division, ASEAN Department, MoFA participated in the Workshop on Blue Economy held on the sidelines of Delhi Dialogue-X.

**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 Mutual Cooperation on Drug Demand Reduction & Prevention of Illicit Trafficking in Narcotic Drugs and Psychotropic Substances and related matters (November 2002), MoU on setting up of Entrepreneurship Development Centre (July 2004), Agreement on Cooperation in Science & Technology (June 2003), Agreement on Exemption of Visa Requirement for holders of Diplomatic and Official Passports (2005), MoU for the Conservation and Restoration of the UNESCO World Heritage Site at Wat Phou (May 2007), MoU for setting up Centre of English Language Training (June 2007), Agreements on setting up of a Sustainable IT Infrastructure for Advance IT Training (Centre for Excellence in Software Development & Training) (August 2015), Agreement on Indian Grant Assistance for implementation of Quick Impact Projects (QIPs) (Sep 2015).

**Defence Cooperation:** Since 1994, under ITEC Agreement, an Indian Army Training Team conducts training for Lao defence personnel in English and Computers. 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:**

#### **Bilateral Trade:**

	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>2017-2018</b>
<i>Indian exports to Laos</i>	49.89	67.31	37.94	25.72	<b>25.00</b>
<i>Indian imports from Laos</i>	39.40	85.28	180.03	207.38	<b>168.63</b>
<b>TOTAL TRADE</b>	<b>89.29</b>	<b>152.58</b>	<b>217.96</b>	<b>233.10</b>	<b>193.63</b>

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

<b>Top 5 Exports from India to Laos (2017-18)</b>		<b>Top 5 India's imports from Laos (2017-18)</b>	
<b>Item</b>	<b>Value</b>	<b>Item</b>	<b>Value</b>
Electrical machinery and equipment	12.65	Gold Ores	107.45
Drug Formulation/Biological	2.81	Bulk Minerals and Ores	26.70
Buffalo Meat	1.26	Plywood and allied products	11.93
Electronics instruments	1.17	Silver	5.42
Electronics Component	1.13	Other wood and wood products	4.36

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

Kirloskar Brothers Limited of India has provided 35 7.5 KW submersible pumps and

spare parts worth 1.2 billion kip (US\$150,000) to Laos with the aim of helping to restore farming in flood-affected areas and supporting agricultural production. Director of Kirloskar Brothers Thailand Limited, Mr Remko Vleesch Dubois, handed over the equipment to Director General of the Department of Irrigation, Mr Maykong Phonphommavong, during a ceremony held at the Ministry of Agriculture and Forestry on 27 September, 2018. The company also contributed to the renovation and repair of 17 small irrigation projects and six big irrigation projects in Champassak province with a loan from India of US\$17.34 million, as well as the construction of Water Pump Repair Centres for Vientiane, Savannakhet and Champassak. The company also contributed for the renovation and repair of water pump stations in Vientiane and Savannakhet provinces under 27 projects with a loan of US\$ 30.94 million from India and is still engaged in other forms of long-term cooperation.

**Foreign Direct Investment (FDI):** Some Major Indian investments include: (i) The HSMM Group has invested US \$ 13.8 million in agarwood plantations and two factories in Vientiane and Xaysomboun Province. (ii) 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.

While the trade between India and Lao PDR is still below potential, India has extended Duty Free Tariff Preference Schemes to Lao PDR to encourage export of goods from Lao PDR to India.

Indian companies have been carrying out several projects in rural electrification, irrigation and agriculture under the Lines of Credit provided by the Government of India to Lao PDR through the EXIM Bank of India.

### **Cultural Relations:**

**Human Resource Development:** The Government of India has been providing nearly 120 scholarships annually 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 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. Centre for Excellence in Software Development and Training (CSED) has been set up in the Institute of Posts and Telecommunications, Vientiane, and was inaugurated in November 2018.

**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. Eight seasons of restoration work in Phase I has been completed in May 2017. Phase-II of the Project has commenced in November 2018.

## **Indian Community:**

The 500-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 Communists took over in 1975. Some of them returned after a lapse of some years.

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

India and Laos have enjoyed millennia of close relationship in culture, religion, trade and commerce. The twin dharma-based religions of Hinduism and Buddhism came to Laos and this region from India. The monuments spread across Laos and the cultural and religious practices in Laos are a testimony to the great cultural efflorescence born of the ancient contacts. In modern times, India and Laos established diplomatic relations in 1956 and have been working closely together since then. India is committed to the development goals of Laos and has been assisting through Lines of Credit for infrastructure building projects. Some have been completed and more are in the pipeline. The ancient Shiva temple of Bhadreshwara, now known as Vat Phou, in South Laos is being restored by the Archaeological Survey of India with Indian funding. Trade and investment between our countries is modest but growing. The potential is good and both sides have to work hard to realize it.

Relations between India and Lao PDR are extensively spread across many areas. India has been actively involved through LOCs in power transmission and agricultural sectors in Lao PDR. Today, India and Lao PDR cooperate in a number of multilateral and regional fora. Institutional consultative mechanisms include FOC and JCM.

## **Useful Resources:**

Embassy of India, Vientiane website : <https://indianembassy Laos.gov.in>

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

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