

5, May, 2003

AGREEMENT

BETWEEN
THE GOVERNMENT OF THE UNION OF MYANMAR

AND

THE GOVERNMENT OF THE ~~LAO PEOPLE'S DEMOCRATIC REPUBLIC~~

FOR THE PROMOTION AND RECIPROCAL PROTECTION OF
INVESTMENTS

The Government of the Union of Myanmar And The Government of the Lao People's Democratic Republic hereinafter referred to as the Contracting Parties

DESIRING to intensify economic cooperation between both States;

INTENDING to create favourable conditions for investments by nationals and companies of one Contracting Party in the territory of the other Contracting Party, and to increase prosperity in their respective territories;

RECOGNIZING the encouragement and protection of such investments will benefit the economic prosperity of both States;

HAVE AGREED AS FOLLOWS;

ARTICLE I DEFINITIONS OF TERMS

For the purpose of this Agreement:

1. The term "investment" shall mean any kind of asset accepted in accordance with the laws and regulations of either Contracting Party, and more particularly, though not exclusively:
 - a) movable and immovable property and any other property rights such as mortgages, liens or pledges;
 - b) shares of stocks and debentures of companies or interest in the property of companies;

- c) claims to money utilized for the purpose of creating an economic value, or to any performance having, an economic value;
- d) copyrights, industrial property rights, technical processes, know-how, trademarks and trade names;
- e) business concessions conferred by law or under contract related to investment, including concessions to search for, extract or exploit natural resources.

Any admitted alteration of the form in which assets are invested shall not affect their classification as an investment.

2. The term "investors" shall mean:

- a) (i) nationals who, with respect to the Union of Myanmar, are citizens of the Union of Myanmar, within the meaning of its laws;
(ii) nationals who, with respect to the Lao People's Democratic Republic are: physical persons deriving their status as nationals of the Lao People's Democratic Republic from the law in force in the Lao People's Democratic Republic;
- b) with respect to both countries, legal entities, including companies, association of companies, trading corporate entities and other organizations that are incorporated or constituted or, in any event, are properly organized and actually doing business under the laws of the respective Party and have their headquarters in the territory of the respective Party where effective management is carried out. Provided that any particular company may be excluded by mutual agreement between the Contracting Parties on the grounds of the need to maintain public order, to protect essential security interest or to fulfill commitments relating to peace and security

3. The term "territory" shall mean:

- a) with respect to the Union of Myanmar, the land, sea and air space which constitute its territory, as has been recognized and existing under the laws of the Union of Myanmar.
- b) with respect to the Lao People's Democratic Republic, all the territory over which the Lao People's Democratic Republic has sovereignty or jurisdiction in accordance with international law.

4. The term "returns" means the amount yielded by an investment for a definite period of time as profits, interest, capital gains, dividends, royalties, fees and other legitimate returns.

ARTICLE II
PROMOTION, ADMISSION, AND PROTECTION OF INVESTMENTS

1. Each Contracting Party shall in its territory promote as far as possible investments by investors of one Contracting Party and shall admit such investments in accordance with its Constitution, laws and regulations. Such investments shall be accorded equitable and reasonable treatment.
2. Investments by investors of one Contracting Party shall at all times enjoy full protection and security in the territory of the other Contracting Party. The said Contracting Party shall in no way impair by unreasonable or discriminatory measures the management, maintenance, use, enjoyment or disposal of investments by investors of the other Contracting Party.

ARTICLE III
TREATMENT OF INVESTMENTS

1. Each Contracting Party shall in its territory accord investments of investors of the other Contracting Party treatment not less favourable than that which accords to investments or return of investments of investors of any third State.
2. Each Contracting Party shall in its territory accord the investors of the other Contracting Party, as regards management, maintenance, use, enjoyment or disposal of their investments, treatment not less favourable than that which accords to investors of any third State.
3. This provisions of this Agreement relative to the grant of treatment not less favourable than that which accords to investors of any third States shall not be construed as to oblige one Contracting Party to extend to the investors of the other, benefit of any treatment, preference or privilege resulting from:
 - a) any existing or future customs union, common market, free trade area, or regional economic organization or measures leading to the formation of a customs union or free trade area of which either Contracting Party is or may become a member, or
 - b) any international agreement or arrangement relating wholly or mainly to taxation.

ARTICLE IV EXPROPRIATION

1. Each Contracting Party shall not take measures of expropriation, nationalization or dispossession, either direct or any measure equivalent thereto against investments belonging to investors of the other Contracting Party, unless the measures are taken in the public interest, public use [or in the interest of the national defense] on a non-discriminatory basis and under due process of law and upon payment of just compensation.

2. Such compensation shall amount to the market value of the expropriated investment immediately before the impending expropriation becomes public knowledge. The compensation shall be made without undue delay, and shall be effectively realizable and freely transferable.

ARTICLE V COMPENSATION

If a Contracting Party makes restitution, indemnification, compensation or other settlement for losses suffered owing to war, revolution, state of national emergency, revolt, insurrection, riot, or other armed conflicts in the territory of such Contracting Party, it shall accord to the investors of the other Contracting Party whose investments in the territory of the former have suffered such losses, treatment no less favorable than that which the Contracting Party shall accord to the investors of any third State. Resulting payments shall be freely transferable.

ARTICLE VI TRANSFERS

Each Contracting Party shall within the scope of its laws and regulations, ensure the free transfer of investments, the returns thereof as well as the total or partial liquidation of investments of investors of the other Contracting Party subject however, to the right of the former Contracting Party to impose equitably and in good faith such measures as may be necessary to safeguard the integrity and independence of its currency, its external financial position and balance of payments.

Transfers as stipulated in Articles IV and V shall be made without undue delay, in accordance with their respective laws and regulations. Such transfers shall be made in freely convertible currency at the financial rate of exchange prevailing in the market at the time of remittance

ARTICLE VII SUBROGATION

In case one Contracting Party has granted any issuance or guarantee agreement against non-commercial risks in respect of an investment made by its own investors in the territory of the other Party and has made payments to such investors under the guarantee, the other Party shall recognize the transfer of the economic rights of the investors to the said Contracting party. The subrogation will make it possible for one Contracting Party to receive payments for compensation that the investor would have been entitled to. This does not necessarily imply, however, a recognition on the part of the other Contracting Party of the merits of any case or the amount of any claim arising therefrom.

In respect of property rights or any other rights derived from ownership of the investment, subrogation will take place after the legal requirements of the host Contracting Party of the investment have been met.

ARTICLE VIII CONSULTATION

The Contracting Parties agree to consult each other at the request of either Party on any matters relating to investment between the two countries, or otherwise affecting implementation of this Agreement.

ARTICLE IX SETTLEMENT OF DISPUTES BETWEEN A CONTRACTING PARTY AND A NATIONAL OF ANOTHER CONTRACTING PARTY

1. All kind of disputes or differences, including disputes over the amount of compensation for expropriation or similar measures, between a Contracting Party and a national or company of the other Contracting Party concerning an investment or return of investment of that national or company in the territory of the other shall be settled amicably through negotiations.
2. If such disputes or differences cannot be settled according to the provisions of paragraph (1) of this Article within six months from the date of request for settlement, the national or company concerned may submit the dispute to:
 - (a) the competent court of the Contracting Party for decision; or
 - (b) the International Center for the Settlement of Investment Disputes for settlement by conciliation or arbitration under the Convention on the Settlement of Investment Disputes between States and Nationals of other States, opened for signature at Washington, D.C., on 18 March 1965, in case both Contracting Parties have become the Parties to the Convention; or

ARTICLE XI
APPLICATION

The provisions of this Agreement shall apply irrespective of the existence of diplomatic or consular relations between the two Contracting Parties:

ARTICLE XII
ENTRY INTO FORCE, DURATION AND TERMINATION

1. This Agreement shall enter into force three months after the notification between the Contracting Parties of the accomplishment of their respective internal procedures for the entry into force of this Agreement. It shall remain in force for a period of ten years and shall continue in force thereafter for another ten years and so forth unless denounced in writing by either Contracting Party one year before its expiration.
2. In respect to investments made prior to the date of termination of this Agreement, its provisions shall continue to be effective for a further period of ten years from the date of termination of this Agreement.

IN WITNESS WHEREOF, the undersigned, duly authorized thereto by their respective Governments, have signed this Agreement;

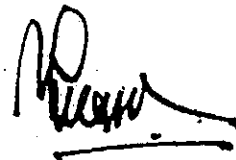
DONE in duplicate at Vientiane on the fifth day of May 2003 in English and Lao languages. Both texts are equally authentic. In the case of divergence between the texts of this Agreement, the English text shall prevail.

FOR THE GOVERNMENT OF
THE UNION OF MYANMAR

FOR THE GOVERNMENT OF
THE LAO PEOPLE'S DEMOCRATIC
REPUBLIC



U WIN AUNG
MINISTER FOR FOREIGN AFFAIRS



THONGLOUN SISOULITH
DEPUTY PRIME MINISTER AND
PRESIDENT OF THE COMMITTEE
FOR PLANNING AND COOPERATION