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India and CLMV Countries: Investments, Development Cooperation and Sustainable Development

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Improving Lives, Expanding Opportunities

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ABSTRACT

India shares close political and strategic ties with the Southeast Asian subregion of Cambodia, Laos, Myanmar and Vietnam (or the CLMV countries). However, their economic ties remain weak, owing to various factors including lack of physical connectivity, as well as the absence of synergy between India's Lines of Credit to CLMV and the country's economic outreach. This paper analyses India's investments and development cooperation initiatives in the subregion. Using the case of Vietnam, the paper outlines the current status of India-CLMV economic relations, highlights the weaknesses, and points to the way forward. It recommends the drafting of a white paper on India's economic diplomacy to clearly spell out the country's long-term strategy and goals in the subregion. The paper also calls for an integrated approach towards the CLMV subregion in terms of trade, investment, and development cooperation.

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INTRODUCTION

Since the adoption of the 'Look East Policy' in 1992, India has sought to intensify its economic relations with the countries of the Association of South East Asian Nations (ASEAN) region. In 2014, 'Look East' was reinvigorated to 'Act East', and India sought to put even greater emphasis on developing its economic, cultural and strategic relations with the region. Southeast Asia's economic importance stems from the fact that the share of these countries in global output, exports, imports, and foreign direct investment (FDI) inflows has grown consistently; the combined gross domestic product (GDP) of ASEAN countries is currently estimated at US$ 2.4 trillion.[1] At the heart of ASEAN's success is interconnection: the region is home to many important global industrial production chains in manufacturing and services trade. Therefore, closer economic ties between India and the ASEAN would be extremely beneficial for India.

Trade and investment links between India and the ASEAN have improved rapidly in recent years. According to ASSOCHAM (the Associated Chambers of Commerce and Industry of India), there was a three-fold increase in the total bilateral trade between India and the ASEAN countries from US$ 21 billion in 2005-06 to US$ 65 billion in 2015-16.[2] With the coming into effect of the ASEAN India Free Trade Agreement (AIFTA) in 2010 and the ASEAN Economic Community (AEC) in 2015, the economic potential of the region has increased further. The removal of tariffs throughout the AEC—resulting in the freer flow of goods between the countries—also presents many opportunities for Indian companies that manufacture in the region. At the same time, Indian companies that rely on ASEAN nations for intermediate goods in their supply chain will also benefit from reduced costs.

Within the ASEAN region, four countries viz. Cambodia, Laos, Myanmar, and Vietnam, often grouped together as CLMV countries, have attracted greater attention in the last few years owing to their economic potential. India is working to build closer relations with these countries for a number of reasons, primary of which is the inherent advantage of their proximity to India's northeastern states. The region also occupies a critical geo-strategic position. The CLMV countries have also witnessed high rates of economic growth and macro-economic stability in recent years and have become important destinations for foreign direct investment (FDI) flows. Cheap labour and open trade and foreign direct investment (FDI) policy regimes also present significant opportunities for India.

Dhar (2015) asserts that India is focusing on trade integration with CLMV countries in recent years because its free trade agreement with the ASEAN has so far failed to bring about desired results. As part of this strategy, the Indian government is supporting the development of manufacturing hubs by the private sector in these countries.[3] Indian manufacturers investing in the region will obtain easier access to the ASEAN market and make important gains under the Generalised System of Preferences under which imports from least developed countries are allowed in developed countries at zero or low duty. Additionally, they will also be able to access other large markets like China, Japan and Australia. Amongst the CLMV countries, Vietnam, the subregion's largest economy became even more important for India in the context of the Trans-Pacific Partnership trade[i] deal. Myanmar, for its part, has become an important destination for investors after the withdrawal of western sanctions following the country's transition to democracy. Meanwhile, Cambodia and Laos, though small economies, are showing potential to catch up on growth.

i Trans-Pacific Partnership (TPP) is a defunct trade agreement between the United States, Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam. It was slated to be the largest trade agreement covering about 40% of the global economy. The United States pulled out of the agreement in 2017 but the other members went ahead with a new version of the agreement without the United States, known as the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP).

In recent years, various initiatives have been undertaken by the Indian and CLMV governments to promote greater economic cooperation. These include the India-CLMV Business Conclave and the Mekong Ganga Cooperation (MGC) Initiative. The most significant initiative of the Indian government may yet be the setting up of the Project Development Fund in 2016 within the Export and Import Bank of India with a corpus of Rs 500 crore (approx. US$ 71.5 million) to promote Indian investments in the region.

This paper presents an overview of India's economic engagements with the CLMV countries with a special emphasis on Indian investments and development cooperation initiatives in the subregion. It offers specific recommendations to invigorate Indian overseas investments, improve the effectiveness of India's development cooperation, and promote sustainable development in the subregion. Vietnam is used as a case study for this paper given its standing as a primary recipient of India's overseas investments in the subregion; it is also the largest economy amongst the CLMV. The two main sources of data for this study are the Reserve Bank of India's (RBI) database on overseas foreign direct investments[ii] and the EXIM Bank Database on Indian lines of credit. However, it is important to note that many Indian companies channel their investments through their subsidiaries in other countries (such as Singapore or Thailand), and such investments are not captured by the RBI's database. To fill this gap, the study relies on a number of technical reports by industry associations, as well as other secondary sources like academic papers, news articles, company annual reports, and websites of the Indian embassies in the CLMV countries. The paper also relies on information collected through semi-structured interviews of experts and officials in New Delhi and in Vietnam.

Section I of the paper provides an analysis of Indian investments and development cooperation initiatives in the CLMV subregion.

ii RBI publishes monthly statistics on Indian overseas direct investment. The monthly figures were added to arrive at yearly totals.

Section II discusses India's overseas investments and development cooperation initiatives in Vietnam. Section III brings out the main findings of the study based on the analysis in Sections I and II as well as interviews conducted in New Delhi and Vietnam. Section IV provides a list of recommendations to invigorate the economic ties between India and CLMV countries. The annexure provides tabular lists of Indian investments in the CLMV countries and gives the names of interviewees in India and Vietnam.

I. INDIA'S INVESTMENTS AND DEVELOPMENT COOPERATION INITIATIVES IN CLMV: AN OVERVIEW

Indian investments in the CLMV region

While the CLMV countries are important destinations for Indian companies, Indian investments in the subregion are still rather small as compared to other countries like China, South Korea and Japan. India ranks 27th amongst all foreign investors in Vietnam with 169 projects and a total investment capital of US$ 756 million.[4] According to figures from the Reserve Bank of India (RBI) database, between 2008-09 and 2017-18, Indian companies invested only about US$ 536.9 million in these countries (See Table 1), or 0.2 percent of India's total overseas direct investment (ODI) flows during the same period. Within the CLMV countries, Vietnam was the largest recipient of Indian ODI with a share of 54.9 percent, followed by Myanmar at 39.8 percent. About 40 Indian companies invested US$ 294.5 million in Vietnam over eight years. However, only a handful of large Indian companies such as ONGC Videsh, Marico Industries, TATA Group, Shapoorji Pallonji, RK Marble, Tufropes, and Wolkem India account for over 80 percent of Indian investments in Vietnam.

ONGC Videsh, the international arm of the Oil and Natural Gas Corporation (ONGC), India's largest oil and gas exploration and production company, has a strong presence in Vietnam. It invested US$114 million between 2008-09 and 2017-18.[5] Indeed, ONGC Videsh

Table 1: Indian overseas direct investments in CLMV countries between 2008-09 and 2017-18 (in US$ million)

	Cambodia	Laos	Myanmar	Vietnam	CLMV Total
2008-09		2.0	48.7	50.0	100.8
2009-10		2.0	1.7	2.7	6.4
2010-11		2.0	45.3	76.1	123.4
2011-12	0.4	2.1	9.7	3.1	15.4
2012-13	9.6	0.2	3.2	2.4	15.4
2013-14	0.9	1.4	16.2	22.5	40.9
2014-15	0.3	1.0	4.0	20.9	26.3
2015-16	0.3	1.2	1.4	9.4	12.3
2016-17	1.9	0.3	29.0	33.5	64.7
2017-18	2.3	0.7	54.7	73.9	131.5
Total	**15.7**	**12.8**	**213.9**	**294.5**	**536.9**

Source: Author's estimates from Reserve Bank of India Database

has a long history of operations in Vietnam, first entering the market in 1988 when it was awarded the exploration licence for Block 6. In 2006, the company got exploration Blocks 127 and 128 but Block 127 was relinquished after completing the work programme.[6] In July 2017, the Vietnamese government granted a two-year extension to explore oil Block 128.[7] Currently, Vietnam accounts for about 12 percent of ONGC Videsh's production, next only to Russia which has a share of 56 percent.[8] In addition to commercial interests, there are strategic interests behind ONGC Videsh's presence in Vietnam. Block 128 is located in the contested waters of the South China Sea and the Vietnamese government welcomes Indian presence in the South China Sea to counter China's aggressions.[9]

Marico Industries is another major Indian investor in Vietnam. It entered the Vietnamese market in 2010-11 by acquiring an equity stake of 85 percent in International Consumer Products Corporation, a leading Vietnamese fast-moving consumer goods (FMCG) company.[10] Marico Southeast Asia Corporation is present in the male grooming segment and food business (under the brand name Thuan Phat). The annual report of Marico suggests that its business in Vietnam declined by five percent in 2017-18 mainly due to the underperformance of its male shampoo business but the food business posted double-digit growth in constant currency terms.[11] RK Marbles, India's largest marble company first entered the Vietnamese market in 2006. Between 2008-09 and 2017-18, the company invested about US$ 50 million in Vietnam's marble sector. Since its establishment, RK Marble Vietnam has been a leading producer and exporter of white and yellow marble in the Yen Bai Province of Vietnam. Two other Indian companies, Wolkem India and Tufropes India, invested about US$ 9 million each.

Indian firms have also made some progress in Vietnam's renewable energy market. The TATA Group, Adani Green Energy, and Shapoorji Pallonji Infrastructure Capital Co. have made significant investments in the country. In 2017, the TATA Group invested in solar power plants in four Vietnamese provinces with a total capacity of 250 MW.[12] The TATA Group's most recent investment in solar power is a 49 MW project worth US$ 54 million in the Binh Phouc province of Vietnam.[13] This plant is scheduled to be completed by June 2019. Similarly, Adani Green Energy has also expanded its renewable energy business to Vietnam. In 2018, Adani Green Energy subscribed to 80-percent equity share capital of Adani Phuoc Minh Wind Power Company Limited (APMWPCL) in Vietnam.[14] The APMWPCL is developing a 27.3 MW wind power plant at Phuoc Minh and Phouc Ninh Commune, in the Ninh Thuan province of Vietnam. According to a news report by *Viet Nam News*, India's Shapoorji Pallonji Infrastructure Capital Co Ltd and Vietnam's Electricity Power Trading Company (EPTC) signed a power purchase agreement for the solar power project SP infra 1 Plant in Ninh Thuận Province.[15] The total investment capital of the 50MW solar plant is about US$ 71 million.

In Myanmar, India's investment portfolio is dominated by the energy sector. ONGC Videsh, GAIL India, and Essar Oil are among the top Indian investors in Myanmar. Between 2008-09 and 2017-18, ONGC Videsh was the largest Indian investor in Myanmar with investments worth US$ 145 million followed by GAIL India at US$ 44.8 million.[16] Together, ONGC Videsh and GAIL India account for nearly 90 percent of Indian investments in Myanmar.[iii]. Apart from energy, two of India's leading manufacturers of plywood and veneers, Century Plyboards and Greenply Industries, also made investments worth US$ 6.25 million and US$ 2 million in Myanmar. Century Plyboards set up a plywood unit in Yangon in 2012 with the objective of exporting plywoods and veneers back to India in response to an imminent ban on raw timber exports in Myanmar.[17] Greenply Industries soon followed suit and commenced production of commercial veneers in 2014.[18]

According to figures from the RBI, between 2008-09 and 2017-18, Indian companies invested US$ 15.7 million and US$ 12.8 million in Cambodia and Laos, respectively (See Table 1). Indian private sector companies have made their presence in the automobile, mining, and pharmaceutical sectors in Cambodia. Grasim Industries, one of India's largest private sector companies, made investments worth US$ 9.6 million in Cambodia between 2008-09 and 2017-18 (Table A1). According to a recent report by the Confederation of Indian Industries, the TATA Group has also invested US$ 226.7 million in an automotive plant in Sihanoukville Special Economic Zone in Cambodia through its subsidiary, TATA International.[19] This manufacturing plant will produce a range of light commercial vehicles. Bajaj Auto, another leading automobile company from India, has also entered the

iii For more details on the operations of ONGC Videsh and Gail India in Myanmar refer to Ananya Basu Ray Chaudhury and Pratnashree Basu, "India-Myanmar Connectivity: Possibilities and Challenges", Observer Research Foundation, available at https://www.orfonline.org/research/india-myanmar-connectivity-possibilites-and-challenges/

Cambodian market. Bajaj Cambodia has started construction of a plant in Stung Meanchey to produce two- and three-wheelers.[20] Mesco Gold, a subsidiary of Mesco Steel, was the first company to obtain a commercial mining licence to extract and process gold ore in Ratanakkiri province of Cambodia.[21] Between 2008-09 and 2017-18, Mesco Gold invested about US$ 3.5 million in Cambodia. The plant is slated to process about 500 tonnes of gold ore every day when it starts its operations by the end of 2019.[22]

The VTSIX Group, a pharmaceutical company, has invested US$ 19.5 million to set up a factory in the Phnom Penh Special Economic Zone in Cambodia.[23] The upcoming pharmaceutical unit will comply with World Health Organization's Good Manufacturing Practices (WHO GMP) and produce about 500 million units of oral pharmaceuticals (including tablets, capsules, and syrups). The setting up of this plant will help diversify Cambodia's industrial output and create jobs for at least 25 highly skilled persons in the short term.[24] According to figures from CII, Indian projects have created about 1,525 jobs in Cambodia.

In Laos, Indian investments are concentrated in the plantation and mining sectors. Grasim Industries India along with two other group companies—Thai Rayon (Thailand) and PT Indo Bharat Rayon (Indonesia)—formed a joint venture, Birla Lao Pulp and Plantations Company Ltd., in 2006 to invest in eucalyptus plantation and setting up of a pulp production plant. This is the largest Indian investment in Laos so far. Birla Lao Pulp and Plantations has committed to invest about US$ 400 million in the eucalyptus project in Savannakhet province.[25] Between 2008-09 and 2017-18, the company invested about US$ 10.4 million in the project. The HSMM Group has invested US$ 13.8 million in agarwood plantations and two factories in Xaysomboun and Vientiane province of Laos and Apollo tyres also has a rubber plantation in Laos.[26] The Lao SPG CMC Mining Company, a subsidiary of GIMPEX India and the HSMM Group have investments in iron-ore mining. So far, the Lao SPG CMC's mine has spent US$ 7.7 million in a 200-hectare mine in Ta En village in Samneua province and produced

60,717 metric tonnes of iron ore.[27] The HSMM Group has also made small investments worth US$ 0.8 million and US$ 0.1 million in iron ore mines in Sekong province and Khammuan province of Laos.

India's development cooperation in CLMV countries

India's development cooperation is built around three components viz. Indian Technical and Economic Cooperation (ITEC), lines of credit, and grants. The ITEC programme, launched in 1964 to enhance technical cooperation and capacity building with other developing countries, retains its importance as a pillar of India's development cooperation programme. It is a bilateral assistance programme under which India provides training to other developing countries in diverse fields (such as agriculture, food, fertiliser, cyber technologies, health, textile, media and journalism, and defence, amongst others). Cambodia has been allotted 150 civil training slots and 14 slots under Defence-ITEC courses.[28] India offers a total of 210 scholarships to Laos through ITEC (150 slots), Mekong-Ganga Cooperation (12 slots), General Cultural Scholarship Scheme (8 slots for higher studies), the TCS Colombo Plan (40 slots).[29] India also provides training in English language, entrepreneurship, and information technology to Lao people. Myanmar is also a major beneficiary of India's training programmes under ITEC, General Cultural Scholarship Scheme, Mekong Ganga Cultural Scholarship, and the TCS Colombo Plan. Currently, about 150 ITEC slots are being offered to Vietnam every year along with 16 scholarships under the General Cultural Scholarship, 14 scholarships under educational Exchange Programme, and 10 scholarships under the Mekong Ganga Scholarship Scheme.

Lines of credit are the most important instrument of India's economic diplomacy. According to data from the Export and Import Bank of India, the total value of Indian lines of credit in Cambodia is US$ 102.1 million and as of now, there are four operational credit lines (See Table 2). As shown in Table 2, most of the projects are in the power and water resource sector. The Stung Tasal development project which

Table 2: EXIM Bank's Operative Credit Lines in Cambodia

Year of Approval	Purpose	Amount of Credit (in USD mn)
2007-08	Stung Tasal development project by WAPCOS, purchase of water pumps, construction of electricity transmission line between Kratie and Stung Treng by WAPCOS	35.2
2007-08	Strengthening the capacity of transmission line project between Kratie and Stung Treng	15.0
2010-11	Completion of Stung Tasal Water Development Project	15.0
2013-14	Stung Sva Hab/Slab Water Resources Development Project	36.9
	Total	**102.1**

Source: EXIM Bank Database, https://www.eximbankindia.in/lines-of-credit-GOILOC.aspx

included the construction of the Stung Tasal Dam with a storage capacity of 140 MCM has been successfully completed and discussions on the second phase of the project are underway.[30] In January 2018, the EXIM Bank extended a line of credit worth US$ 36.9 million for financing the Stung Sva Hab/Slab Water Resource Development project.[31] This is the largest Indian project so far in Cambodia. In Laos, India has five operational credit lines worth US$ 190.9 million (Table 3). Out of the five projects mentioned in Table 3, the first three projects have been completed and handed over to the Lao government. Construction of storage dams and development of irrigation systems is underway but the most significant contribution by India would be the setting up of a University of Agriculture in the Champasak province.

So far, India has extended 11 credit lines worth US$ 678.9 million to Myanmar (See Table 4). However, India's engagement with Myanmar has been less than satisfactory in recent years. The first seven projects mentioned in Table 4 (including the Tanbayakan Petrochemical Complex and the renovation of the Thanlyin Refinery) have been completed

Table 3: EXIM Bank's Operative Credit Lines in Laos

Year of Approval	Purpose	Amount of Credit (in USD mn)
2006-07	Development of Irrigation schemes in the Champassack Province	17.34
2007-08	Paksong S/S – Jiangxai 115 KV, double circuit Transmission Line Project, Nam Song 7.5 MW hydropower project and Equipment for Rural electrification Phase 2 Project	33.00
2010-11	(i) 230 kV Double Circuit Transmission Line from Nabong to Thabok and substations (USD 34.68 million), (ii) Extension of Thabok & Nabong substations to 230 kV (USD 12 million) and (iii) Nam Gnung - Laksao, 115 kV Transmission line and Sub Stations (USD 23.25 million) in Lao PDR	37.30
2013-14	Construction of Storage Dams & Development of Irrigation Systems in four major provinces in Lao PDR	30.94
2016-17	Establishing of a college of Agriculture in Champasak province of Laos	72.40
	Total	190.98

Source: EXIM Bank Database, https://www.eximbankindia.in/lines-of-credit-GOILOC.aspx

but now India is facing problems with regard to project completion and the disbursal rate is low. According to Sonu Trivedi, an expert on India-Myanmar relations, smaller projects are better received than larger projects which typically suffer from delays.[32] Indian capacity building programmes are much more successful. For instance, the Myanmar Institute of Technology and computer training by Centre for Development of Advanced Computing (CDAC) has been well received.

The EXIM Bank has five operative lines of credit in Vietnam worth US$ 691.5 million (See Table 5). Indian lines of credit have helped Vietnam procure equipment such as cold rolling steel, carding and

Table 4: EXIM Bank's Operative Credit Lines in Myanmar

Year of Approval	Purpose	Amount of Credit (in USD mn)
2003-04	Establishment of an OFC link between Moreh and Mandalay, an ADSL high-speed data link in Yangon area and a reduced number of COR-DECT lines	7.00
2003-04	Railway rehabilitation	56.40
2005-06	Renovation of Thanlyin Refinery	20.00
2006-07	Railway projects by RITES Ltd.	60.00
2006-07	Setting up an assembly/manufacturing plant for assembly and manufacturing of Tata vehicles	20.00
2007-08	(i) Oakshitpin – Thahtay Chaung – Taungup 230 kV Transmission Line and Substation Project; (ii) Taungup – Maei – Ann – Mann 230 kV Transmission Line and Substation project; and (iii) Maei – Kyaukpyu 230 kV Transmission Line and Substation project	64.07
2008-09	Upgradation of Thanbayakan Petrochemical Complex	20.00
2012-13	16 ongoing irrigation schemes and 2 rehabilitation schemes in the irrigation project in Myanmar	198.96
2013-14	Procurement of rolling stock, equipment and up-gradation of three major Railway Workshops by procurement of machinery	86.31
2014-15	Implementation of a Microwave Radio Link on the Rhi-Mindat route in Myanmar	6.20
2014-15	Up-gradation of Shwebo Putao and Rakhine State Roads in Myanmar	140.00
	Total	**678.90**

Source: EXIM Bank Database, https://www.eximbankindia.in/lines-of-credit-GOILOC.aspx

spinning machinery, and tea processing machinery.[33] India has also supported the Nam Chien Hydropower project in Vietnam. The largest project so far is the US$ 500-million credit line to procure defence-

Table 5: EXIM Bank's Operative Credit Lines in Vietnam

Year of Approval	Purpose	Amount of Credit (in USD mn)
2003-04	General purpose - Contracts approved include export of textile machinery, equipment and services for hydro power projects	27.0
2006-07	NAM Chien Hydropower Project (200 MW) at Son La Province	45.0
2007-08	Two projects	19.5
2014-15	Purchase of equipment / supplies	100.0
2016-17	Defence Procurement from India	500.0
	Total	**691.5**

Source: EXIM Bank Database, https://www.eximbankindia.in/lines-of-credit-GOILOC.aspx

related equipment from India. Defence cooperation is an integral part of the Comprehensive Strategic Partnership between Vietnam and India but there have been delays in operationalising the procurement, owing principally to Vietnam's concern regarding rising public debt. Its current public debt-to-GDP ratio (estimated at 63.9 percent) is quite close to the cap at 65 percent.[34] According to news reports, instead of defence procurement, Vietnam is more keen to use the credit line for infrastructure development.[35]

In addition to the concessional lines of credit, India has also provided a grant of US$ 40 million to kickstart digital connectivity projects in CLMV countries in 2018. Initially, the government of India had announced in 2015 a line of credit worth US$ 1 billion to promote digital connectivity in the ASEAN region as part of its 'Act East' policy. However, none of the ASEAN countries came forward to use this fund; therefore, a grant of US$ 40 million was extended to CLMV countries to kickstart digital connectivity projects in the subregion.[36]

In the sixth Mekong-Ganga Cooperation Ministerial Meeting in 2012, India also launched the India-CLMV Quick Impact projects.[37] Quick Impact Projects (QIPs) are short-gestation projects that aim to provide quick results to the local population. These are mostly in the nature of upgrading physical infrastructure such as roads or social infrastructure projects such as schools and hospitals. The CLMV countries are also beneficiaries of India's grant assistance for implementation of QIPs under the Mekong-Ganga Cooperation. Discussions are underway for three QIPs in Laos, two in Myanmar, and five projects in Cambodia and Vietnam.[38]

Project development fund

The most important Indian initiative to promote closer economic ties with the CLMV countries was the creation of the Project Development Fund in August 2016 with a corpus of Rs 500 crore (about US$ 70.4 million).[39] The main objective behind the creation of this fund was to facilitate Indian investments in the region and broaden the manufacturing base of Indian companies by helping Indian companies integrate with the regional production networks. The Fund is housed in the Ministry of Commerce and the EXIM Bank has been identified as the nodal agency. The EXIM Bank has the following tasks:

- Identify viable projects in the CLMV region, which will help Indian companies to get integrated into the Regional Value Chain (RVC);
- Set up projects through special purpose vehicles (SPVs) in the CLMV region;
- Take the projects to a bankable stage thereby attracting private sector investments.

The Project Development Fund was conceived with the objective of expanding markets for Indian exports by investing in partner countries. In other words, if the government of India could support Indian companies in making investments in newer capacities in CLMV countries then India could gain through higher exports to the subregion and beyond by exploiting the benefits that these countries have in terms of lower costs of production and preferential access to other markets. This seemed to be a favourable idea given that India had lost its competitiveness in many sectors like textiles and garments whereas some of the CLMV countries, notably Vietnam, have become formidable manufacturing hubs. According to an Indian analyst, textiles and garments and engineering goods should be the two main focus areas for India.[40]

Another analyst expressed his disappointment with the delays in the operationalisation of the project development fund.[41] Four projects have so far been identified for preparation of detailed project reports, one each in Cambodia and Vietnam, and two in Myanmar (See Table 6). Although the initial objective of the fund was to help Indian manufacturing units become part of the regional value chain, most of the identified projects are related to services sector such as the setting up of hospitals and educational institutes. It could be argued that these projects are not that different from the QIPs in the health and education sector. It is not clear how the aim of broadening Indian's manufacturing base will be achieved through projects which are essentially no different from other QIPs and LoCs. Manufacturing sector (notably textile and

Table 6: Projects identified by EXIM bank for preparation of Detailed Project Report

Country	Projects / Opportunities for DPR preparation
Cambodia	1. Possibility of setting up of a Multi-Specialty Hospital and/or Medical College in Cambodia
Myanmar	1. Possibility of setting up of a Multi-Specialty Hospital and/or Medical College in Myanmar
	2. Possibility of setting up an Educational Institute in Myanmar
Vietnam	1. Possibility of setting up a Pharmaceutical Manufacturing Unit in Vietnam

Source: EXIM Bank[42]

garments) which was the main objective behind the creation of the fund has so far been neglected. Vietnam is the only country where the Project Development Found is trying to support the setting up of a pharmaceutical manufacturing unit.

Part of the reason why there are not enough manufacturing projects under consideration lies in the failure of the Trans-Pacific Partnership (TPP). The project development fund was initially conceived in 2016 in the context of the TPP. At that time, setting up factories in CLMV countries, particularly in sectors like garments and textiles industry, in order to get integrated into the value chain seemed a lucrative idea. With the failure of the TPP, however, things changed dramatically. Moreover, infrastructure-related challenges, particularly related to the power sector, in countries like Myanmar, Laos, and Cambodia became more evident in subsequent periods. Manufacturing continues to be on the agenda, but hospitals and schools provide quick returns and generate more goodwill.

II. CASE STUDY: VIETNAM

India and Vietnam have historically shared friendly relations. India enjoys substantial goodwill in Vietnam because of its support for Vietnamese independence and unification of the country as well as its opposition to the United States during the Vietnam war in the late 1960s. In 2007, India and Vietnam established a Strategic Partnership which was subsequently upgraded to Comprehensive Strategic Partnership in 2016. Convergence of strategic interests and mutual concerns with regard to China have provided a fertile ground for defence cooperation which forms the cornerstone of bilateral relations between the two countries. Since 2007, the two countries have held annual defence policy dialogues and in 2015, they issued a joint statement declaring their commitment to regular defence exchange and interaction, defence trade and training, and development of new technologies. In addition to strong defence ties, cultural ties between the two countries are also strong. There is a section of the Vietnamese public, however, who are concerned that close political relations have not translated into close economic relations between the two countries.[43]

There is popular opinion amongst Vietnamese scholars that Indian investments are very much welcome in their country.[44] There is a parallel concern about the growing dependence of the Vietnamese economy on China, and India is seen as a counter-balance. Indeed, China's economic footprint in Vietnam is increasing rapidly in almost all sectors of the economy including real estate, infrastructure and manufacturing. Investments from China are likely to grow further, as more of its firms relocate to Vietnam in light of higher tariffs on Chinese goods in the United States. However, Chinese investments in Vietnam come with significant risks of environmental pollution and malpractices such as the giving of bribes.[45]

TATA Steel in Vietnam

Big-ticket investments by Indian companies in Vietnam have met with little success. TATA Steel, the world's third largest steel manufacturer, is a case in point. TATA Steel entered into a tripartite venture with Vietnam Steel Corporation and Vietnam Cement Industries to develop a steel plant in the coastal province of Ha Tinh. The US$ 5-billion facility with a capacity of 4.5 million metric tonnes per year would have been the largest investment by an Indian company in Vietnam. The project, however, failed to materialise. The project site initially identified by TATA Steel was given to Formosa Plastic Group, a company which had no previous experience in steel manufacturing.[46] China Steel has a five-percent stake in Formosa Steel Corporation. TATA Steel acquired land in Vung Ang Industrial zone in Ha Tinh province in 2009 but failed to obtain an investment licence and land clearance for the project. Under Vietnamese investment laws, companies do not have to pay for site clearance and water supply construction but the provincial government asked TATA Steel to pay for the same, citing its own budgetary constraints. However, the provincial government had borne about 70 percent of site clearance costs for Formosa's steel plant.[47]

The TATA Group asked for equal treatment but was not granted any; it pulled out in 2014.[48] To be sure, TATA Steel's failure to enter Vietnam is not representative of all Indian companies in that country, as there have been many other successful ventures so far.

Textiles and garments industry

India is an important raw material supplier in Vietnam's textile and garments industry. Between 2010 and 2017, India's cotton exports to Vietnam grew at a compound annual growth rate of 13 percent from US$ 170.9 million in 2010 to US$ 392.7 million.[49] At present, however, the Indian textile industry is struggling in the face of stiff competition from China (which is the world's largest textile and garment exporter), Bangladesh, Vietnam and Indonesia. There is a strong incentive, therefore, for Indian industries to relocate to Vietnam which has preferential access to developed country markets as well as the ASEAN. Das (2015) also found the textiles and garments sector of Vietnam to be a potential area where India can get integrated into the regional value chain.[50] As discussed earlier, the now-defunct Trans-Pacific Partnership also made it imperative for Indian textile manufacturers to set up units in Vietnam because of the yarn forward rule.[51]

India has undertaken a number of initiatives to promote Indian investments in the textile industry of Vietnam. In December 2018, a delegation from Confederation of Indian Industries Tiruppur visited Ho Chi Minh City to explore investment opportunities and meet Vietnamese representatives.[52] The delegation also visited Vietnamese textile units and held meetings with their Vietnamese counterparts. There is worry, however, that the textile sector may not be an appropriate area for collaboration as Indian firms are not competitive.[53] Similarly, the product quality of Indian firms may not be up to the mark and Indian firms also typically fail to meet the tight schedule of the value chain. Moreover, with the enactment of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), a number of Chinese textile firms will relocate to Vietnam, posing competition on Indian companies in the sector. Textiles has a huge share in India's organised sector employment and the government has made a policy decision to support Indian investments in CLMV countries as an economic strategy to integrate with regional value chains. In this context, concerns regarding the capabilities of Indian companies to deliver must be taken seriously and efforts must be made to improve their efficiency. Other areas where India and Vietnam could cooperate is in textile machinery, marble mining, and sugar processing, where certain Indian businesses have already made their footprint.[54]

Priority areas for Vietnam

Vietnamese analysts are of the view that the country should focus on developing a digital economy and capitalise on the opportunities that the fourth industrial revolution offers.[55] It is imperative for Vietnam to move beyond exports of low-technology products and boost the application of cutting-edge technology in all sectors. India can seek partnerships with India in this regard.[56] Another sector where Indian investments would be welcome is renewable energy. Vietnam's current economic growth is almost entirely powered by fossil fuels and the country has only 189.2 MW of wind and near-zero installed capacity in solar energy. The country wants to tap into its potential in diverse renewable energy sources to increase the share of renewables in the national energy mix, mitigate climate change, and transition to a low-carbon growth path. Therefore, the renewable energy sector (particularly solar) should be a priority area for Vietnam to seek investments from India.

Pharmaceuticals is another sector for cooperation: although India is already a major exporter of pharmaceutical products to Vietnam and its exports nearly doubled from US$ 76.1 million in 2007 to US$ 135.8 million in 2017, it is facing regulatory issues. The country's bidding and grading system under which companies are assigned grades and have to participate in a public bidding for medicines is posing problems for exporters.[57] Consequently, India's pharmaceutical exports to Vietnam have virtually stagnated from 2017.[58] Therefore, it is more lucrative for Indian pharmaceutical companies to set up manufacturing units in Vietnam.

Development cooperation

India's development cooperation initiatives in Vietnam is weighed down by poor implementation of infrastructure projects under the lines of credit scheme. Vietnamese analysts are particularly concerned with the slow progress on transport infrastructure projects because poor connectivity is the main reason behind the lukewarm economic relations between India and CLMV countries, to begin with.[59] Vietnam might also be wary of India's lines of credit programme because of the relatively high interest rate of 1.75 percent for 20 years; moreover, the programme requires that 75 percent of the materials be procured from India. Other countries such as China, Japan and Korea, for example, extend lines of credit at much cheaper rates.

Vietnam accords great value to cooperation efforts with India on the education and training front, and there is a popular call for India to increase the number of scholarships for Vietnamese students, raise the stipend offered to scholars, and relax the requirements so that more Vietnamese students will apply for schooling opportunities in India.[60] However, research collaborations between Indian and Vietnamese scholars are absent.

Health is another priority area for development cooperation, as the demand for health services is growing rapidly in Vietnam but the country lacks the capacity to deliver proper health services to the entire population. The gaps in Vietnam's health sector offer many opportunities for India. Apart from investing in the production of pharmaceutical goods within Vietnam, India can also play an important role in the creation of health infrastructure and training of medical staff in Vietnam. India could consider building hospitals in the big cities of Vietnam.[61]

III. DISCUSSION

This section discusses key observations culled from existing literature, investment and other data, and interviews in India and the meetings in Vietnam:

Dominance of a few large firms and concentration of investments in the energy sector

Indian investments in the CLMV region are heavily concentrated amongst a small number of firms. For instance, Grasim Industries accounts for about 71 percent and 85 percent of Indian investments in Cambodia and Laos, respectively. The situation is similar in Myanmar and Vietnam. In Myanmar, the top five investors account for nearly 97 percent of Indian investments. ONGC Videsh alone has a share of about 71 percent. In Vietnam, the large Indian corporations also dominate. This author found similar results even in the case of Africa—this indicates that only a small number of Indian firms venture out of the country.[62] Moreover, investments are highly concentrated in the energy sector while manufacturing still forms a small proportion of the total investments. Also, public sector oil and gas companies dominate, with ONGC Videsh, Oil India Limited and GAIL India occupying the top ranks.

Indian firms not sufficiently "internationalised"

Indian companies are still not sufficiently "internationalised"; only a handful of the largest Indian companies are interested in pursuing ventures overseas, with most preferring to focus on the domestic market. Within the top ten Indian companies, the TATA Group is generally regarded as the only truly global company.[63] It is important to note that in the era of globalisation, investing overseas is no longer a choice as the bulk of the manufacturing takes place across value chains and it is imperative for even smaller Indian firms to become part of these value chains. Yet, for most Indian companies, investing in another country is more challenging than mere trading.

The main impediments to smaller Indian firms venturing overseas are lack of financial resources and knowledge.[64] Many of the smaller Indian companies are completely unaware of the opportunities that exist in the CLMV region. Moreover, they find it difficult to become part of the regional value chains in Southeast Asia because the average firm size is much smaller in India. This is particularly true in the textiles and garments sector which is extremely important in the context of CLMV countries. Smaller Indian companies also suffer from the lack of institutional structure in the country; at present there is no government department in charge of Indian overseas direct investments.

There are three reasons why Indian companies find it difficult to become part of the regional value chains. First, most Indian firms operate as individual entities and fail to act according to the collective interest. Second, value chains are led by dynamic firms which act as engines of growth; there is no evidence so far of such dynamic firms in India. Finally, the failure of India's manufacturing policy is reflected in its exports and overseas investments: for instance, in sectors like textiles and garments, India has already fallen behind the curve, and countries such as Vietnam do not have an appetite for Indian investments.

India's LoCs operate as a standalone instrument of diplomacy

A key observation in this study is that concessional lines of credit (LoCs), the most important instrument of India's economic diplomacy, is operating as a standalone instrument and has almost no links with the country's economic interests in the CLMV subregion. This is important because unlike the Organisation for Economic Cooperation and Development (OECD) – ordained concessional finance, the Indian lines of credit were started with the objective of mutual benefit. LoCs are supposed to be an important component of India's diplomatic strategy to generate goodwill, build long-term partnerships with overseas governments, promote exports, open new markets for Indian companies, and showcase Indian products and project execution capabilities. However, apart from the mandatory 75 percent content clause, there is little evidence to support the view that Indian lines of credit actually promote India's commercial interests in the region. The projects financed under the LoC programme are entirely demand driven. The recipient country, based on its development needs, forwards its request through its diplomatic mission in India or the Indian diplomatic mission in the recipient country.

Indian LoCs at best contribute to the country's goodwill in recipient countries and have little role, if at all, in invigorating trade and investment relations between India and the recipient nation. The root is the absence of synergy between India's development cooperation initiatives and its investment and trade goals.

The ambiguity, therefore, is on whether LoCs are diplomatic or financial instruments, a question over which the Ministry of External Affairs (MEA) and the Department of Economic Affairs (DEA) are not in agreement. The DEA holds that the LoCs are financial products whose main objective is to promote India's commercial interests, and any political goodwill is an incidental by-product.[65] For its part, the MEA regards LoCs as primarily serving strategic interests, and fears that an uncompromising position on the financial front will harm India's strategic interests.[66]

Disbursements under the LoC programme are low

India fares poorly in terms of project completion and the disbursal rates of its LoC projects. EXIM Bank of India explains that such lag in disbursements is largely due to the fact that the predominant allocation is in infrastructure, agriculture, and industrial projects which require significant time in the pre-qualification, tender preparation, bid evaluation, and contract award stages.[67] Infrastructure projects such as railway lines, hydro-power projects, and civil construction projects require clearances (e.g. right of way, land acquisition, environmental clearance) which often cause delays. The problem is that delayed or unfinished projects bring disrepute to India's development cooperation and also waste precious public resources.

Lack of connectivity

Lack of connectivity is a major barrier to trade and investment links between India and the CLMV countries. Unfortunately, the progress on many of the physical connectivity projects is slow. One project that will play a major role in boosting trade and investment is the extension of the India-Myanmar-Thailand highway to Cambodia, Laos, and Vietnam. Moreover, improved sea connectivity would also promote trade relations with landlocked countries like Laos which can use Vietnam's port to trade with India. The absence of direct flights is another crucial barrier to closer economic ties. Although India and CLMV countries are geographically in proximity, the lack of direct flights increases the travel time between countries.

Project development fund

The project development fund is the biggest initiative of the government of India to stimulate trade and investments opportunities for India in CLMV countries. However, as discussed earlier, the fructification of the project development fund took a long time. Moreover, the nature of the projects being developed by the EXIM Bank also does not seem to be in line with what was initially conceived. Apart from one pharmaceutical unit in Vietnam, manufacturing seems to be the neglected sector. Many Indian companies are also completely unaware of the project development fund, which has suffered from bureaucratic delays. The EXIM Bank's 2015 study, "Project Development & Facilitation Framework: Opportunities in Trade & Investment for India in CLMV Countries" and the Ministry of Commerce's 2015 study, "India's Strategy for Economic Integration with CLMV" both made the observation that a large number of companies from China, Japan, South Korea and the UK are already present in CLMV countries and India may miss the opportunities.[68,69]

Technical cooperation, capacity building and the health sector

Since the inception of the ITEC programme, India has emerged as an important provider of technical training and capacity building for developing countries. According to Tuhin (2016), ITEC response to specific training requests from CLMV countries has opened the doors for private sector development and entrepreneurship in these countries. As Vietnam faces deficits in skilled labour and technical know-how, it values cooperation with India in this regard. It is also important to note that these programmes have generated tremendous goodwill for India, and there is a lot of scope for the country to expand the programme of technical and educational cooperation in CLMV countries.

The CLMV countries have a poor healthcare infrastructure and quality and affordability of healthcare facilities are serious challenges. Although the region is a preferred destination for FDI, inflows in the healthcare sector have been marginal. According to Sinate et al (2018), the share of the healthcare sector (including pharmaceuticals) in total FDI between January 2003 to March 2018 was highest in Myanmar at 1.3 percent.[70] India is currently the 13th largest investor in the healthcare sector but there is significant scope for expansion of health cooperation between India and CLMV countries, especially in the pharmaceuticals sector.

IV. KEY RECOMMENDATIONS

- ***Integrated approach on trade, investment, and development cooperation.*** This study recommends an integrated approach towards the promotion of trade, investments, and development cooperation in the CLMV sub-region. At the moment, there is little association between India's LoCs and its commercial interests in CLMV countries. To bridge this gap, closer cooperation should be nurtured between different government departments in India (in particular, the Ministry of External Affairs, Ministry of Finance, and Ministry of Commerce) for a re-alignment of Indian LoCs with the country's commercial interests. As economic diplomacy entails the use of the entire gamut of economic instruments of the state for national interest, its scope is not limited to the foreign ministry. In fact, all government departments which have economic responsibilities and operate internationally are engaging in economic diplomacy. Therefore, there must be greater coordination between all such departments for better policy making. It is also important to note that striking a balance between India's foreign policy goals such as goodwill and trade and investment goals is not only possible but also an essential condition for the success of India's development cooperation programme; after all, the underlying objective of India's development cooperation is mutual benefit.

- ***Improve the institutional capacity of Indian embassies to address the concerns of the private sector.*** As the Indian economy gets more integrated with the global economy and India's private sector becomes more ambitious and outward-looking, there is a need to improve the institutional capacity of Indian embassies to address the concerns of the private sector, on the one hand, and further their interests on the other. This will require a strengthening of the economic officers in Indian embassies abroad and an induction of specialist experts from industry, academia, and technology sectors. The Indian embassies also need to play a greater role in ensuring that Indian companies are able to operate smoothly in those countries.
- ***Negotiate with CLMV countries for the non-discriminatory treatment of Indian companies.*** Governments in CLMV countries should not resort to differential treatment of companies. The TATA Group's experience in the steel sector in Vietnam is a matter of serious concern. Such instances create fear among other potential Indian investors aiming to make investments in the region.
- ***Greater consultation with the private sector for selection of projects under Project Development Fund.*** The creation of the project development fund was the biggest achievement of the Indian government to address the lack of financial resources of smaller Indian companies. However, for the project development fund to be a success, the EXIM bank should select projects through closer

engagement with India's private sector. The project development fund should also try to select projects in areas identified in this study (renewables, agro-processing, marine products, pharmaceuticals, and digital economy). Indian investments in these sectors will contribute to sustainable development in the region.

- ***Expand the scope of technical cooperation and capacity building initiatives.*** India's development cooperation initiatives in the CLMV region should focus on expanding the scope of technical cooperation and capacity building initiatives for long-term sustainable development in the region.
- ***Make Indian LoCs more attractive.*** Indian Lines of Credit (LoC) fail to court the attention of CLMV countries for two basic reasons: the CLMV countries find the rate of interest to be too high, and they have multiple other sources of funds, to begin with. Vietnam, in particular, has expressed concerns regarding debt sustainability and flexibility of use. The government of India must seriously address these issues to make LoCs more attractive to the recipient countries.
- ***Speedy implementation of infrastructure projects.*** *S*low progress on infrastructure projects funded by India's LoCs has the potential to tarnish India's image as a development partner. Sincere efforts must be made to expedite the LoC projects. India must draw lessons from the experience of other countries which have a much better record in the implementation of infrastructure projects.
- ***Bridge the information gap to reach out to India's private sector.*** While significant opportunities exist in CLMV countries, there is scant information regarding the available opportunities. The smaller Indian firms are particularly disadvantaged in terms of information. Existing efforts such as the India-CLMV Business Conclave are welcome but insufficient to address the information gap for smaller Indian companies. There is an acute need for more intense engagement with India's private sector to raise awareness.
- ***Address critical problems of the textiles and garments industry.*** The Indian government must come out with a comprehensive package for the textiles and garments industry because it accounts

for nearly 11 percent of India's total exports and employs about 40 million workers, the majority of whom are women. Without significant domestic efforts to increase the productivity of the textiles and garments industry, Indian companies will not be able to compete in CLMV countries nor will they be able to become a part of the regional value chain. Concerns with regard to product quality and efficiency have to be addressed quickly.

- ***Improve connectivity.*** Poor connectivity is the main obstacle to greater regional economic integration. Governments in India and the CLMV countries should prioritise the efficient completion of connectivity projects.
- ***Help create an efficient health infrastructure and qualified medical staff in the CLMV countries.*** According to Sinate et al (2018), India should enhance its presence in the health sector of CLMV countries through the following ways:
  - i Providing healthcare infrastructure such as hospitals, specialist centres, and clinics
  - ii Improve the emergency relief system
  - iii Build capacity in the health sector by exchange programmes and technical cooperation
  - iv Introduce low-cost insurance schemes in the region
  - v Promote medical tourism

Technical capacity building through training and skill transfer and health cooperation is an important tool of inclusive and sustainable development in recipient countries. Thus, greater emphasis on technical, research collaboration, and health diplomacy is one of the best ways India can contribute to sustainable development in CLMV countries.

- ***Need for a White Paper on India's economic diplomacy.*** India should come up with a white paper that will clearly define the scope and content of the country's economic diplomacy programme. Post-liberalisation, the Indian economy has become more integrated with the global economy. The country is also playing a leading role as a development partner by extending concessional credit lines and grants to other developing countries. The global footprint of Indian companies has grown remarkably in the last decade. These changes have brought about significant changes in the nature of India's economic diplomacy and the Ministry of External Affairs has consistently increased it economic diplomacy capabilities to keep up with the changes. For instance, the Department of Partnership Administration (DPA) was created in 2012 to handle India's development cooperation projects. It is imperative to create a roadmap for India's economic diplomacy programme which will outline India's long-term strategy and delineate how India intends to deploy its state capacity to pursue its economic goals. The white paper on economic diplomacy will not only serve as a blueprint but also assure India's private sector about policy predictability and embolden it to explore other markets. This is particularly important for smaller Indian companies which, unlike the large corporations, lack the capability to venture out of the country.

ANNEX A:
Details of Indian Investments in CLMV Countries

Table A1: Indian investments in Cambodia from 2008-09 to 2016-17 (in US$ million)

Indian Company	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total
Akay Flavours & Aromatic Pvt. Ltd.				0.1		0.3	**0.4**
Ascent Air Pvt. Ltd					0.0	0.1	**0.1**
Bimal Mawandia						0.0	**0.0**
Evolet Healthcare Pvt. Ltd.							**-**
Grasim Industries Ltd.		9.6					**9.6**
Green Khmer Agro Private Ltd.	0.4	0.1					**0.5**
Jitendra Kumar Singh						0.2	**0.2**
Mesco Aerospace Ltd.							**-**
Mesco Mining Ltd.						0.4	**0.4**
Mesco Steels Ltd.			0.9	0.2	0.3	0.2	**1.6**
Mr. Parag Dilip Vora							**-**
Radhe Infrastructure and Projects India Ltd.						0.8	**0.8**
Sambodhi Research and Communications Pvt. Ltd						0.0	**0.0**
U Square Lifescience Pvt Ltd.				0.0			**0.0**
Vansh Exim Pvt. Ltd.						0.0	**0.0**
Vinay Mawanda						0.0	**0.0**
Vishal International Trade Pvt. Ltd.						0.1	**0.1**
Grand Total	**0.4**	**9.6**	**0.9**	**0.3**	**0.3**	**1.9**	**13.5**

Source: Author's estimates from Reserve Bank of India Data

Table A2: Indian investments in Laos from 2008-09 to 2016-17 (in US$ million)

Indian Company	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total
CCS Grower Systems Private Ltd				0.1	0.2	0.3	0.2	0.2	0.2	1.2
Grasim Industries Ltd.	2.0	2.0	2.0	2.0		0.9	0.8	0.6	0.1	10.4
Integrity Geosciences Pvt Ltd.	0.0									0.0
Phoenix Plywoods								0.1		0.1
Siddhi Veneers Private Limited								0.2	0.0	0.2
Sri Ram Plywood Agencies						0.1				0.1
Tirupati Veneers Pvt. Ltd.								0.0		0.0
Total	**2.0**	**2.0**	**2.0**	**2.1**	**0.2**	**1.4**	**1.0**	**1.2**	**0.3**	**12.1**

Source: Author's estimates from Reserve Bank of India Data

Table A3: Indian investments in Myanmar from 2008-09 to 2016-17 (in US$ million)

Indian Company	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total
6 Tel Consultancy (India) Pvt. Ltd.										-
Acupro Consulting Pvt. Ltd.								0.0		**0.00**
Adacell Technologies Pvt. Ltd.										-
Ankit Goael									0.0	**0.00**
Archidply Industries Ltd.								0.1		**0.10**
Arvensis Energy Pvt. Ltd.									0.0	**0.00**
Axora Resources Pvt. Ltd.									0.2	**0.20**
B P Industries (Plyboards) Pvt. Ltd.									0.0	**0.00**
C & Constructions Ltd.										-
Century Plyboard India Ltd.					2.8	1.4	2.1			**6.30**
Dharm Parkash Tanwar										-
Disha Communications Pvt. Ltd.									0.0	**0.00**
Essar Oil Ltd.	1.6									**1.60**
Everest Ply & Venners Pvt. Ltd.						0.1				**0.10**
Fairmacs Shipping & Transport Services Pvt. Ltd.								0.0		**0.00**
Fine Wood Products Pvt. Ltd.						0.2				**0.20**

Indian Company	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total
GAIL (India) Ltd.										**30.97**
GH Services India Pvt. Ltd.							0.0	0.0		**0.10**
Greenply Industries Ltd.						1.1	1.1			**2.2**
Jubilant Oil and Gas Pvt. Ltd.					0.4	0.9				**1.3**
K M N Ameen						0.0				**0.0**
KRRV Developers Pvt. Ltd.										-
Kundra & Bansal								0.0		**0.0**
MAK Plywoods Industries Pvt. Ltd.						0.0	0.3	0.0		**0.4**
Mascon Computer Services Pvt. Ltd.									0.0	**0.0**
Micro Credit Ratings International Ltd.										-
Nemani Plywood Pvt. Ltd.									0.0	**0.0**
OIL India Ltd.								0.2		**0.2**
ONGC Videsh Ltd.	47.1	1.7	45.3	4.2		1.9			12.6	**112.7**
Parakram Singh Rathore										-
Petro6 Eengineering And Construction Pvt. Ltd.						0.0	0.4	0.1	0.0	**0.5**
Rajiv Gulati									0.0	**0.0**
Reliance Industrial Investments & Holdings Ltd.								0.1		**0.1**
Saroj Kumar Nanda						0.0				**0.0**

Indian Company	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total
Sohan Lal Commodity Management Pvt. Ltd.							0.1	0.1	1.1	**1.3**
Surya Singh Tanwar										**-**
Swastik Panels Pvt. Ltd.							0.1			**0.1**
The Mysore Chipboards Ltd.								0.7		**0.7**
Vishnu Cardiovascular Associates LLP									0.1	**0.1**
Total	**48.7**	**1.7**	**45.3**	**9.7**	**3.2**	**16.2**	**4.0**	**1.4**	**29.0**	**159.2**

Table A4: Indian investments in Vietnam from 2008-09 to 2016-17 (in US$ million)

Indian Company	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total
Biostadt India Ltd.		0.1								**0.1**
Biotavia Labs Pvt. Ltd										**-**
Bola Surendra Kamath and Sons							0.4	2.5		**2.9**
CCL Products (India) Ltd.						5.0	2.0			**7.0**
Decon Telecom Solutions Pvt. Ltd.										**-**
Drom Marble Pvt. Ltd.									0.7	**0.7**
Gimpex Overseas Pvt. Ltd.	0.1									**0.1**
K Jitendra Kumar									0.1	**0.1**
Lion Holdings Pvt. Ltd.			0.1	0.7						**0.8**
M/S SDU Travels Pvt. Ltd.										**-**
Macro Polymers Pvt. Ltd.									0.2	**0.2**
Manohar Filaments Pvt. Ltd.								0.1	0.1	**0.2**
Marico Industries Ltd.			54.7							**54.7**
Metro Telworks Pvt. Ltd.									0.1	**0.1**
Metro Wireless Engineering Pvt Ltd.		0.1								**0.1**
N Rangarao and Sons	1.2	0.1	0.0						0.2	**1.6**

Indian Company	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total
ONGC Videsh Ltd.	46.7	0.8	3.8						14.7	**66.0**
Polaris Software Lab Ltd.			0.1							**0.1**
Premco Global Ltd.								0.8	3.0	**3.8**
R K Marble P Ltd.	1.4	1.1	4.2			16.5	17.0	1.0	4.5	**45.6**
Rajasthan Barytes Ltd.									0.2	**0.2**
Ramco Systems Ltd.										**-**
Sequent Scientific Ltd.								2.4		**2.4**
Snam Abrasives (P) Ltd.				0.5	1.0	0.4	0.5	0.3		**2.6**
Spica Elastic Pvt. Ltd.			1.3				1.0		0.5	**2.8**
Star Engineers India Pvt. Ltd.								0.5	0.4	**0.9**
Sunflower Overseas Pvt. Ltd.									0.9	**0.9**
Synergy Property Development Services Pvt. Ltd.										**-**
Synthite Industries Ltd.										**-**
TATA Coffee Ltd.										**-**
Tech Mahindra Ltd.										**-**
Tex Corp Ltd.								1.7	2.8	**4.6**
Tufropes Pvt. Ltd.				0.2		0.3		0.2	5.0	**5.7**
Unison Metals Ltd.	0.6	0.1								**0.6**
Uttara Foods & Feeds Pvt. Ltd.			4.1	0.5	0.4	0.3				**5.3**
Vallabh Das Kanji Ltd.										**-**

Indian Company	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total
Vedic Elements NTS Pvt Ltd	0.2	0.1	0.0	1.3	0.1					**1.7**
Vikhyat Goods and Supply Pvt. Ltd.										-
Western India Cashew Company Pvt. Ltd.										-
Wolkem India Ltd.		0.3	7.9		0.9					**9.0**
Grand Total	**50.0**	**2.7**	**76.1**	**3.1**	**2.4**	**22.5**	**20.9**	**9.4**	**33.5**	**220.7**

Source: Author's estimates from the Reserve Bank of India Data

ANNEX B:
Details of interviews and meetings/seminars conducted in New Delhi and Vietnam

Table B1: List of persons interviewed in New Delhi

- Mr Pranav Kumar, Head, International Trade Policy Initiative, Confederation of Indian Industries (CII), New Delhi
- Mr Rajeev Kher, Distinguished Fellow, Research and Information System for Developing Countries (RIS), New Delhi
- Dr Prabir De, Co-ordinator ASEAN-India Centre, Research and Information System for Developing Countries (RIS), New Delhi
- Prof Biswajit Dhar, Professor, Centre for Economic Studies and Planning, Jawaharlal Nehru University
- Mr Suranjan Gupta, Executive Director, Engineering Export Promotion Council
- Dr Sonu Trivedi, Honorary Director, Centre for Vietnam Studies
- Mr Shakti Sinha, Member Advisory Committee, Centre for Vietnam Studies
- Mr Madan Mohan Sethi, Director (ASEAN-ML), Ministry of External Affairs
- Dr Nisha Taneja, Professor, Indian Council for Research on International Economic Relations (ICRIER), New Delhi

Table B2: Details of meetings/seminars conducted in Hanoi

Three meetings were held at the Diplomatic Academy of Vietnam, Institute of India and Southwest Asia Studies (Academy of Social Sciences), and Center for Indian Studies (Ho Chi Minh National Academy of Politics) on 14th January, 15th January, and 16th January respectively. List of participants is as follows:

- **At Diplomatic Academy of Vietnam (69 chùa Láng, Đống Đa, Hà Nội)**
  Time: 10h-11h30, January 14

  Chair: Dr. Ha Anh Tuan, DAV

  Participants: representatives of: South East Asia-South Asia-South Pacific Department (MOFA) and Institute for Foreign Policy and Strategic Studies (DAV)

- **Institute of India and Southwest Asia Studies (Academy of Social Sciences), 1 Liễu Giai, Ba Đình, Hà Nội**
  Time: 9h-11h, January 15

  Chair: Dr. Dang Thai Binh (Planning and Finance Department)

  Participants: scholars of Institute of India and Southwest Asia Studies

- **Center for Indian Studies (Ho Chi Minh National Academy of Politics), 135 Nguyễn Phong Sắc, Nghĩa Tân, Cầu Giấy, Hà Nội**
  Time: 9h-11h, January 16

  Chair: Dr Le Van Toan, Chairman of Scientific Committee, Centre for Indian Studies (CIS).

Board of Organisers:

1. Dr Le Van Toan, Chairman of Scientific Committee, Centre for Indian Studies.
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