

Women's Empowerment through Microfinance in India: Lessons for Mekong Countries

India has taken a major step forward by launching, along with five South East Asian countries, viz. Cambodia, Lao PDR, Myanmar, Thailand and Vietnam, the Mekong-Ganga Cooperation (MGC) initiative in late 1990s. In the Joint Vientiane Declaration 2000, Mekong countries agreed to develop transportation networks and promotion of air services and linkages in the MGC region. Cooperation in the field of women's empowerment, health and nutrition and the conservation, preservation and protection of heritage sites and artefacts, among others, has also been central to MGC initiative.

The most challenging social problem the Mekong region facing today is poverty especially among women living in rural areas and those are belong to ethnic minorities. Today, Mekong region is faced with wide disparities between urban and rural communities and between rich and poor, gender inequities, lack of access to basic health and education, and inadequate protection of the environment on which traditional livelihoods depend. However, the key to sustaining the social and economic empowerment in the Mekong region is to address these social and environmental consequences and to protect the vulnerable groups as far as possible.

Over the past ten years, despite having a growth of 7.1 per cent per annum, Cambodia continues to be one of the poorest countries in the world, with 34.7 per cent population living below the poverty line. Gender discrimination persists in terms of education, health, employment opportunities, lack of access to land ownership and credit, etc. in Cambodia. On the other, with one of the highest rate

of economic participation of women in the world, Vietnam has made good progress with respect to gender equality. However, this progress has not been uniform as women lack access to health, education and economic opportunities in both formal and informal sectors. In Vietnam, women are in fact over represented in low skilled employment with low wages in the informal sector. On the other, as compared to women, men benefit from jobs with decision making power and higher status. As shown in Table 1, while the female labour force participation rate in India has been quite low, as compared to Mekong countries, the gap between the labour force participation rates of males and females persists in all the countries reported here.

In India, several instruments have also been experimented to narrow the gap between the labor force participation rates through Self Help Groups (SHGs), and some initiatives taken by the private sector of empowering small and poor labourers as stakeholders of their supply chains. This includes examples of Amul in cooperatives, Lijjat in self-help groups, Tata tea in giving stakes to both males

and females workers in their tea estates, or ITC's e-chaupal initiative, among many others.

Against this backdrop, there is a tremendous scope for the Mekong region to learn from several successful experiments conducted in India and elsewhere particularly in the field of micro finance for women's empowerment. In India, microfinance programmes have been increasingly promoted as a potential tool for women's empowerment and also as a tool for poverty alleviation. Empowerment of women is a process in which women challenge the existing social norms and cultural traditions to improve their own well being. Progress towards gender equality and women's empowerment in India has been built upon strong commitments by the Government through wide range of policy measures and programmes. The National Policy for Empowerment of Women (NPEW) was adopted in India in 2001 with an objective to bring advancement, development and empowerment of women in all spheres of life.

Recognizing that women can leverage their strength, increase bargaining

Table 1: Labour Force Participation Rate

Country	Labour Force Participation Rate (%) (ages 15-64)			
	Male		Female	
	1990	2004	1990	2004
Cambodia	86.7	81.4	81.0	78.0
Lao PDR	81.6	82.3	56.3	56.4
Vietnam	85.5	82.4	79.4	77.4
India	86.6	84.3	40.3	36.0

Source: World Bank, World Development Indicators, 2007

power and enhance capacities and skills through joint action, the systematic efforts have been initiated to encourage the organization of women into Self Help Groups (SHGs) and to channel resources to these groups. The SHGs movement has been supported through wide range of schemes of a large number of government departments like Departments of Women and Child Development, Rural Development and Agriculture, among others. These schemes have become the main vehicle for providing women with access to savings and credit mechanisms and institutions through micro-credit schemes. In fact, the schemes started as 'micro credit', which only relates to provision of loans, have gradually expanded to 'microfinance' including the provision of savings, credit and to some extent insurance facilities to the poor in both rural and urban areas.

In India, various micro-finance programmes have been initiated with the explicit goal of empowering women, as many microfinance institutions (MFIs) target female clients only. The success of the concept of micro-credit through SHGs has encouraged the Government of India to establish a national level micro-credit organization. Rashtriya Mahila Kosh (National Credit Fund for Women) was set up in 1993 under the Ministry of Women and Child Development, Government of India with an initial corpus of Rs. 310 million. It provides credit for livelihood and income generating activities to poor women in the informal sector. It extends micro-finance services through a client friendly and hassle free loan mechanisms for household activities, housing, micro-enterprises and family needs during emergencies, etc. to bring about the socio-economic upliftment of poor women. Since its inception till date, it has sanctioned loan of Rs. 2294 million benefiting 595,937 women in both rural and urban areas in India. (*WCD, Annual Report 2007-08*).

Some micro-credit programmes have remained confined to a small area and have been successfully functioning within the existing credit and savings facilities. For example, the Indira Mahila Yojana has been successful in states like Andhra Pradesh, Maharashtra, Karnataka, and Tamil Nadu. The most unique success which has been achieved by these micro finance programmes by targeting women for the credit services has been their ability to repay loans in the range of more than 95 per cent, higher than the traditional banks. Overwhelmed by the repayment

rates, a pilot project for linking SHGs with banks was launched by the National Bank for Rural Development (NABARD) and the Small Industries Development Bank of India (SIDBI). These banks increased their lending to these SHGs, which in turn provide credit facilities to the poor, especially women.

Self-employed women in the rural areas face major financial problems like lack of working capital and lack of ownership assets, and often fall in the vicious cycle of debt and exploitative approach of the moneylenders. Self-Employed Women's Association (SEWA) has established the Mahila SEWA Cooperative Bank with the specific objective of providing credit to the self employed women with a view to empower them. The origin of the microfinance can be traced to the establishment of SEWA cooperative bank in 1974 with 4000 members as share holders and each contributed Rs. 10 as share capital. It provides banking services at the doorsteps of these economically active low income women. Besides offering wide range of loans, savings and insurance schemes to the poor women, the Bank has been instrumental in making them self-reliant and strengthening them at the grassroots level. SEWA's activities are driven by the needs and demands of its members. A wide range of activities covering saving and credit groups, micro insurance, watershed development, dairy cooperatives and fodder security, agricultural development, forest plantations, drinking water, craft production, tailoring unit, salt production, gum collection, mobile ration vans and urban community slum organization, etc. are implemented by the members through a number of different institutions established by SEWA including large number of cooperatives of which the largest is SEWA Bank to make members and their organizations self-reliant individual institutions. SEWA has opened a managerial school where illiterate or semi-illiterate poor self-employed women learn management strategies according to their own requirement and demand for new sophisticated items in the market.

The success of the SEWA Bank demonstrated that women are economically active and are bankable. With the help of the micro credit facilities, women have been using credits more productively, carry out savings and became responsible enough for timely repayment of loans. On the more, many landholdings have now even shifted

in the names of the female member of the family. Access to savings and credits gives them a greater economic role in decision making for the welfare of their households. This also enables women to increase expenditure on the well being of themselves and their children in terms of their health, nutrition and education. Therefore, access to microfinance resulted into women's increased economic activity and their control over income, has improved their social and economic status, knowledge and relative empowerment in India.

Efforts to reduce poverty succeed best when they mobilise the poor themselves, including and especially the women. Recognising the fact that microfinance programmes in India has the potential to have a powerful impact on women's empowerment, the Mekong countries may evolve suitable strategies and draw upon the experiences of the select experiments conducted in India in addressing poverty and empowerment of women in cooperative sector. Importance of structural interventions through promoting asset ownership by the women in formal and informal sectors with the initiatives of SHGs has a powerful impact on women's empowerment. Strengthening women's financial base and economic contribution to their families and communities will therefore play a positive role in empowering them in Mekong region, where women represent an ever increasing share of poor. India's success stories of SHGs seem able to help Mekong women not only to increase their savings and boost their incomes but give them the confidence needed to step into new areas of community affairs as well. Such groups are thus capable of making a positive impact on poverty in Mekong region. In parallel, we also need to practice "gender awareness" in order to ensure that women are constantly kept in the picture.

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Investing in Cambodia: Opportunities and Constraints

Situated in Southeast Asia, Cambodia is endowed with a wide range of natural resources which offer high potentials for natural resource-based industrial activities. Realizing the importance of and benefit from the exploitation of such resources for its social and economic development, since early 1990s the Royal Government of Cambodia (RGC) has started and continues to open itself to the region and the world through a range of liberalization and integration efforts, namely the accessions to Association of South East Asian Nations (ASEAN) and World Trade Organization (WTO) in 1999 and 2004, respectively. This reflects country's high degree of openness being a member of such associations. Additionally, the introduction of the Law on Investment in 2001 offers a favourable environment for investment through the provision of fiscal incentives and investment guaranty. For instance, the regulation allows 100 per cent ownership by foreign investors over most assets, except for land. In view of the above, this article aims to depict certain priority sectors with high potential for investment with the highlights of a number of key preferential treatments provided by Cambodia's trading partners and outline constraints faced by foreign investors in Cambodia.

Sector with High Potential for Investment

With its intention and endeavour to sustain the current high level of growth, the RGC in cooperation with its development partners has been making significant efforts in mapping out several commodity and service sectors in order to diversify its few existing export sectors, i.e. garment and tourism. The Diagnostic Trade Integration Study (DTIS), conducted in 2007, has concluded 19 sub-sectors with high potential for export and contribution to human development.¹ This indeed is in line with the government policy in drawing large magnitude of foreign direct investment (FDI) into the sectors. Therefore, it is obvious that a number, probably all, of those sectors are likely to be viable entry points for foreign and domestic investors. Below are highlights of some of those potential sub-sectors under

Country	Value added per worker (\$)		Value added as percentage of GDP	
	2000	2004	2000	2004
Cambodia	290.19	305.08	37.87	32.70
Lao PDR	450.78	459.92	52.55	46.97
Thailand	540.60	605.04	9.02	10.07
Vietnam	277.84	304.10	24.53	21.76

Source: World Bank, *World Development Indicators* 2007.

specific industry classifications:

Agriculture and Fisheries

Cambodia's agriculture and fishery sector contributes to almost a third of its total output and absorbs approximately 60 per cent of the total labour force (Table 1). As almost two-third of the country population is living in the rural area and depends largely on agricultural farming, agriculture value-added per worker increased over time.

The inflow of FDI to the agriculture sector has been low at 3.5 per cent, as a share of total FDI, in 2004. This provides opportunity for investors to embark on large-scale agriculture development utilizing the large number of cheap labour force.

Rice farming

Paddy cultivation is the country's traditional and common farming practice as around 70 per cent of the households engage with the activity. It has been noticeable that total paddy production has reached 6 million tons in 2005 due to expansion of harvested area and favourable weather conditions (NIS, 2006). This helps enhance export activities to its neighbouring countries Vietnam and Thailand and other rice importing countries such as EU and US under special preferential treatment. The increasing price of rice in the international market, coupled with expansion of harvesting areas, offers broad opportunities for foreign investors to enter rice milling industry as large proportion of rice production has been exported raw to Vietnam and Thailand.²

Fisheries

Possessing a large fresh water reservoir, known as *Tonle Sap* Lake, and an

approximately 440 kilometre coastline, Cambodia abounds in both freshwater fish and sea fish. There was a substantial increase of fish catch in the early 2000s from 296,000 tons in 2000 to 444,500 tons in 2001. However, the volume declined to 360,000 tons in 2005 which appears to be high if compared with the catch in the 1990s. In addition, there has been rise in demand for fish products in the domestic and Thai markets. This grants promising investment opportunities in food processing industry, i.e. canned fish, animal products, etc. In complement to that, Cambodia obtains various preferential treatments from its multilateral trade agreements (see Box 1). At the international level, Cambodia being an LDC is provided with preferential market access at low/zero tariff rates, i.e. duty free to EU, US and Canada, and 0-5 per cent rate to Japan. In the region, under AFTA-CEPT arrangements, Cambodia could enjoy duty free of fish export to Malaysia and Singapore and 5 per cent to Thailand and duty free access for all fish products to China under "Early Harvest Programme" (Cambodia and WTO, 2005).

Agro-industry

As clearly seen through its geographical location and natural resource abundance, Cambodia is an appropriate location for agro-processing industry. Locations along the Mekong River, i.e. Kompong Cham province provide strategic destinations for the development of industry-support plantations. Realizing such potential gain and favourable conditions for industrial development, the RGC builds strategy around the provision of concessional land to domestic and foreign investors aiming at creating backward linkages of existing/potential industries with the local economic activities such as smallholding farming

activities. Several sectors offer investment opportunities,³ like silk processing, jute and fibres, sugar, palm oil refineries, cashew nut processing, rubber processing, tapioca starch, flour and fruit products, among others.

Tourism

Located in Southeast Asia and possessing natural and cultural views, Cambodia has the advantage in attracting high number of tourists from the region and the world. Cambodia has been attracting growing number of tourists from the world. The total number of tourist arrivals has reached 2.06 million in 2007 with an 18.53 per cent increase, and the share of income of the sector to GDP was about 13.1 per cent in 2005. Currently, the government concentrates on three poles of tourism development (Phnom Penh, Siem Reap, and Sihanoukville) by ensuring favourable conditions for domestic and international investors to establish hotels, restaurants and resorts with the international standards. Since early 2000s there has been noticeable rise in number tourist arrivals, and flow of FDI into the sector has also been significant. The opportunities for investment appear to be bright with increasing popularity of Angkor Wat complex, rural natural views and the beautiful beach.

Garment

Growth of the sector has been magnificent since mid 1990s, *albeit* flat growth in 2007. With a status as a least developed country, Cambodia has acquired two main preferential statuses—General System of Preference (GSP) and Most Favoured Nation (MFN). Such treatments are granted by countries like EU, US, Canada, Japan, and Australia. In addition, as a member of ASEAN, it could also use low-cost content imported from member countries. The sector has been purely export-oriented industry which utilizes limited/no local content for the production. This could somehow provide chance for investors to invest in certain supporting industries, particularly in jute and cotton.

Opportunities in Other Sectors

Special Economic Zones

The government is well conscious that there is a need for diversifying its current export basket and promoting investment in agro-industry. In December 2005, the RGC introduced the concept of special economic zone/export processing zone (SEZ/EPZ) by issuing a sub-decree on the establishment of the zone, thereby a dozen of economic promotion zones were granted to foreign investors. The zone

is equipped with one-stop-shop service where key ministries in charge of import-export inspection are present in the zone. Additionally, investment guaranty and other fiscal and administrative incentives are also provided for the investment in the zone. Among the zones permitted, one is Manhattan SEZ, located five kilometres from the border of Vietnam. It has been operational and hosts five factories, four of which are well under way (Saing, 2007).

There are high opportunities for foreign investors to invest in those locations as they are close to the border where energy

Box 1: Trading Conditions

As a member of ASEAN and a signatory to AFTA, Cambodia's rice falls under terms of sensitive products. This provides favourable market access for Cambodia export to Indonesia with MFN rate at Rp. 430/kilo; Malaysia at zero CEPT rate; Thailand at 5% of CEPT applied rate; Singapore with tariff free, and Vietnam at 5% applied CEPT rate in 2005.

Source: Cambodia and WTO, 2005

supplies are available at lower cost than those in the urban centres. Transportation cost is also apparently affordable for export to neighbouring countries and the world.

Infrastructure

As a developing country which has gone through decades of civil wars, there has been immense need for infrastructure development such as the construction of roads, railways, bridges, airports, sea ports and other facilities. Noticeably, cost of total number of projects approved in the construction sector has risen considerably from US\$ 30 million in 2005 to US\$ 908 million in 2006. Traditionally, investment in the form of Build Operate Transfer (BOT) has been popular and viable for the private sector entry (e.g. the renovation of Phnom Penh International Airport by a private company). The company has been operating well and is due to transfer full ownership to the government in 2020. Besides, the initiative among Greater Mekong Sub-Region (GMS) members to build Southern Economic Corridor linking Thailand and Vietnam crossing Cambodia provides high opportunity for investment in the road network construction and other supporting facilities.

Hydropower

Cambodia has geographical location, many parts of which are suitable for hydropower development. Due to rising industrial activities and the growth of population, Cambodia needs investment in energy sector. So far most locations in

Cambodia use electricity generated by the diesel power plants. The cost has been high compared with those in Thailand and Vietnam. The government has encouraged investment in the sector by providing various tax incentives, namely tax holiday for up to 9 years and tax exemption on the import of machinery.

Extractive industries

Cambodia has a large stock of natural resource, particularly mine which is both onshore and offshore. Since the onset of its privatization effort in the early 1990s, the RGC has granted permission to several private firms to explore such mineral resources as oil, gold, bauxite, and other metallic mines. It appears to be promising in the oil and gas extraction offshore, and the areas estimated to store large volume of oil and gas has been divided into blocks and contracted to various private firms such as China Petrotech, CNOOC, Polytech, PTTEP-SPC-RP, Chevron-MOECO-GS Caltex.⁴ The contracts take the form of production sharing. While the onshore one, concession of certain locations in the North Eastern part of Cambodia have been granted to a number of private firms for exploration, for instance, BHP Billiton acquired license to explore bauxite.

Investment Incentives

Investment guarantee

According to the Law on Investment in Cambodia all investors shall be provided with guarantee as follows:⁵

- A foreign investor shall not be treated in any discriminatory way.
- The RGC shall not undertake a nationalization policy.
- The RGC shall not fix the price or fee of the products or services of a Qualified Investment Project.

Taxes incentives (Chapter 5, Law on Investment)

- Tax holiday: i) 6-9 years starting the first year of sale; ii) 5-year loss carry forward.
- Reduced corporate income tax after tax holiday period:
 - After tax holiday: 9% for the first five years and 20% thereafter;
 - Instead of tax holiday: 40% special depreciation.
- Exemption from import duties and VAT:
 - 100% on inputs for qualified sectors
 - VAT exemption for both inputs and sales of supporting industries to export-oriented garment and footwear sectors.

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India-Mekong Cooperation Activities

Cambodia Welcomes Indian Investments

H.E. Mr. Hun Sen
Prime Minister of Cambodia

Since Cambodia is back on the path of strong and sustained economic growth, testified by considerable and encouraging achievements during the last few years, I believe that this is the best time for the business community and all investors to assess the potentiality and opportunity as well as the future vision of Cambodia.

During the last decade, Cambodia has overcome many obstacles and challenges and transformed itself into a peaceful country with improved social order, stability, cooperation and development. Despite the region and world's economy have faced with major challenges, Cambodia's economy gained momentum and dynamism by growing on average 9.4 per cent per annum during 2000-2006. Especially, economic growth peaked at 13.5 per cent in 2005 the average per capita income almost doubled from 288 US\$ in 2000 to 513 US\$ in 2006. Inflation has been kept low at an average of under 3 per cent between 2000-2006. Exchange rate has been broadly stable. The country's international reserves have increased threefold from about 500 million US\$ in 2000 to more than 1.5 billion US\$ as of today.

At the same time, the promising future from the commercialization of oil, gas and other mineral resources has opened up new economic opportunities and hope for Cambodia to become a new development zone in the region. These factors suggested the possibility of high and sustainable economic growth in the medium and long terms, as well as economic diversification and faster poverty alleviation. In this context, the Royal Government of Cambodia has an ambitious vision to utilize this new opportunity for the next one to two decades to transform Cambodia into a fast-growing regional economy based on agro-business, manufacturing and services especially, in the tourism sector.

We expect to realize this vision by mobilizing the resources from all sources, either domestically or from abroad to invest in human resource development, institutions and both hardware and software infrastructures, including roads, bridges, seaports, airports, railroads, power, transmission lines, clean water supply, irrigation, development and the transfer of knowledge, know-how and technology.

Within this context, recognizing the huge forces of the Indian economy and with the successful development experiences learnt from neighbouring countries in the region where FDI have been playing an important and critical role, Cambodia is strongly determined to attract as much as possible FDI including Indian FDIs to Cambodia.

Therefore, I invite Indian business-men and investors, to come and visit Cambodia in order to carry out feasibility study on your investment plans. As we are supportive of the private sector and consider the private sector as an important engine to generate economic growth. We have made considerable efforts to strengthen the judicial system, developed our legal framework and institutions in order to provide a favorable environment for the private sector and protect their investments and business activities in Cambodia.

Apart from this, by clearly understanding the market demand for the development of the country, Government has actively promoted the policy of integrating Cambodia into the regional and world market. As a result, we have achieved large economies of scale. Cambodia's membership in the WTO and the ASEAN community as well as trade agreements that have been agreed and signed or still in the process of negotiation both under the bilateral and ASEAN framework with

India, China, Japan, Korea, Australia, New Zealand, EU and the USA as well as the development initiatives at regional and sub-regional levels, have provided investors with the opportunity to gain access to the markets of almost all countries around the world.

Cambodia has comparative advantages and some important potential in the agriculture and agro-industry, labor-intensive industries, processing, tourism, mining, and at some sections of the manufacturing and service sectors which are linked to the favourable condition of land, weather, and natural resources. To attract foreign investors, we have adopted several policies to promote Private Participation in the Provision of Infrastructures, to provide National Treatment which means that foreign and domestic investors enjoy the same rights. Further, foreign investors can do business with or without Cambodian partners and we also allow free movement of capital and foreign exchange, without any restriction.

In the ASEAN context, I am grateful to India for its assistance and cooperation to help narrowing the development gap through initiatives such as the Special Course for Diplomats from ASEAN Countries as well as for the establishment of Entrepreneur Development Center and Center for English Language Training in Cambodia, Laos, Myanmar and Vietnam. I am hopeful that India will consider positively our request to provide assistance in the field of IT where India is well-known for its expertise.

(Excerpted from the Prime Minister's Address Delivered at the Business Luncheon Organized by FICCI, ASSOCHAM and CII, 8 December 2007, New Delhi).

Indian Investment Wave Flows into Vietnam

According to the Vietnamese Ambassador to India, India had moved to the 28th place among foreign direct investors in Vietnam in 2006. In 2007, it made an impressive advance to the 6th among the top ten countries and territories directly investing in Vietnam.

The ambassador said that Vietnam and India will strive to increase their bilateral trade turnover to 2 billion US\$ in 2008, 2 years ahead of schedule. Many Made-in-Vietnam products have earned firm foothold in India over the past years, including pepper, rubber, hardware, electronics and garments and textiles. However, the ambassador noted the trade volume between the two countries remained modest with an average growth rate of India-bound export standing at just 20 percent.

According to the Vietnamese diplomat, the signing of FTA between India and the ASEAN and the Vietnam-India FTA would help to boost commodity exchange between the two countries. He also stated that the Vietnamese Embassy in India is carrying out trade and tourism promotion programmes in India in a move to draw giant Indian corporations to operate in Vietnam.

(Excerpted from the *VietNamNet Bridge*, 2 May 2008).

India and Cambodia Seek Closer Economic Cooperation

During the visit of the Cambodian Prime Minister Mr Hun Sen to India during 7-10 December 2007, six agreements were signed between India and Cambodia. The Indian Prime Minister Dr. Manmohan Singh and Cambodian Prime Minister agreed to lay down the criteria and procedure for the transfer of sentenced persons who are incarcerated in the other country back to their own country to serve the remainder of their sentence. They also signed a MoU on Cooperation in the Field of Water Resource Management to jointly collaborate in the area of water resources development and management. It envisages the exchange of experts, organization of training programmes and the establishment of a Joint Working Group to monitor cooperation in the area.

Further, the MoU on Foreign Office Consultations between India and Cambodia envisages regular consultations at the Vice Ministerial level to review all aspects of bilateral relations and exchange of views on international issues of mutual interest.

Both sides are committed to Work Plan on Cooperation in the Field of Agriculture and Allied Sectors envisages cooperation in a number of areas including integrated pest management, use of pesticides, livestock production and management, disease diagnostics and vaccines, integrated watershed management, aquaculture production management, exchange of information and reports, exchange of germ plasm, training and exchange of visits by scientists, agricultural extension services, cooperation in food processing industries and development and improvement of horticulture technology for fruits.

Under the credit line agreement between Cambodia and EXIM Bank of India, India would extend a Line of Credit for US\$ 35.2 million at a fixed rate of interest of 1.75 per cent repayable over 20 years inclusive of a grace period of 5 years. The Line of Credit would be utilized for financing three projects - US\$ 15 million for the Stung Tasal Development project, US\$ 5.2 million for the purchase of water pumps

and US\$ 15 million for the construction of an electric transmission line between Kratie and Stung Treng Province. Under the MoU, Cambodian National Petroleum Authority (CNPA) and ONGC Videsh Ltd. would exchange ideas on possible cooperation related to exploration, development, production, gas utilisation, processing, sale, distribution of petroleum and their products as well as training and education in oil and gas operations.

Both India and Cambodia also consented to cooperate in the field of defence through regular exchange programme in training, military instructors, observers, military, naval vessels and aircraft, exchange of intelligence, organization of seminars and symposia, cooperation in defence industry and research and the protection of classified information.

(Source: Press Release, Ministry of External Affairs, New Delhi, 8 December, 2007).

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Constraints

Although there are several opportunities and incentives, investors face a number of constraints as well. Cost of doing business shall be placed as a primary concern as it has been well-perceived to be a hurdle in business operation and start up everywhere. Fuel price is one factor which marks up cost of production as Cambodia is a net importer of petroleum. EIC survey in 2007 reveals high fuel price in Cambodia at US\$ 0.96/litre compared with its neighbouring countries Vietnam at US\$ 0.65/litre and Thailand at US\$ 0.68/litre. Likewise, there has been grave concern among private business entities concerning anti-competitive and informal

business practices and regulatory policy uncertainty in Cambodia.

In relation to the aforementioned concerns, a report titled "Doing Business 2008" discloses poor performance indicators in relation to business practices. Table 2 reveals low business ranking indicators compared with Lao PDR, Thailand and Vietnam, *albeit* better performing in the fields of Paying Taxes and Protecting Investors.

Nonetheless, concerns raised by the private sector have so far been taken into consideration by the RGC. For instance, public private sector dialogue has been organized quarterly, and there has been effort by the RGC and its development

partners in formulating public private sector at the provincial level in order to tackle existing business hurdles.

Endnotes

- ¹ For detail information, see executive summary of *Cambodia's Trade Integration Strategy, 2007*, p. 16-35.
- ² So far no official report discloses exact volume of such informal export.
- ³ Extracted from *An Investment Guide to Cambodia: Opportunities and Conditions, 2004*, p.34.
- ⁴ Based on map compiled by Oxfam America
- ⁵ Investment Law: Article 8-11.

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Table 2: Selected Business Ranking Indicators of GMS Countries (Rank)*

	Ease of doing business	Starting a business	Dealing with licenses	Employing workers	Registering property	Getting credit	Protecting investors	Paying taxes
Cambodia	145	162	144	133	98	177	64	21
Lao PDR	94	49	152	74	16	68	33	152
Myanmar	-	-	-	-	-	-	-	-
Thailand	15	36	12	49	20	36	33	89
Vietnam	91	97	63	84	38	48	165	128

Source: World Bank, *Doing Business 2008*.

Note: *countries ranked out of 178 economies.

India Offers Financial Assistance to Lao PDR to Combat Avian and Human Influenza

Ambassador of India to Lao PDR, handed over a cheque of US\$ 100,000 to Vice Minister of Health, at the Ministry of Health, Government of Lao PDR as a grant from Government of India for assisting Lao PDR in its efforts for combating avian and human influenza. Government of Lao PDR proposes to use this grant for purchasing medical health equipment including ventilators for hospitals in Vientiane.

Avian and human influenza is a major health concern which impacts adversely on the national socio-economic development objectives and retard economic growth. The Government of India appreciates the efforts being made by Lao PDR for combating avian and human influenza through its Action Plan which has both long term and short

term strategies including spreading of awareness about the disease, facilities for testing and treatment, and response and

monitoring in cases of outbreak.

(Source : Indian Embassy in Lao PDR).

Indian Companies in Lao PDR

Lao PDR receives foreign investment mainly in food processing and mining (most notably of copper and gold). Tourism is the fastest growing industry in the country. The main source of foreign investment into Laos is from China, Vietnam, Thailand, USA, Australia and France. India has signed Trade and Economic cooperation and bilateral investment promotion and Protection Agreements with Laos. CII and Lao National Chamber of Commerce signed the Joint Business Council Agreement to facilitate exchanges.

Indians living in Lao PDR reside mainly in the capital city of Vientiane. Indians own two garment factories and an agar wood factory here. They also engage in businesses like restaurants, gems and jewellery, tailoring and fabrics and in miscellaneous consumer items. At present there are two Indian companies, who have offices in Lao PDR, viz. Kirloskar and Aditya Birla Group.

(Source : Indian Embassy in Lao PDR).

Lao-India Entrepreneurship Development Center

As a part of India's assistance to the Lao PDR in support of the Initiative for ASEAN Integration (IAI), Lao-India Entrepreneurship Development Centre (LIEDC) was set-up on 27 November 2004, under the Ministry of Education, Department of Higher Technical and Vocational Education. Entrepreneurship Development Institute of India (EDII), Ahmedabad is involved in the project as technical advisor and has given its affiliation to LIEDC.

LIEDC has been set up with a vision to spearhead entrepreneurship development movement in Lao PDR and would be the centre of excellence for facilitating creation of viable of competitive new enterprises and strengthen the existing ones inline with the Prime Minister's Decree number 42/ PM dated 20 April 2004 on The Promotion and Development of Small and Medium Size Enterprises.

The prime objective of the centre is to maintain the highest standards of entrepreneurial excellence in terms of :

- Instill entrepreneurial culture amongst Lao entrepreneurs, equipped with adequate knowledge and experience.
- Augment the supply of entrepreneurs through education, training and business advisory services.
- Inculcate entrepreneurial values among educated youths and school

drop outs to orient them to think in terms of entrepreneurship as a viable career option.

- Introduce and facilitate introduction of entrepreneurship in education system to wean away the youths from job-seeking, and motivate them to become entrepreneurs and create jobs for others.
- Promote the development of resilient Lao PDR entrepreneurs in strategic industries.
- Create a conducive business environment for emergence, sustenance and growth of SMEs.
- Support, guide, counsel existing entrepreneurs so that they are able to grow, complete globally and operate profitably.

LIEDC has achieved remarkable successes, in terms of reach, coverage, sensitization and visible impact in various activities for new enterprises creation and existing enterprises upgradation. The centre has been successfully able to sensitize the policy makers and administrators for incorporating entrepreneurship education in formal education curricula. Right since its inception, 114 activities has been conducted and 8864 participants were involved under funding supported

by many international organizations and LIEDC itself initiating by the Awareness Workshops to understand the importance of entrepreneurship related to the development of the country's economic growth. Various modules like EDP (Entrepreneurship Development Programmes), NEC (New Enterprise Creation), EU (Enterprise Upgradation), COMFAR (COMFAR III-UNIDO's Computer Model for Feasibility Analysis and Reporting), SIMAP (Small Industries Management Assistants' Programme), SYB (Start Your Business), Computer Application and KAB (Know About Business) for education has been introduced both in the Head Quarter and through out the country.

Taking full advantage of the various training programmes, participants have set up their 58 new enterprises including family businesses and small sizes. Apart from this, 48 existing enterprises were upgraded with the aim to export and cope up with high competitiveness in the region. Further, 6 Indian companies under the B2B have signed their agreement for cooperation and investment with Lao companies.

(Source: EDII, Ahmedabad).

ASI to Revive Wat Phou Temples in Lao PDR

The Government of India and the Government of Lao PDR signed an MoU, in 2007 for the conservation and restoration of UNESCO World Heritage Site of Wat Phou.

The World Heritage Cultural site Wat Phou symbolizes age-old cultural and civilizational linkages between India and Lao PDR. The Wat Phou temples built around the 6th Century A.D. with Hindu architecture and themes in Champasak are an eloquent testimony to the rich civilizational relationship between the peoples of India and this region even two millennia ago.

The project would be executed by the Archaeological Survey of India (ASI) in direct coordination with the Department of Cultural Heritage Management, Ministry of Information and Culture of Lao PDR. ASI had also done the complex restoration work at Angkor Vat in Siem Reap which

testifies to their rich experience in such work. The team from ASI would be stationed at the Wat Phou Temple complex in Champasak Province. Over a period of few years, the team would work to restore the main temple complex including the palaces, causeways and terraces of the complex. The restoration work is comprehensive in nature and would be completed in three or four phases.

The Wat Phou is not merely an archaeological site but represents the core of Lao spirit as it existed in that era from 6th Century onwards. The restoration work by ASI would contribute to the revival of the rich cultural tradition of Lao people and the Lao spirit.

(Excerpted from the Press Release of the Embassy of India to the Lao PDR, 30 May 2007).

(Source : Indian Embassy in Lao PDR).

India Setting up Centre for English Language Training

India and Lao PDR have signed an MoU for setting up Lao-India Centre for English Language Training (LICELT) at the National University of Laos in Vientiane. The Centre is being set up under the India-ASEAN Cooperation framework with similar Centres also being set up in Cambodia, Vietnam and Myanmar. India has been acknowledged globally for its second largest English-speaking skilled manpower and high standards of English language training in India. The advances made in India in IT sector as well as other high technology areas are attributed by the international community to the high standards of English language and innovative skills available in India.

The broad objectives of the LICELT has been to provide a permanent venue for teaching English language and conducting courses for building proficiency of civil servants, teachers, students and business community in Lao PDR. It also aimed to facilitate the use of English language in official and business transactions and prepare students for examinations required for higher education abroad - TOEFL, IELTS.

Apart from the training, the LICELT would offer some courses like Certificate of Proficiency in English; Certificate in Business Communication; and Diploma in teaching of English IELTS and TOEFL preparatory courses. The Centre being set up by Government of India will have a modern Language lab with the latest teaching aids and office equipment. Two experts from the Central Institute of English and Foreign Languages, India, are being deputed for teaching English language at the Centre.

(Source: Indian Embassy in Lao PDR).

ICT Bilateral Cooperation between India and Lao PDR

India and Lao PDR signed an MoU on ICT bilateral cooperation in 2004. So far, India has collaborated in setting up of an ICT Training Centre in 2004 with 25 computers with software tools. The Centre was inaugurated by the then External Affairs Minister during ASEAN 2004 summit. India also organized capacity building programme for government officials through human resource development for 150 Government officials in four course modules of five days duration. These Training Modules are Office Productivity Tools, Database Design & Analysis and Web Services, Portal and Content Management, Basic Software Engineering Technologies and Methodologies.

The Government of India has also prepared e-Governance Action Plan document for Government of Lao PDR. A MCA Programme for thirty Lao Students in India for three years duration was also commenced in July 2007 in collaboration with GGSIP University in New Delhi. Besides, setting up of National Data Centre in May 2006, five pilot Rural Tele Centers were established in remote and rural areas along the Mekong River for ICT Penetration in Agriculture, Rural Health and Rural Development Programmes.

(Source: Indian Embassy in Lao PDR).

RIS Organized First Capacity Building Programme on Global and Regional Economic Cooperation Issues

In an era of globalization and regional integration, the process of regional cooperation represents both challenge as well as an opportunity for developing countries, as their growth prospects depend largely on external economic environment. In order to strengthen analytical capacity among the researchers from the Asian developing countries, RIS in collaboration with IDE/JETRO, Tokyo organized the first Capacity Building Programme on Global and Regional Economic Cooperation Issues (GRECI) under the framework of Economic Research Institute for ASEAN and East Asia (ERIA) from 11 February to 7 March 2008 in New Delhi.

The capacity building programme has been designed to expose the participants to the growing complexities of global economic issues, including regional economic cooperation and negotiations and build the analytical skills among the researchers from the East Asian countries especially from the CLMV (Cambodia, Laos, Myanmar and Vietnam) countries.

The capacity building programme had participation of researchers and government officials from countries like Cambodia, Indonesia, Malaysia, Myanmar and Thailand, respectively.

Field Based Detailed Study in South East Asia (Country Vietnam) for Enhancing Export of Engineering and Management Services from India

Part I – Draft Report, January 2008 CDC, New Delhi

Recognizing the potential of services sector in the country, the Ministry of Commerce and Industry, Government of India identified few services where the country has potential and capabilities to offer to the global market. These selected services, which include Consultancy and Management services, are derived from a list of 161 services identified by WTO. In order to promote India's export capabilities in these services across the world, a field based study was commissioned and conducted by consultancy Development Centre (CDC).

International Infrastructure Development in East Asia – Towards Balanced Regional Development and Integration

**Editor: Nagesh Kumar
ERIA, IDE-JETRO
March 2008**



Infrastructure is a key factor in economic development, and thereby also help in narrowing gaps between developed and backward regions. Infrastructure, especially transport and connectivity, is crucial for regional cooperation and integration. The ASEAN secretariat has identified infrastructure development as one of the Priority Integrated Sectors (PIS) of the ASEAN economic community. This report analyzed the current status, issues and challenges facing infrastructure development in East Asia and examine the role that regional cooperation can play in meeting the challenges.

(ERIA Research Project Report 2007, No.2)

The Study on Infrastructure Development in Cambodia **Chap Sotharith, Kem Reat Viseth and Tekreth Samrach Cambodian Institute for Cooperation and Peace, Phnom Penh, March 2008**

Despite some efforts have been made so far, the status of infrastructure in Cambodia is still in poor condition compared to the countries in the region. The report aims

at collecting basic economic data and population data on sub-regional level to analyze long-term impacts of the logistic infrastructure development on linked regions by simulation supported by the theory of spatial economics. The report presents the current status of infrastructure development in Cambodia, describes infrastructure development plan and highlights issues related to infrastructure development.

(ERIA Related Joint Research Project Series 2007, No.6)

The Study on Infrastructure Development in Lao PDR **Leeber Leebouapao, Souphith Darachanthra and Others National Economic Research Institute, Vientiane, March 2008**

Lao PDR, the only one land-locked country in Southeast Asian region, with no direct access to the sea and poor infrastructure has constrained the socio-economic development of the country. The Government of Lao PDR has introduced a 'land-linked' strategy in parallel with regional and sub-regional infrastructure development trends especially in the framework of ASEAN, GMS, triangle Development Area, etc. as an aim to transform this obstacle situation to an opportunity one.

This report aims to review the progress of infrastructure development especially road and transport system of the country. It also discusses the importance of infrastructure development including at national level and under regional cooperation scheme for the socio-economic development of the country. Apart from the significant policies and strategies, some critical issues regarding infrastructure sector has been put forth.

(ERIA Related Joint Research Project Series 2007, No.11)

Challenges to Sustainable Development in the Mekong Delta: Regional and National Policy Issues and Research Needs

**Editors : Tran Than Be, Bach Tan Sinh and Fiona Miller
Sumernet, Bangkok, 2007**

The purpose of this Report on conditions in the Mekong Delta, consisting of four detailed chapters that address flooding and salinity management, livelihoods and resource use strategies, fisheries

policy, and competition for water use, is to set out the background to how a transition to sustainable development in the Mekong region might be achieved. The chapters presented here review the current state of knowledge on key challenges to sustainable development in this dynamic and productive, yet vulnerable, region of the Mekong Delta. This report brings together an analysis of how livelihoods, economic development and natural resources management in the delta have been influenced by national policy changes, integration into the international market economy and concomitant regional processes to understand the current state of knowledge on key challenges for sustainable development



Linking Greater Mekong Subregion Enterprises to International Markets: The Role of Global Value Chains, International Production Networks and Enterprise Clusters

**George Abonyi
United Nations, 2007
ISBN-10: 9211204925
ISBN-13: 978-9211204926**

Global value chains and international production networks are creating an international economy increasingly characterized by fragmented and specialized production dispersed across borders. This study provides an overview of their development and the implications for small and medium sized enterprises. The study proposes actions to support the participation of enterprises from the Greater Mekong Sub-region in global value chains.

India-Thailand Partnership: The Way Forward **Federation of Indian Chamber of Commerce and Industry (FICCI) and PriceWaterhouseCoopers (PwC), New Delhi, 2008**

Outlining the deepening synergies between Indian and Thai industry, this FICCI-PwC report points out that for further advancing the objectives of the Look East policy, Thailand is one of the important countries under focus. The report notes

Resources

that trade and investment between the two countries has gained momentum. A number of initiatives in Mekong Sub-region are proving its economic value and capacity to dramatically transform the region. India-Thailand Free Trade Agreement has provided a big boost to bilateral trade and investment.

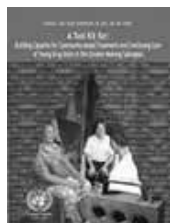
Mid-Term Review of the 10-Year GMS Strategic Framework (2002-2012) Asian Development Bank, 2007

The Ten-Year Strategic Framework for the GMS Programme (GMS-SF) was endorsed by the GMS Leaders at their First Summit in Phnom Penh in November 2002. Since then the GMS-SF has guided the implementation of the GMS Programme. By 2007, halfway through the GMS-SF's implementation period, significant changes which affect the GMS Programme have taken place in the regional and global environment. The Mid-Term Review assessed the relevance of the GMS-SF in the light of progress made and the changing regional and global environment.

The Review found that, under the GMS-SF, the GMS Programme has accelerated, delivering concrete results and contributing to the shared vision of a prosperous, integrated and harmonious Mekong sub region. It concluded that the strategic priorities of the GMS remain valid and will serve as good bases for moving forward in the remaining half of the GMS Strategy's implementation period (2008-2012).

A Tool Kit for Building Capacity for Community-based Treatment and Continuing Care of Young Drug Users in the Greater Mekong Subregion John Howard UNESCAP, 2007

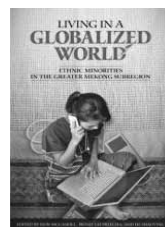
This tool kit was developed in response to requests by people working to build capacity for community-based treatment of young drug users in the Greater Mekong Subregion. It uses relevant examples from the subregion, accessible web-based resources and templates in order to enhance an understanding of the problems many young people face with



regard to substance use and related risks. The tool kit aims to provide 'how to do it' guides for assessment of individual, group and family counselling interventions that can be applied in community or residential settings.

Living in a Globalized World: Ethnic Minorities in the Greater Mekong Subregion Editors: Don McCaskill, Prasit Leepreecha and He Shaoying Mekong Press, 2008 ISBN-10: 9748276635 ISBN-13: 978-9748276632

Indigenous peoples in Laos, Thailand, Vietnam, and Yunnan (in China) live in a region of massive change, fuelled by the rise of China, the end of war or sanctions, "open door" policies, and regional integration. Policies aimed at minorities or developing upland areas, as well as transformations wrought by migration, highways, hydropower, the Internet and other media, and tourism are all impacting the cultures of the Akha, Lisu, Karen, Dai, Mien, Khmu, and numerous other groups in the Mekong region.



This book is the result of an innovative cross-border comparative project jointly conducted by an international team of scholars. The authors focus on a variety of phenomena including religious conversion, the media, healing practices, rituals, hydropower projects, and tourist-oriented ethnic enclaves. A closing chapter is a theoretically informed study of the transformation of Hmong culture and identity, with insights that may well be applicable to the other groups.

Taking Southeast Asia to Market: Commodities, Nature, and People in the Neoliberal Age Editors: Joseph Nevins and Nancy Lee Peluso Cornell University Press, 2Rev Ed edition, 2008 ISBN-10: 0801474337 ISBN-13: 978-0801474330

Recent changes in the global economy and in Southeast Asian national political economies have led to new forms of commodity production and new commodities. Using insights from political economy and commodity studies,

the essays in *Taking Southeast Asia to Market* trace the myriad ways recent alignments among producers, distributors, and consumers are affecting people and nature throughout the region.



In case studies ranging from coffee and hardwood products to mushroom pickers and Vietnamese factory workers, the authors detail the Southeast Asian articulations of these processes while also discussing the broader implications of these shifts. Taken together, the cases show how commodities illuminate the convergence of changing social forces in Southeast Asia today, as they transform the terms, practices, and experiences of everyday life and politics in the global economy.

Mekong Region: Foreign Direct Investment Asian Development Bank (ADB), 2006

This report discusses in some detail the significance of FDI especially in the three transitional economies in the GMS. Attracting FDI has been a key focus of market-oriented policy reforms in these countries. As transitional economies, these countries require substantial amounts of investment to transform their economies and meet the economic, social, and other developmental goals that they have set themselves.

East Asian Infrastructure Development in a Comparative Global Perspective: An Analysis of RIS Infrastructure Index Nagesh Kumar and Prabir De, RIS

Development of infrastructure is one of the key priorities of East Asia Summit (EAS) countries. By constructing an Infrastructure Index for 104 countries comprising all the EAS members, this paper examines the levels of infrastructure attainment of EAS countries in a comparative global perspective over time and space. It makes observations on the gaps between EAS countries in terms of infrastructure development, their overtime performance, and provides some policy recommendations for narrowing the gaps. The Infrastructure Index developed in this paper reveals very wide gaps in terms of infrastructure attainment

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across the EAS region, which seem to have widened rather than narrowed over time. The paper recommends creating a regional mechanism in order to utilize the region's foreign exchange reserves for development of regional cross-border connectivity and other infrastructure services.

(RIS Discussion Paper No. 135, March 2008).

Further Readings

- ❖ M&A Becomes a Buzz Word in Vietnam 2007. *Nhan Dan*, 30 May 2008.
- ❖ Vietnam : Asia's Other Miracle. *The Economist*, 26 April –2 May 2008.
- ❖ Half-way From Rags to Riches. Special Report on Vietnam. *The Economist*, 26 April –2 May 2008.
- ❖ Managing Capital Flows: The Case of Vietnam, Vo Tri Thanh and Pham Chi Quang. ADB Institute Discussion Paper No. 105, May 2008.
- ❖ *Rural Economy and Natural Resource Management: Concept Paper for the Mekong Region Programme*. Swiss Agency for Development and Cooperation, March 2008.
- ❖ Connecting Mekong Region with India through Infrastructure Linkages, Prabir De. *The Financial Express*, 5 February 2008.
- ❖ Opportunities for Trade in Services between GMS and India Challenges and Options for Future, Sanchita Chatterjee. *CUTS Hanoi Resource Centre*, 2007.
- ❖ Review of the Energy Sector Integration in the Greater Mekong Sub-Region-A Focus on the Electricity sub-Sector. David Fruitman, *CUTS Hanoi Resource Centre*, 2007.
- ❖ Building Blocks or Stumbling Blocks? The GMS and AFTA in Asia. Jayant Menon. *ASEAN Economic Bulletin*, August 2007.

Bilateral Merchandise Trade between India and Lao PDR in 2006-07

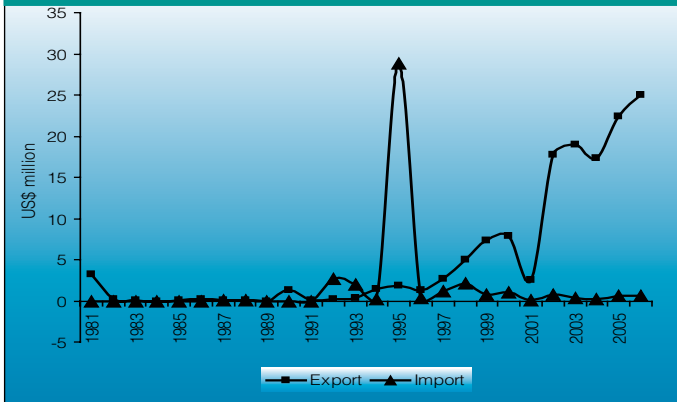
(a) India's Exports to Lao PDR (US\$ million)		
HS Code	Commodity	Export Value
85	Electrical Machinery and Equipment and Parts thereof; Sound Recorders and Reproducers, Television Image and Sound Recorders and Reproducers, and Parts.	0.69
90	Optical, Photographic Cinematographic Measuring, Checking Precision, Medical or Surgical Inst. and Apparatus Parts and Accessories thereof.	0.32
55	Man-made Staple Fibres.	0.24
84	Nuclear Reactors, Boilers, Machinery and Mechanical Appliances; Parts thereof.	0.23
29	Organic Chemicals.	0.21
30	Pharmaceutical Products.	0.2
7	Edible Vegetables and Certain Roots and Tubers.	0.12
73	Articles of Iron or Steel	0.12
95	Toys, Games and Sports Requisites; Parts and Accessories thereof.	0.07
64	Footwear, Gaiters and the Like; Parts of Such Articles.	0.04
12	Oil Seeds and Olea. Fruits; Misc. Grains, Seeds and Fruit; Industrial or Medicinal Plants; Straw and Fodder.	0.02
39	Plastic and Articles thereof.	0.02
40	Rubber and Articles thereof.	0.02
96	Miscellaneous Manufactured Articles.	0.02
38	Miscellaneous Chemical Products.	0.01
63	Other Made Up Textile Articles; Sets; Worn Clothing and Worn Textile Articles; Rags.	0.01
82	Tools Implements, Cutlery, Spoons and Forks, of Base Metal; Parts thereof of Base Metal.	0.01
India's Total Exports to Lao PDR		2.38

(b) India's Imports from Lao PDR (US\$ million)		
HS Code	Commodity	Import Value
13	Lac; Gums, Resins and Other Vegetable Saps and Extracts	0.26
32	Tanning or Dyeing Extracts; Tannins and Their Deri. Dyes, Pigments and Other Colouring Matter; Paints and Ver; Putty and Other Mastics; Inks.	0.05
84	Nuclear Reactors, Boilers, Machinery and Mechanical Appliances; Parts thereof.	0.04
68	Articles of Stone, Plaster, Cement, Asbestos, Mica or Similar Materials.	0.01
India's Total Imports from Lao PDR		0.36

Source: Export Import Data Bank, Ministry of Commerce and Industry, Government of India, New Delhi

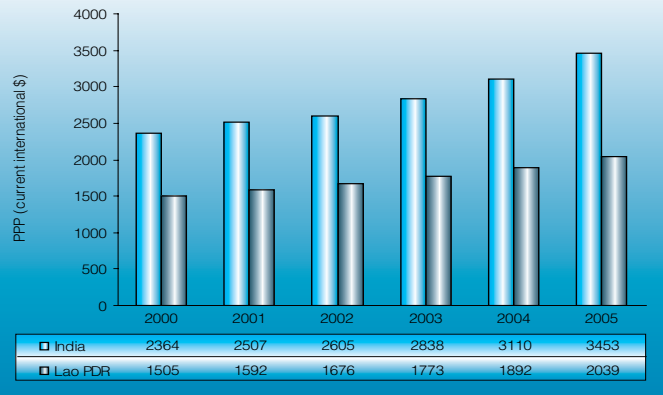
Economic and Trade Indicators

India's Trade with Lao PDR



Source: Direction of Trade Statistics, January 2008, IMF

India and Lao PDR: Per Capita Income



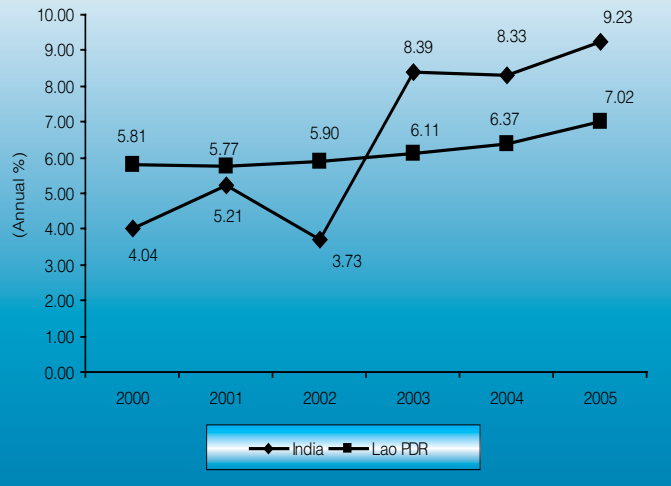
Source: World Development Indicators CD-ROM, 2007, World Bank

India and Lao PDR: Changes in Sectoral Composition

	1995		2005	
	India	Lao PDR	India	Lao PDR
Agriculture	28.24	55.68	18.30	44.82
Industry	28.12	19.24	27.33	29.47
Services	43.64	25.08	54.37	25.72
Total	100.00	100.00	100.00	100.00

Source: World Development Indicators CD-ROM, 2007, World Bank

India and Lao PDR: Annual GDP Growth



Source: World Development Indicators CD-ROM, 2007, World Bank

India and Lao PDR: Trade Indicators for the Year 2005

	India	Lao PDR
Trade (% of GDP)	44.72	58.08
Merchandise trade (% of GDP)	28.54	43.65
Exports of goods and services (% of GDP)	20.54	27.16
Imports of goods and services (% of GDP)	24.18	30.91
International tourist, number of arrivals (million)	3.92	0.67

Source: World Development Indicators CD-ROM, 2007, World Bank

Mekong-Ganga Policy Brief

An RIS Publication on India-Mekong Economic Cooperation

RIS has been supporting the process of regional economic integration in Asia with its studies and research. Besides its pioneering contribution to the process of economic integration in South Asia and on broader regional cooperation in Asia, RIS has been supporting the ASEAN-India economic partnership with special emphasis on India-Mekong cooperation. As its most recent initiative to enhance deeper cooperation between India and Mekong countries, RIS has undertaken a project entitled "Building Capacity through South-South Cooperation: Case of Mekong-India Cooperation", supported by the Swiss Agency for Development and Cooperation (SDC). Overall objective of this project is to strengthen trade and investment related capacity of Mekong countries through information sharing, dissemination of knowledge and experiences, networking and transfer of skills. RIS has launched *Mekong-Ganga Policy Brief* within the framework of this project. This publication seeks to disseminate the policy-related research, news, viewpoints, and information about resources among the policy circles and think-tanks to promote the cause of deeper cooperation between India and Mekong countries. Views expressed by the authors in this policy brief are their personal, and do not represent the views of RIS or SDC. The information contained has been compiled from various sources, as cited, purely for education and dissemination, and not for commercial purposes. The copyrights of the material included remain with the original sources. *Mekong-Ganga Policy Brief* is freely available from RIS or can be downloaded from www.ris.org.in or www.newasiaforum.org.

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