

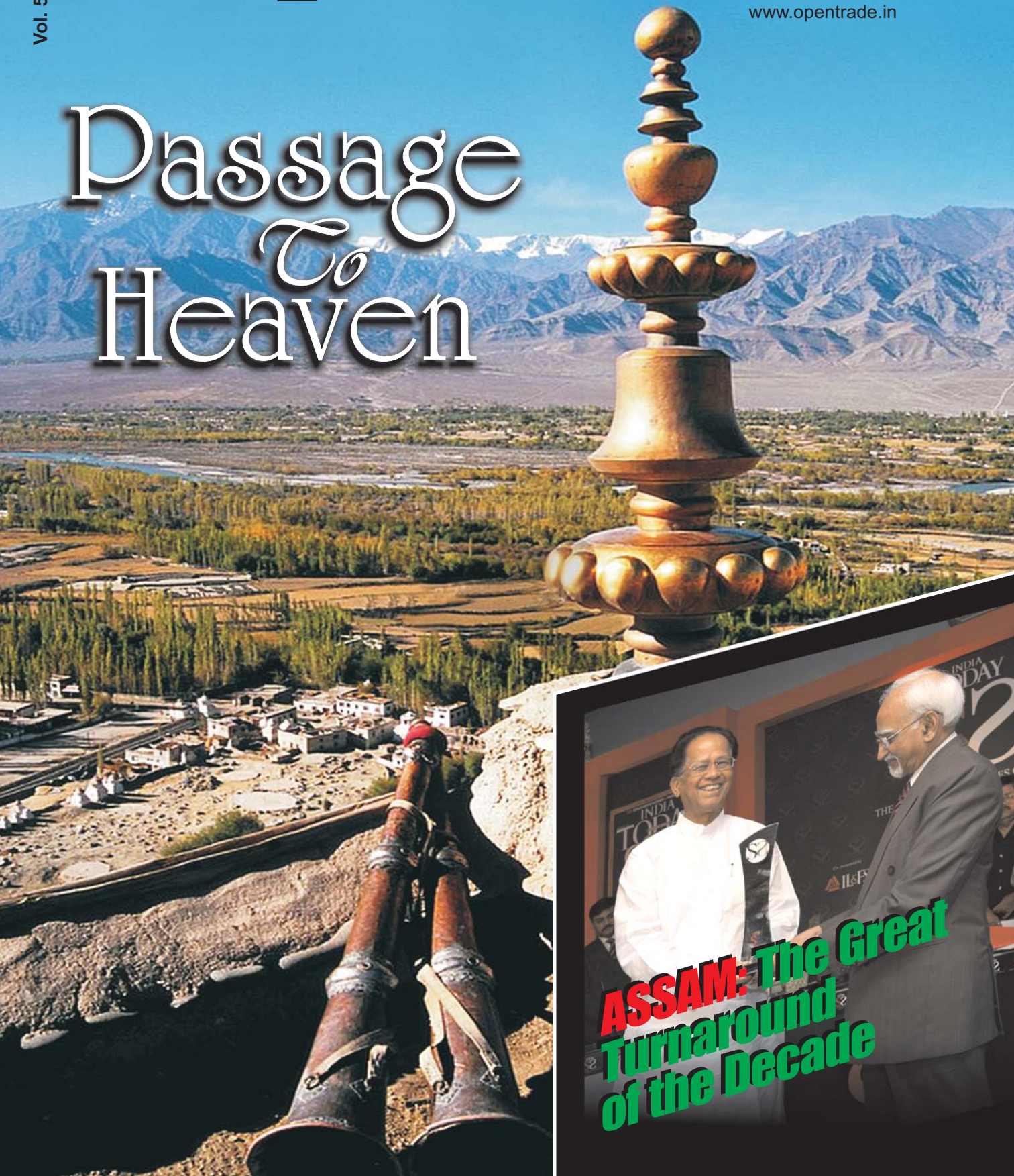


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Passage To Heaven



**ASSAM: The Great
Turnaround
of the Decade**

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India A Mecca of Tourism

Founder Chairman
Late Shri R.K. Prasad

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Dear Reader,

Greetings. This issue covers aspects of Indian economy with a focus on Assam, The North East state, which is going through a great turnaround in its economy and is poised to become the hub of trade and commerce and the gateway to South East Asia in the wake of the prospects of the reopening of the historic Stilwell Road following talks between China, Myanmar and India.

We have made this issue as readable and interesting as possible, including stories of serious content, analytical articles a travelogue and good research based reviews of the progress and potential of some countries we have been watching closely in recent times.

Travel and Tourism is no more a leisure activity, patronized by the idle rich. It has grown into a global business, touching the lives of millions of people, a bulk of them living in poor countries.

Tourism is connectivity. Tourism brings people face to face. Tourism enables people to give each other the best they could offer. Rising incomes, vastly improved travel facilities and the widespread Information Technology and Telecommunications network have given a great fillip to the travel and tourism industry across the world.

It is no surprise that Mr Tarun Gogoi, the far sighted, dynamic Chief Minister of Assam, is seriously highlighting Assam as a tourist destination. Assam's geographical position at the foot of North East Himalayas makes it one of the most majestic locations in India. The mountainous backdrop and the presence of River Brahmaputra have always given it a divine aura. The hills and valleys, the waterfalls, the temples and large expanses of rice fields make Assam truly awesome. We have stories of considerable length and substance to spotlight Assam's economic upswing.

The heartening aspect of Assam's rebirth and growth is that big time investors are convinced of the potential Assam holds as a business location. The drawbacks are there, but very few really care now. And the reason? The State's hardworking, ever dedicated and committed Chief Minister Mr Tarun Gogoi who, I suspect, sleeps with Assam on his mind and wakes up with Assam on his mind.

A broad based economic study conducted by Indicus Analytics and presented by New Media has foreseen an annual growth rate of 9.6 per cent GDP for 2010-2020. The study predicts per capita income growth which implies an increase in household expenditures and expenditure on travel, healthcare, education and recreation which combine to make lives better.

In this issue we have brought to your attention countries which have braced themselves up to face economic challenges and come up as examples of resilience and brilliant management.

Wish you happy reading

Satya Swaroop

Managing Editor

satya@newmediacomm.biz

India's GDP to Grow at 9.6 pc in Next Decade

A broad-based economic study conducted by Indicus Analytics and presented by New Media has projected an annual growth rate of 9.6 percent GDP for the decade 2010-2020. This economic assessment study looks at how various economic and demographic parameters are evolving. It predicts conditions in India by 2020 if these trends continue to move in the 2010s the same manner as they have been over the 2000s. This is not a general equilibrium analysis and takes a sector by sector and area by area approach. However, without making any strong assumptions about the future, both Indicus Analytics and New Media are fairly confident that conditions by 2020 will not be very different from that revealed in the study.

Trend Growth: Economic Growth in the 2010s

Year	Agriculture, Forestry & Fishing	Mining & Quarrying	Manufacturing	Electricity, Gas & Water Supply	Construction	Trade, Hotels & Restaurant	Transport, Storage & Communication	Financing, Insurance, Real Estate & Business Services	Community, Social & Personal Services	Gross Domestic Product At Factor Cost
1980s	2.97%	7.39%	5.95%	8.76%	3.73%	5.89%	6.00%	9.26%	6.23%	5.17%
1990s	3.34%	4.41%	6.91%	7.30%	4.84%	8.51%	7.86%	7.95%	6.50%	6.05%
2000s	3.38%	5.61%	8.26%	5.12%	11.60%	9.35%	15.26%	9.82%	5.96%	8.13%
2010s	3.39%	5.61%	8.28%	5.12%	11.60%	9.39%	16.22%	10.13%	6.20%	9.62%

Source: District Domestic Product of India, 2009-10, Indicus Analytics.

The trends of the 2000s will continue but growth will be much faster. Agriculture investment will finally resume after many decades of relative sparseness, but this sector could well grow much faster than the expected 3.4% - a rural road network has been built up, high agri commodity prices would improve terms of trade towards this sector, rural human capital has improved tremendously in the 2000s, new technologies are about to enter on a mass scale, agri reforms such as the APMC acts are being overhauled. However, we would need to wait till the 2020s for the full impact of these changes to be felt for the time being agriculture (including forestry and fishing) would barely sustain its 3.4% growth. Manufacturing opportunities would improve on account of rapidly growing domestic market as well as international markets however, energy and wage price inflation will play a role. The labour problem has not been solved yet, and expect a resurgence in labour unrest in 2010s. Transport, storage and communications will be the driving force of

growth in the country in the 2010s. A large road network is going to be operational, ports are rapidly improving, air transport infrastructure is being overhauled, and most important, a strong ecosystem has been created for the telecom sector.

Overall GDP growth will be around 9.6% annually, even if the government does not do anything. It would be higher if agriculture and electricity, gas and water supply are able to break through their long term institutional constraints. It would be lower if inflation eats into macro-economic stability and law and order conditions get out of hand.

Agriculture

Agriculture will become a far smaller part of the economy, and will finally account for less than 10% of the Indian economy. Together agriculture, mining and manufacturing would account for barely 25% of the GDP services which would be three fourths of the Indian



economy. The utilities (electricity, gas and water supply) will grow but not that much; the momentum has just not been generated yet. Some electricity projects will go on stream, some gas pipelines will get extended, and some water related projects will be instituted - but this growing economy will become thirstier for energy and water. This will continue to constrain manufacturing growth. But a combination of investment in the 2000s, reforms, technology improvements, and an institutional structure have been put up in the 2000s for the transport and communication sectors. This sector will drive the Indian economy in the 2010s. Even without any further reforms, the stage is set, the tipping point reached.

Year	2009-10*	2019-20*
Agriculture, Forestry & Fishing	16.1%	9.0%
Mining & Quarrying	1.8%	1.3%
Manufacturing	15.1%	13.5%
Electricity, Gas & Water Supply	1.9%	1.2%
Construction	7.3%	8.9%
Trade, Hotels & Restaurant	16.1%	15.9%
Transport, Storage & Communication	14.1%	25.2%
Financing, Insurance, Real Estate & Business Services	15.0%	15.8%
Community, Social & Personal Services	12.5%	9.2%
Gross Domestic Product At Factor Cost	100.0%	100.0%

Source: District Domestic Product of India, 2009-10, Indicis Analytics.

Per Capita Income Growth

Higher economic growth at about 9.6% will lead to a per capita income growth of close to 8.0% per annum that is households will earn about double that they do now by 2019-20. This extra income will also reflect in a changed household budget. Household expenditures will grow by more than 8.0% per annum in the next decade. The overall household budget would be about two times higher than now in real terms. The share of food and related products would fall from 40% now to 34 % in 2019-20 (though in absolute amounts it would be about 1.8 times higher). Transport, education, health and recreation would all be among the most rapidly growing items of consumer expenditures. Depending upon how international energy prices evolve (it is likely that energy would be among the major subsidy items in the coming decade), the overall budget share may actually fall not in real terms though.

The term miscellaneous goods and services includes a range of items ranging from durables to FMCG to household help, as incomes grow, these items would be among the fastest to rise reflecting the evolution of aspirations of ensuring basic consumption to enjoying better lifestyles. The tipping point is not so much in health or education in the aggregate, but in goods and services that promise better lifestyles.

What will Indians eat in 10 years? Despite the current high inflation in food products, the trends are quite unambiguous. Indians will spend more on food, but not that much more in real terms. As governments are likely

to ensure long term food inflation is kept under check through various mechanisms, the food component will fall in household budgets. But lifestyle changes will show up in a major way in our eating habits. That is the next tipping point, cooking at home will continue, and we will not do away with kitchens as in Thailand but processed foods and eating out will emerge as the among the most rapidly growing component of household budgets.

Already, not just the middle class and the affluent, but the poor as well are eating out. Nuclear families, greater demand for entertainment, women's education and expected rise in their entering the job market all are long term trends that will combine and create a demand. And the supply response will not be far behind.

Healthcare

Healthcare expenditures will grow rapidly, and so will those for education. But it will be recreation and communication that will drive household expenditures the most. The Indian household will move more and more towards lifestyle enhancing expenditures. This same theme will get reflected in all forms of the budget. Within education and health care however, expenditures would rise dramatically at the tertiary level the government would have more or less withdrawn as an important player servicing the masses in vocational and even higher education as well as hospitals. A few islands in the form of IITs and IIMs will remain and some more may also be created. A few more district hospitals may be set up, and all these are expected to be priced much lower than what the market would dictate. But these will not be able to service a large share of the demand. That growth in demand for health and education will be serviced by the private sector and another tipping point will be reached in terms of the expenditures on tertiary education and health.

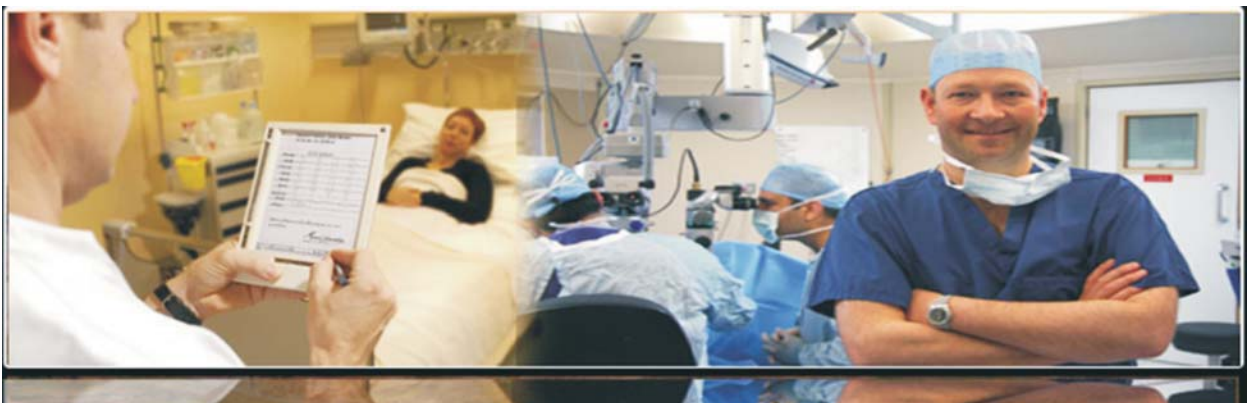
A surge in durable ownership by households is one of the most unambiguous trends. Large numbers of both rural and urban households will benefit from access to electricity as well as financing to purchase and operate electric appliances. The only threat to this scenario - Electricity Supply.

The Copenhagen talks notwithstanding India will need more and more energy to service the demands of a growing economy. However, India will not become an energy intensive economic power in the coming decade. India's GDP in 2019-20 would be about 4.5 times what it was in 2001, however, total energy requirement would have barely doubled since then. Why? First endemic lack of energy has created an economy that is not as energy dependent as (say) China. India's growth relies more on services that are typically less energy intensive than manufacturing. Moreover, we should expect lesser energy intensity in the emerging economy of tomorrow as was required in the past.

The demand for wheat will surpass that for rice on account of increased incomes and changing preferences, not to mention higher population growth in the northern part of the country. But this will not be at the cost of coarse grains. Consumption of meats will stagnate and may even fall on account of higher relative prices. The consumption of cash crops will continue to rise and the demand for milk, and fish is likely to grow rapidly. Overall agriculture will steadily but slowly move towards being more of a cash crop sector. That is subsistence in agriculture is likely to become less and less important.

Poverty Level

Currently almost 300 million people are expected to be living under extreme poverty as defined by the Planning Commission. And this figure has been more or less



Year	Rural Poor (%)	Urban Poor (%)	R+U Poor (%)	Population (mill)	Poor (mill)
1973.5	56.4	49.0	54.9	585.3	321.3
1977.5	53.1	45.2	51.3	641.1	328.9
1983.0	45.6	40.8	44.5	725.6	322.9
1987.5	39.1	38.2	38.9	789.2	307.0
1993.5	37.3	32.4	36.0	890.0	320.4
2004.5	28.3	25.7	27.5	1097.1	301.7

Source: Author estimates using Indicus-TeamLease India Labour Report 2008

stagnant over the last four decades. It is well known that the rate at which poverty rates are falling is reducing in other words, if the current trends continue as many as 260 million persons would remain under extreme poverty even by the end of the decade. Rapid reforms can however dramatically reduce these numbers these reforms would generally be oriented towards ensuring that the demands of a growing economy are well met by appropriate skills and human capital. However, creating human capital takes a long time, especially among those who are the least privileged. Hence even in very good scenarios almost 200 million persons are likely to remain extremely poor by the end of the decade. Consequently expect that social safety nets would remain critical for India.

Depending upon whether youth would like to study more or work earlier, to what extent women enter the workforce in larger numbers, and what income earning options exist between 126 to 255 million additional



Indians will enter the workforce in the period under consideration.

Urbanization

Year	Urban Population	Share (%)
1951	62.4	17.3
1961	78.9	18.0
1981	159.5	23.3
1991	217.6	25.7
2001	286.1	27.8
2009	374.2	31.8
2019	468.9	35.4

Source: Indicus estimates using Registrar General of India data.

About 32% of India's 1176.7 million people reside in Indian cities currently. This will increase to about 35.4% of the total population of 1326.2 million by 2019 an addition of about 100 million. The bulk of this new urban population will comprise of recent migrants.



The 244 million households would have increased to about 288 million across rural and urban India. India will progressively become less poor but by no means be able to eliminate the ranks of the extremely poor. Those households earning less than 75,000 per annum will fall from 23 million to less than 12 million in urban India and from 96.7 million currently to less than 77 million in rural areas. At the same time the number of households that can be classified as highly affluent (> 10 lakh per year) will rise from 4 million currently to 12.5 million in urban areas; and from barely 1.5 million to 3.6 million in rural areas. But the greatest increase is going to be among the middle classes. The great Indian middle class will finally become a reality in both rural and urban India. ■

ASSAM

The Great Turnaround of the Decade

Assam is no longer known to the world as the land of tea and timber. The emerging economic scenario of the state, under the dynamic leadership of Chief Minister Tarun Gogoi, is one of tremendous hope and confidence as investment proposals worth Rs 6,000 crores have come to the state within this calendar year alone. The step taken by Mr Tarun Gogoi last year to meet Mr. Ratan Tata, chairman of Tata sons has resulted in Mr. Ratan Tata scheduling a business visit to Assam in March this year.

The state has begun to lure serious investors. Four major cement plants entailing a total investment of Rs 3000 crores are on the cards. Jaiprakash Associates Ltd (JAL), the Jaypee Group flagship, has inked an MOU with state government-owned Assam Mineral Development Corporation (AMDC) for setting up a 2 million cement plant.

This project will come up at Umrangshu in the North Cachar hills at an estimated cost of Rs 1,050 crore. Similarly, Birla Corporation, an MP Birla group company is in the process of setting up a 1 million tonne cement

unit in Assam. The BK Group of companies promoted Calcom Cement India Ltd plans to set up a Greenfield cement plant too.

The plant will produce 1.9 million tonnes per annum (MTPA) of cement and the company will invest around Rs 500 crore for the first phase.

A Rs 600 crore bio-diesel refinery in Balipara is coming up besides industrial parks across the state. A plastics park in Tinsukia, a bamboo park in Jagirroad, a Jute park in Kharupetia a textile park in Sipajhar, a couple of food parks and a banana park are going to dot the rich natural landscape of the state. The most awaited park is the IT park coming up in Guwahati. Needless to say an IT university is also on the cards.

It is a known fact that insurgency continues to cast its forbidding shadow, but the heartening truth is that despite the fears and doubts, the industrial development of Assam has been on the upswing in the last couple of years.



Receiving the 'Fastest Mover' in overall ranking among the big States in the fifth State of the States annual report conducted by India Today for the year 2007 from Vice President Hamid Ansari



In a recent interview Mr. Gogoi confidently stated that the Tatas are ready with a few investment proposals lined up. The Tata group is setting up a 5 star hotel in Guwahati.

Tata Consultancy Services (TCS) has already set up a learning centre. The Tata Institute of Social Sciences (TISS) will start operations soon and the land for the project has already been allotted. The cost of setting up the institute will be borne jointly by the state government and TISS. A few other companies are planning to set up a few more hotels in the state. This will facilitate our tourism promotion drive.

Mr. Gogoi's admirable strength is his ability to strike a personal rapport with whoever he meets. He personally met with industrialists Anand Mahindra and J.N. Godrej to acquaint them with the development plans he has initiated and reassure them about the security and support he can offer. Mr. Gogoi says "I personally write letters to them and encourage them in bringing investments to the state. Land is a major issue for industrial development. And to make things smooth, we have initiated the concept of a land bank and if we get genuine investment proposals, land will not be a problem".

The Assam government's industrial arm, AIDC, is being revamped, the government has appointed Crisil to study and submit a report on restructuring and revamping AIDC with the detailed future roadmap.

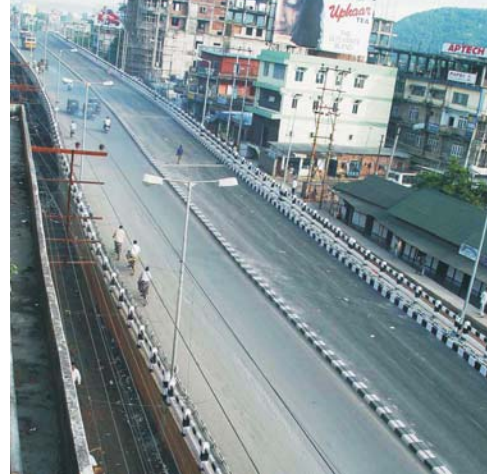
The state government also plans to set up industrial corridors around Guwahati and Tinsukia. An agriculture hub is being planned at Boko near Guwahati. What's more, the Centre along with the Assam government is jointly setting up the Rajiv Gandhi Institute of Petroleum Studies, the National Institute of Design and the National Institute of Packaging. Incidentally, Assam has recently come up with the new industrial policy, which provided 99% tax exemption under the Assam Value Added Tax Act, 2003, and Central Sales Tax Act, 1956 to "eligible" units which manufacture goods in the state.

One deterrent for investors is the road, air and rail links. The other is electric supply. To correct this drawback the Asian Development Bank (ADB).

In fact, Assam is looking to generate 2043.7 mw of additional power in next the couple of years. The state government is in talks with Oil India Ltd to initiate joint venture power project.

With the Centre making massive investments on the connectivity front, road, rail and air links are on





expansion mode. Mobile telephony penetration in the region is growing too.

A sense of hope and buoyancy are sweeping Assam, the State, which successfully staged the 33rd National Games in February 2007. Initiatives are being taken to inject investment on a massive scale into key sectors of industry, especially oil and natural gas, which Assam possesses in abundance.

Oil and Natural Gas Corporation (ONGC) is planning to pump in Rs 2000 crore investments in Assam. GAIL is setting up a Rs 5460 crore Gas Cracker Project. Several private sector industrial giants, including Hindustan Lever, Godrej, Emami, Revlon and Ujala, have set up units in the State.

On the agricultural front, an additional 6.87 lakh hectare of irrigation potential has been created since 2001. Regarding electricity generation, Assam has succeeded in tapping about \$250million from the Asian Development Bank to help power projects in the State.

In the wake of the economic resurgence, a giant leap in development is on the cards. In order to achieve this, the Gogoi Government is channelling the State's enormous natural and human resources into creating wealth and jobs, especially in rural areas.

According to official statistics, as many as 4,100 ULFA and Bodo militants have surrendered and have been provided with self-employment under the 100 percent marginal money and other schemes. The Gogoi Government hopes to gradually mitigate militancy in the

next few years.

Assam is strategically located sharing interstate borders with Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and West Bengal and international borders with Bangladesh and Bhutan. With prospects of reopening of the historic Stilwell Road brightening up following talks between China, Myanmar and India, Assam is poised to become the hub of trade and commerce activities and the gateway to Southeast Asia.

Besides Agriculture, horticulture, floriculture and sericulture are also being given extra thrust. There is also a revival of tourism. Tourist arrivals have doubled. The North Cachar Hills, a district garlanded by hills, where mists roll over the lush green tops at dawn and the sun sets in all its glory. This district is often referred to as the Switzerland of the East. The undulating hills and valleys, gently flowing streams and waterfalls, with breeze wafting across the paddy fields and the bamboo forests, the temples dotting the State reinforce the belief that Assam is truly the Abode of the Gods.

The State places high priority for employment generation through production of Eri, Muga and Silk. The world famous Muga has huge demand outside the State and Abroad. About 2.4 lakh families partially earn their livelihood from the sector. A special scheme for promotion of Eri and Muga would be launched in the State during the current year. Handloom & Textile sector is providing direct and indirect employment to about 25 lakh families of the State. During last three years, 11,000 weavers have been provided with looms and accessories.



1.89 lakh bangles of yarns were distributed to the weavers under Chief Minister's Asom Bikash Yojana during 2008-09. A Health Insurance Scheme has been introduced and 4.45 lakh weavers have benefited. The State Government will extend the health insurance benefit to 3 lakh weavers in the current year and will distribute 2.84 lakh bundles of yarn among poor weavers. A National Institute of Design will be established in the State. The work for development of Handloom Mega Cluster in Sivasagar district with an outlay of Rs 70 crore has begun with Central assistance.

With the State Government's effort of establishing new Engineering Colleges and encouraging private Institutions, the total intake capacity has gone up to 2,913. Infrastructure in the existing engineering colleges is being upgraded. For the development of technical education, the State Government proposes to spend about Rs 70 crore during the current year. Job oriented courses like IT, Computer Engineering and Computer Applications have been introduced in Engineering Colleges and Polytechnics. Centres of Excellence would be set up in 7 ITIs and 13 ITIs would be upgraded.

The State Government has set up Srimanta Sankardeva University of Health Sciences to impart health education. All medical colleges and medical institutions of the State will come under the new university. The Bodoland University has started functioning recently at Kokrajhar. A University of Science & Technology is proposed to be set up soon in the State. New Engineering Colleges would be set up at Kokrajhar, Karimganj and Dhemaji. Jorhat Science College has already been upgraded and renamed as Jorhat Institute of Science and Technology. Financial assistance is being extended to Gauhati and Dibrugarh Universities for infrastructure development. Krishna Kanta Handique State Open University has been set up to promote distant learning and rural colleges are being given financial support for infrastructure development. A National Law School and Judicial Academy is going to be set up in the State. Construction work for the NE Judicial Officers Training Institute is in progress.

Assam is rich in diverse and colourful ethnic culture. Its preservation is a priority for the State. To provide a vibrant and flourishing cultural environment in the State, various programmes are being organized in cooperation with National School of Drama and Sangeet Natak Academy. Cultural complexes are also being set up in various parts of the State. To encourage participation in cultural activities and promote excellence, Siu-ka-pha Award has



Inter State Bus Terminal at Guwahati





been instituted by the State Government to honour the outstanding personalities in this field.

Majuli, which symbolizes the unique cultural heritage of the State, is being developed with the help of a special project. The State Government proposes to set up the Sangeet Natak Academy of Assam. Jyoti Bishnu Prakalpa will be set up in every development block. Funds have already been earmarked for construction of five such Prakalpas in the State. The State Government will continue to construct sport complexes, stadia and swimming pools in different parts of the State to provide recreational facilities. A state Sports Authority has already been set up in the State. A North East Regional Centre of Lakshmbai National University of Physical Education will be established at Guwahati soon.

Tourism potential of the State is being tapped with the help of the private sector and several development projects for promotion of tourism are being implemented in the State. A Food Craft Institute at Nagaon and a Hotel Management Institute at Jorhat are being set up. As a result of these activities, flow of domestic tourists has increased.

Talking to the Assam Tribune, Industries and Commerce Minister Pradyut Bordoloi revealed that the government has decided to accord mega-project status to investments worth more than Rs 100 crores and in addition to the incentives offered in the Special Industrial and Investment Promotion policy of the Government of India, the State

Government would accord different facilities to such projects as per requirement. He said that the investment proposals received in recent months include setting up of cement plants, paper mills, steel factory etc, while, Pepsi has also shown interest in setting up a plant in the State. He said that the signing of a MoU for the setting up of a paper mill in Matia in Goalpara with investment of Rs 1550 crores is also a positive development and hoped that the State would continue receiving such investment proposals in the days to come.

In addition to formation of the high powered committee, the State Government has already started ensuring "fast track clearance" of the projects and different departments including Pollution Control Board have been given stipulated time to examine the projects to do the needful.

Commenting on the change in scenario, Commerce Minister Pradyut Bordoloi said that overall improvement of the State's scenario is one of the main reasons because of which the investors have started showing interest in investing in the State, while, the perception of the potential investors on the State situation have also started changing.

"The investors must have felt that investing in Assam make economically viable to invest in Assam. We have also created a land bank where all the information of availability of land is available and any investor can have a look on the same before taking the decision to invest in the State," he added.



Passage to Heaven

- Aroona B Bhat



It was actually a dream come true in the 1st week of August 2009, when we finally sat down at my dining table in Bombay as we planned the road route from Chandigarh to Ladakh. The desi Yankees were going to visit La-dags - "The land of Mountain Passes" after all.

After spending a wonderful day, getting pampered by our dearest aunt Daman in Chandigarh, we hit NH 21, for Manali at 7.30AM on the morning of 25th of August 09. The first part of the journey seemed uneventful and we kept feeding our eyes, on the many canals & greenery that we are starved off in Bombay, not to miss the rather colourful transport lorries with lines of patriotism, lost love, promising future with a new found love, wit & humor running along the rear bumper, of the decorative masterpieces.

Along came Ropar, (pronounced RO PADH) about 40 Kms into our journey, where one gets to see some natural formations on rocks. Ropar is the only known excavation site which can claim the status of a small town or city. The finds in recent excavations consists of earthen wares, statues, coins, etc. That proves that the city dates back to Harappa - Mohanjodharo civilization which crossed Satluj river. While we kept "wowing", little did we realise that what was going to take our breath away, was actually a few hundred Kms afar!!!!





Located about 95 Kms from Chandigarh, the Anandpur Sahib Gurudwara was a must stop for us, despite the small detour we had to make. Historically speaking, there is no other Gurudwara in this country that can call itself second to the Golden temple, other than the Anandpur Sahib. The Gurdwara was founded in the year 1665 by the ninth Sikh Guru, Guru Tegh Bahadur on the land that was offered to him by Dowager Rani Champa of Bilaspur & has historical moments attached to it in the chronology of Sikhism. We had a lovely Darshan here & I guess we so needed it, before we got lost in the company of "heaven" as we entered into God's Own Himachal Pradesh.



The climb towards the abode of the Gods begins, & while Mother Nature had us hanging out of the car windows with our camera's, we whizzed past the Govind Sagar Lake, which is the reservoir of one of India's oldest Hydro Electric projects - the Bhakra Nangal, (which my grandfather Sardar Basant Singhji, built, since he was Chief Engineer, Punjab state PWD), Barmana which is a known town - ever since the first power plant of the region based on the "waste heat recovery" was declared by Government of India, & Sundernagar home to Asia's largest Hydel Power Project (the Beas-Sutlej Hydro Electric Project). BTW, Barmana is also famous for its Mahamaya temple which is located on a hill.

We finally reached Mandi officially declared as " the land of unexplored tourist destinations" & a district devoted in its love and dedication to Lord Madhav Rao, a form of Hindu God - Vishnu.

Mandi, also revealed to us the beauty of the mighty River Beas. As mighty as Sage Vyasa, who is the presiding patron of the river & Mightier than Alexander the Great, who's eastern most border was lined by River Beas. Our drive to Manali, in simple words was

Follow the Beas.

Although we were told to expect some decent eateries at Mandi, we chose to go the "lorry driver" way & eat at a small dhaba along the highway. With dollops of Desi Ghee plonked on our Makki Ki Roti's, we devoured this meal & polished off the Dal, like that was the last meal of our lives. Our voracious appetite was satisfied at a mere sum of Rs.300/- for 5 people!!!! We couldn't have hoped for more fresh food, straight out of the Indian oven.

The Grand Himalayan Mountains, appeared, as if to protect us, as we continued our journey towards Manali & about 19kms away from Mandi, is Pandoh, again famous for its Power Project. Pandoh was very renowned for its Snow Trout, which today is considered to be unpalatable, due to severe stress in the Pandoh Reservoir.

The climb makes it seem, you are closing in on the skies, as you drive past Aut (a great destination for flower exports) & Bhunter (where the airport is actually located, credit however reads as Kullu Manali airport). This place marks your official entry into the Kullu Valley & is the very seat of the Sangam between Rivers Parvati & Beas. One cannot help, but hold your breathe as you just stop, and take stock of your surroundings. While on one side you see little streams, happily singing along as they travel, on the other, you are smothered by natural beauty tall trees, gay springs, chirpy birds - simply incomparable exquisiteness.

The 45 km journey to Manali from Kullu, was frequently tempered with ooh's & aah's at the extraordinary beauty of the journey which was breathtaking. Our well-informed driver insisted that we drive through the old route to Manali, which was truly more picturesque. It seemed sheer magic that nature kept unfolding herself for our eyes only as we romanced with her like never before. For us, the big city - seeing, breathing, walking machines, this was an experience we would never forget. Quite orgasmic in fact!!! We drove past apple orchards (even stopped & stole a few apples), quaint villages, simple yet smiling people, beautiful homes made of wood & slate stone roof, charming temples that holds the village together, tall & pristine Pine trees, climbing roads, gurgling water & beauty that simply enamours you.

With the sun all set to take a dip in the far horizon & an overcast sky threatening to explode on top of us, we entered " The abode of Manu" the divine law-giver, & supposedly the father of all





mankind. MANALI.

The 2 nights & 1 day that we stayed in Manali, was entirely spent on exploring the usual, but done our way. "Perched" in Sita Cottages, on the way to the famous Vashist temple, we surveyed the captivating splendour we were surrounded by. With the Mountain Ranges in front of us & the River Beas flowing at our feet, we were lulled into falling asleep.

The sunrise on the Pir Panjal Range is one of The most spectacular sights. Lost in the Golden Glow of the morning sun, we drove out of Manali, towards Sarchu.

One of the first villages you drive past, is Palchan, a pretty little village lined with shops selling fake fur, overalls, snow boots & skiing equipment. On looking beyond Palchan, you can see the Solang Valley, expanding herself to grab all the beauty she can, into a warm embrace.

Its lush green mountains that you are looking at, as you navigate & begin to climb your way through Kothi & Gulaba towards Marhi which is just about 21 Kms from Manali. Marhi is a lovely spot, green beyond description & full of pretty little wild flowers. A great place to stop by and have a cheap breakfast as the snow topped Pir Panjal Ranges, surveys your movements. I must warn you about the loo's though. You would be better off, using nature's vast resources.

Post Marhi, get ready to hit the 80 Km stretch to Keylong via Rohtang Pass, which is the beginning of acclimatisation problems if you have not taken ample care.

Situated about 50 Kms away from Manali, (& 16 Kms from Marhi) is the first of the 4 major passes that lead to Ladakh Rohtang Pass. This connects the valleys of Kullu/ Lahaul & Spiti of Himachal Pradesh and is 3978 meters above Sea Level & is considered to be the highest jeep-able road in the world. Rohtang demarcates the Hindu part & the Buddhist part of Himachal. The joke is, Rohtang - in Tibetian means PILE OF CORPSES. I guess had we known of this, before we stopped, got out of our vehicle & posed with all our teeth falling off our mouths, we would've happily driven past it instead.

One of the wings of the Indian Army BRO Border Road Organisation, is very busy during the few months that this pass is open, with bettering the roads & attempting to make it a bit broader than what they are. So traffic jams along this stretch is a possibility. We were stuck in one such, but made good use of the time, by helping the "mazdoors" with shoving the earth with spades!!!!

Bidding farewell to the "South Indian" mazdoors, & seeking blessings of the Gyephang Peaks, (which is named after the patron deities of the Lahaul region, who they consider are their protector Gods), we drove on, this time downwards, through a series of hairpin bends, that could get you nauseous, & finally reach Gramphu, a green junction, where you take a deviation in case you want to drive to the valley of Spiti or the Kunzam Pass.



The first effects of bare mountains & nothing else, hits you, as the road journeys towards Khoksar, which has one of the most simple, yet elegant water falls by the side of the road, which rather expectantly surges forward towards the village. Khoksar is also supposed to be one of the coldest regions in the Lahaul valley.

The villages of Sissu & a few others lead the way to Gondhla, famous for its castle built by the Thakur's of Gondla, & the annual fair which is supposed to be simply beautiful (for the lack of other adjectives) which is held on the banks of River Chandra. If one ever does stop by, a quick peek at the "sword of wisdom," belonging to the Thakur's, is a must.

Tandi arrives just 10 kms away from Gondla, & this place is known for 2 reasons. One - is that you have to fill up your tank, at a speed called NOW, since this is the last available petrol station, the next one being 365 Kms away & the second reason is that at Tandi, the rivers Chandra & Bhaga, meet to form River Chandrabhaga (which later becomes River Chenab as it flows into Pakistan)

A distinct change in terrain is visible. The mountains, more bare & stark, yet seem to be strong & brave, as it leads you to Keylong, the capital of the districts of Lahaul & Spiti. A traveller is said to have described Keylong as "a rough cut emerald in a bronze & silver setting" There are some really beautiful Buddhist Gompas here which are a must visit, that just add to the charm, beauty & delight of Keylong. The local deity worshipped here is Kelang Wazir, a Tibetan God. Among other things, Keylong is home to Tibetan Centre for Performing Arts.

For people with problems with High Altitude, it is also advisable to break journey at Keylong, & spend the night here before proceeding to Sarchu.



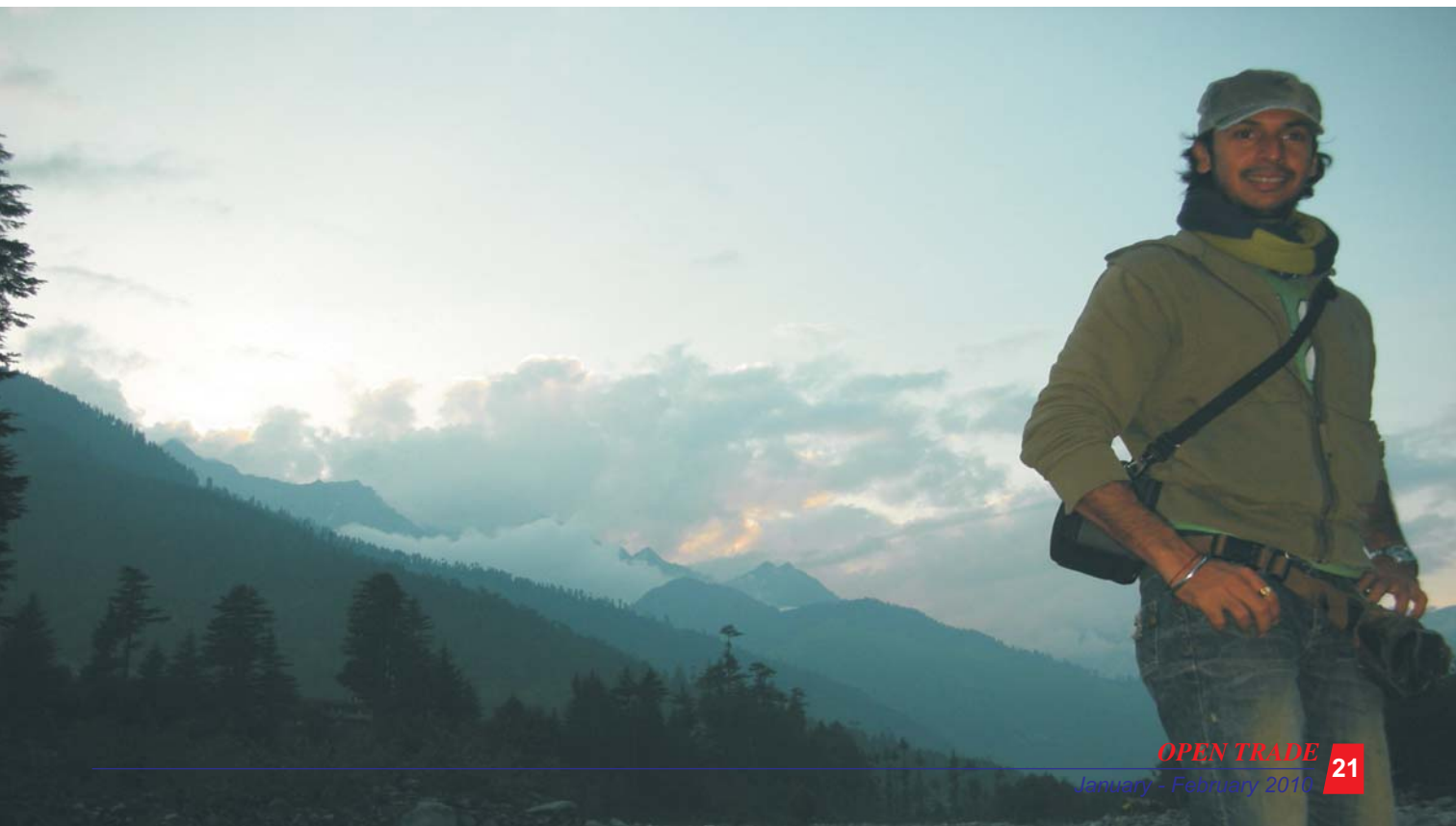


As you proceed from Keylong, the River Bhaga keeps up a stiff competition, with the twisting, turning, winding roads, with visibly fertile & verdant landscape & stays that way through Gemur all the way to Jispa which is 21 Kms away from Keylong. I was quite taken aback by the statistics of this little village. Jispa has 332 residents, of which 235 are male & the rest 97 female. Four belong to scheduled caste & the rest scheduled tribes. The village does boast of a helipad & a small folk museum. Jispa too is a good location for a night halt to break the monotony of the journey.

Once you cross the Bassi Nallah, you have entered Darcha. It is the northernmost permanent settlement in Himachal Pradesh along the Manali-Leh Highway. The Rough Guide to India describes it as "a lonely cluster of dry-stone huts and dingy tent camps" Once you leave Darcha, it's nothing but you, yourself, the inhabitants of your car & your car itself. If you are lucky, you will drive past another tourist vehicle. One gets so occupied staring at the Zaskar mountains, that at about 10 kms away from Darcha, one nearly misses the stunningly beautiful Deepak Taal. From the "all I can see are mountains", you miss a breathe when she arrives out of nowhere on your left. The turn from here leads to Patseo, known for the fairs by the Changpa nomads.

If you've chosen to brave altitude sickness, then the road up to ZingZingbar Pass will seem, as Zing Zing a feeling, on your nerves, as the name suggests. I managed to take in the lone Army Post here & barely got my hand out into a "wave" at the jawans there.

This pass is the base of the Great Himalayan Range & once you cross it, the road turns into a near nightmare with boulders everywhere, many streams, & before you know it, the climb to



BaralachLa pass begins. The agony filled journey (for me, since I had a pounding head) with me peeping at the snow capped Himalayas, turned magical the minute I spotted Suraj Taal, - a small mountain tarn, formed by the action of glaciers. The river Bhaga, originates from the Suraj Taal.

BaralachLa Pass soon appeared at 16,046 feet, & with it where the first scenes of snow that got us as excited as little 5 year olds. Although our brain did comprehend the fact that the snow was rather brown in colour, it didn't stop us from totally enjoying the moment. Descending from the pass, we made our way to the Sarchu plains, this time round, staring at the stunningly beautiful mountains, that looked almost red in colour!!!!

The Sarchu Plains are a story in sheer human endurance. If the splitting headaches haven't killed you yet, then Sarchu will ensure you are nearly dead atleast. To begin with, the only accommodation available here are tents, & one doesn't have the luxury of any A class tents. You are lucky if you have a loo attached to your tent, else, if nature beckons at night, then that's another story on endurance. With strong winds blowing, & the tents threatening to blow off, one spends the night hoping & praying that the earth doesn't tear open & eat you up. Sarchu is indeed NOT a trip for the weak hearted.

With the river Yunam, leading the way to the Tsarap valley, one has to cross 2 bridges named Brandy & Whisky, as the road leads to the Nakeela Pass, on the Zaskar Ranges. Reading the names of the 2 bridges, one instantly empathises with the BRO mazdoors, who must've been driven to seek refuge in whisky & brandy, as they bravely fought the weather. You suddenly realise that the roads





appear to be looping. These ZigZag roads keeps you awake even if you want to sleep. Called the GATTA loops, all I could keep saying, was ATTA boy, to our driver. One couldn't help but admire the loops after reaching a considerable height. Just as the road seems to reach a plain straight stretch, the climb begins once again, this time towards the LalchungLa Pass, which is about 16,730 feet above sea level. Once you cross the Pass, (which you nearly miss) a beautiful canyon, spreads open in front of you, with such breath-taking natural formations, etched by winds, since time immemorial, on the rocks. From arched gateway like formations, to conical shaped rocks, one cant help but marvel at this natural creation.

Completely lost were we in the beauty of what nature had carved to perfection, that we couldn't talk about anything else as we entered Pang which is 15,640 feet above sea level, and is supposed to be the WORLD'S highest TRANSIT CAMP. One has no choice but to eat here, since there are no other eating places for almost another 80 Km, that is till Upshi. Behind the camp, emerges a brilliant & broad canyon with a river & just as you drive past this, you are faced with a rather empty, plain, bare stretch of incomplete roads called the Morey plains. First timers, tend to feel they are heading no-where, and feel they are driving in circles.

On crossing the Morey Plains, you are surrounded by a range of Hills, which is the last bits of the Zaskar mountains, & welcomed by steely grey, snow tinged mountain, which hails the TanglungLa Pass which is the 2nd Highest motor-able road in the world at 17,552 feet above sea level. The descent is rather dramatic & marked with a sudden eruption of greenery & habitation.

Within a very short time, one is at Rumtse, which is the first permanent settlement of Ladakh on the Manali road, & the 60 Kms from TanglungLa Pass to Leh is covered as one drives through the villages Kartse, Sasoma, Gya & finally Miru before reaching Upshi.

After Upshi, everything quickly became very dry, incredibly bright sun and the only greenery was where the Indus was used to irrigate crops and trees. We were driving down a road with lush fields on one side, and bare earth and rock desert on the other. In the words of a tourist "Even the villages looked almost Mexican". At Upshi, one crosses the River Indus & drives along a rather bare & barren stretch till Karu, which is a military base. The short distance to Leh from here is marked with many chortans along the way & the hilltops balancing centuries old Gompa's like Shey & Thikse.

Welcome to Leh - an area of 45110 Sq Km making it the largest district in the country in terms of area. It lies between 32 to 36 degree North latitude and 75 degree to 80 degree East longitude. The district is bounded by Pakistan occupied Kashmir in the West and China in the north and eastern part and Lahul Spiti of Himachal Pradesh in South East. ■



Government of Assam

Committed | Accountable | Responsive

UNDER THE

PWD: 12,000 km pucca roads constructed and 1,230 RCC bridges converted into concrete bridges to improve connectivity. Another 8,000 Km of roads and 1,590 RCC bridges are now under construction.

Health: • Mobile Medical Units (MMUs) have been launched in all 27 districts and boat clinics in 10 districts.

- 108 Emergency Services 'Mritunjoy' with a fleet of 280 ambulances have been pressed into service across the State.
- Three new medical colleges have come up at Jorhat, Barpeta and Tezpur.
- 5 new district hospitals are under construction.
- Mamoni, Majoni and Mamata have been introduced for the welfare of mothers and girl child.
- Evening OPDs have been functioning in 214 hospitals across the State.
- 4 lakh institutional deliveries have been registered.
- Assam is the first State in the country to introduce a three year medical course to produce rural health practitioners.

Education: • 78.26 lakh students have been provided with textbooks free of cost.

- 34 lakh children of Class I-IV have been given cooked mid-day meal.
- 1.5 lakh BPL students have been financial assistance under Chief Minister's Assam Bikash Yojana.
- 73,000 students have been provided Personal Computers and other accessories under Ananduram Barooah Award.
- 930 High and Higher Secondary Schools and 39 High Madrassas have been provided with computers under Rajiv Gandhi Computer Literacy Program. 640 schools will be brought under the program this year.
- Intake capacity of Engineering colleges have gone up from 590 to 2,913 with the coming up of new Engineering Colleges and private institutions.
- 1 lakh BPL girl students of Class IX-X have provided with bicycles.

Panchayat & Rural Development: • 34.4 lakh job cards have been issued under NREGA 14.92 lakh card holders have been provided employment.

- 1.96 lakh Self Help Groups (SHGs) have been formed 57,249 SHGs have taken up self employment ventures with assistance from banks under SGSY.
- 24 Goan Panchayats have been awarded Nirmal Gram Puraskar for total sanitation.

Assam Marches Triumphantly

The last eight years have been a saga of journey towards progress and development. There has been a sea change in development in certain key sectors in the State, thanks to the unstinted support and cooperation of the people who have reposed their faith in the vibrant and dynamic leadership of Chief Minister Sri Tarun Gogoi.

Highlighted here are some of significant achievements in key sectors as well as new initiatives and priorities set forth by the Government for the days ahead.

VIBRANT AND DYNAMIC LEADERSHIP OF CHIEF MINISTER SRI TARUN GOGOI

Agriculture: • 5,100 tractors and 15,500 power tillers have been distributed to farmers at subsidized rates to improve productivity.

- 4.5 lakh Kishan Credit Cards have been issued to farmers.
- 28,000 shallow tubewells and 11,500 LLPs have been installed.
- 10,549 MT cold storage capacity have been newly created.

Irrigation: • 7.39 lakh hectare of land brought under irrigation.

Tourism: • Flow of tourists have increased from 10 lakh in 2000 to more than 36 lakh in 2008 due to development of infrastructure and opening up of new tourist circuits.

Forest & Environment: • Massive tree plantation programme has been carried out involving school children under Chief Minister's Seuji Dhora Achori.

Power • 1,236 villages have been electrified under Rajiv Gandhi Gramin Vidyutikaran Yojana.

- 1.25 lakh BPL families have been provided electricity connections free of cost.
- 46,700 households of 763 villages have been provided electricity through Solar Home Lighting System.

Industries & Commerce: • The mega Rs 5554 crore Gas Cracker Project at Lepetkata in Dibrugarh district is going on in full swing.

- A permanent exhibition shed called the Maniram Dewan Trade Centre, has been set up to promote trade and commerce in the region.

Social Welfare: • 37,082 Anganwadi Centres set up under 223 ICOS projects.

- Medical aid to patients and assistance extended to the next of kin who die in accidents under Chief Minister's Jiban Bima Achori.

NEW INITIATIVES

- 25 Gram Nyalays will be set up at panchayat level.
- Pension benefit will be given to disabled persons under 18-64 age group.
- A separate housing scheme will be launched for the poor including floor and erosion affected people.
- A Rural Development Authority will be constituted for welfare of the rural people.
- Skill development centre in every development block under rural employment generation scheme.
- A Commission of Climate Change will be constituted to protect the environment of the State.
- A 200 bedded Cancer Hospital will be established as part of Gauhati Medical College.
- Protective homes and old age homes will be set up for needy women.
- A special scheme will be launched for promotion of Eri & Mega.
- A National Institute of Design will be established to improve the quality of handloom products.
- 3,455 additional classrooms and 1,845 separate toilets for girl students of elementary schools will be constructed during 2010.
- A special scheme for the mentoring students of poor families will be launched.
- Centre of Excellence will be set up in 7 IITS 13 IITS will be upgraded.
- A University of Science & Technology will be set up.
- New Engineering Colleges will be established at Kokrabar karimgari and Dhemaj.
- A Judicial Academy and a Law School will be set up.
- Sangeet Natak Academy will be set up to preserve and promote the rich cultural heritage of the State.
- A North East Regional Centre of Lakshmbai National University of Physical Education will be established at Guwahati.
- A Central Library will be set up for the State.
- 50 skills development training centres will be set up.
- A Food Craft Institute will be set up at Nagaon and a Hotel Management Institute at Jorhat.
- A new policy will be framed for preservation of tribal belts.
- Development Councils will be constituted for Moran, Mottock, Ahom, Tea Tribe, Koch Rajbongshi, Chutia, Gorkha, Saraniya Kachari and Kartis (Amri Karb) living in plains.
- Benefits will be extended to religious communities including those living in riverine areas not covered by Multi Sectoral Development Project from State resources.
- Concession will be provided to journalists for purchase of land for construction of houses.
- A new township with modern amenities will be set up near Guwahati.
- A special scheme will be launched to develop the infrastructure of small towns.
- Solid waste management projects will be implemented in urban areas in a phased manner.
- A new bridge will be constructed over the Brahmaputra Linking Nimatighat and Lakhimpur via Majul.
- Regulations will be framed for green and eco-friendly buildings. Assam Secretariat building will be taken up as the first plot project.

A Land of Stunning Beauty Awaits a Surge in Tourism

Brief Look at the Country's History

Laos' long history dates back to the founding of its first kingdom in 1353. It was then known as Lan Xang (the land of a million elephants). It reached the period of its greatest glory and influence during the years 1633-90. Later succession struggles led Lan Xang to break into three smaller kingdoms. These weakened kingdoms then initially came under Siamese control and later French colonialism, under which system Laos suffered great neglect.

After achieving complete independence from the French in 1953, the royalist Lao regime was gradually drawn into the vortex of the U.S. war in Vietnam. The economy was greatly damaged by the war, and became extremely dependent on foreign aid. Extensive U.S. bombing of northern, north-eastern, and eastern Laos from 1965 to 1973 seriously disrupted the rural economy. The U.S. dropped 33 percent more bombs on Laos than on Nazi Germany.

On 2 December 1975, the Lao People's Democratic Republic was established, bringing an end to an extended revolutionary war. This event brought peace and independence to the country. The economy was transformed into a Soviet-style planned economy and received economic and technical assistance from other communist nations. Attempts to collectivize agriculture were abandoned rather

quickly, however. In 1986, a new policy termed the New Economic Mechanism (NEM) was introduced to transform the economic system from a state-planned one into one determined by free market forces and prices. The major goal of this reform was to provide greater incentives to increase economic performance and productivity. With the collapse of the USSR in 1991, the Lao PDR opened its doors to active economic engagement with the West, in terms of both international aid and investment. The Lao PDR became a favourite target for diverse donors, and foreign aid currently represents some 20 percent of GDP. From 1991 to 1997, the Lao PDR enjoyed considerable macroeconomic success under the NEM system, with annual economic growth averaging 6.5 percent.

During the 1990s, the Lao economy became increasingly interconnected with that of Thailand, from which Laos imports many basic modern consumer products. On weekends, it is common to find many Lao families from Vientiane visiting Thailand via the Friendship Bridge and shopping for basic household items, such as various packaged foods.

Initially, it appeared that the Lao economy (with no stock market and a currency not traded internationally) would be immune to the Asian economic crisis of 1997 which shook so many Asian economies. In a somewhat delayed effect, the Lao currency went into a far steeper



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Wat Xieng Thong

decline than any other Asian country. Given Laos' dependence on imports, this had an adverse effect on almost the whole country, except a small number of elite individuals connected to the dollarized economy. The Asian economic crisis also adversely affected the Lao economy by reducing foreign direct investment from other Asian countries and reducing the demand for Lao electricity exports, a major source of foreign exchange.

As it traditionally received foreign aid from the Eastern bloc countries, and in the past decade from multilateral agencies (primarily the World Bank and Asian Development Bank) and other countries, the country does have a debt burden. Total external debt in 1997 was estimated to be US\$2.32 billion, and debt payments represented 4.0 percent of government expenditure in 1995-98. Many Lao loans are granted on highly concessionary terms, meaning that the interest rates are quite low over a long payment period, and thus almost amount to grants.

The major challenge currently facing the Lao PDR is to restore the sound macroeconomic performance of the early and mid-1990s and to develop its own sources of foreign exchange earnings. Hydroelectric power development on the tributaries of the Mekong, the development of light industries such as garments and textiles, marketing of natural resources such as gypsum, tin, and wood products, and tourism development are the primary economic sectors being promoted.

People

Laos' population was estimated at 6.8 million in early 2009, dispersed unevenly across the country. Most people live in valleys of the Mekong

river and its tributaries. Vientiane prefecture, the capital and largest city, had about 740,010 residents in 2008. The country's population density was 27/sq. km.

About half the country's people are ethnic Lao, the principal lowland inhabitants as well as the politically and culturally dominant group. The Lao are descended from the Tai people who began migrating southward from China in the first millennium A.D. Mountain tribes of Hmong-Yao, and Tibeto-Burman (Kor and Phounoy) as well as Tai ethno-linguistic heritage are found in northern Laos. Until recently, they were known as Lao Sung or highland Lao. In the central and southern mountains, Austro Asiatic (Mon-Khmer and Viet-Muong) tribes, formerly known as Lao Theung or mid-slope Lao, predominate. Some Vietnamese and Chinese minorities remain, particularly in the towns, but many left in two waves--after partial independence in the late 1940s and again after 1975.

The predominant religion is Theravada Buddhism. Animism is common among the mountain tribes. Buddhism and spirit worship coexist easily. There also are small numbers of Christians and Muslims.

The official and dominant language is Lao, a tonal language of the Tai linguistic group. Minorities speak an assortment of Mon-Khmer, Hmong-Yao, and Tibeto-Burman languages. French, once common in government and commerce, has declined in usage, while knowledge of English--the language of the Association of Southeast Asian Nations (ASEAN)--has increased in recent years. The government is encouraging officials and students to learn English. High school students are required to take either

French or English; the majority today chooses English. The government plans to introduce English at the primary school level by 2010.

Location & Overview

Laos is situated in the golden mainland of South East Asia. It is located in the centre of Indochina, sharing borders with China to the North (416 km), Myanmar to Northwest (236 km), Thailand to the West (1,835 km), Cambodia to the South (492 km) and Vietnam to the East (1,957 km). Laos is a land-locked country of stunning natural beauty, rich in culture and history, beautiful temples, and strong spiritual traditions, remaining to this day relatively unexplored.

With a total area of 236,800 sq km, around 70 percent of Laos' terrain is mountainous, reaching a maximum elevation of 2,820 meters in Xieng Khouang Province. The landscapes of northern Laos and the regions adjacent to Vietnam, in particular, are dominated by rough mountains.

The Mekong river is the main geographical feature in the west and, in fact, forms a natural border with Thailand in some areas. The Mekong flows through nearly 1,900 km of Lao territory and shapes much of the lifestyle of the people of Laos. In the south the Mekong reaches a breadth of 20 km, creating an area with thousands of islands.

Laos is a peaceful country and is a potentially lucrative tourist destination. More than 70 percent of the country is comprised of highland areas, offering great opportunities for a variety of outdoor adventures from trekking and kayaking, to cycling or caving. Pristine, lush jungles, limestone forests, rivers and waterfalls, islands on the Mekong - Laos has it all.

It is not just the beauty of the country



Wat Si Saket

If you are looking for something a little different, then you will no doubt be fascinated by the Laos "Plain of Jars". This area is situated in the Xieng Khuang province, and is littered with enormous stone jars in five major groupings. These jars are of unknown origin but comparison with local rock indicates that they did not originate in the area. The most accessible site is Thong Hai Hin, which is designed to deal with tourists and is also the site of the largest jar, which weighs 6.5 tonnes.

How to Get Around

There are only two methods of travel in Laos; along the river in a variety of boat tours, ranging from standard ferries to speedboats, or by road. River travel is somewhat expensive and the ferries are notoriously slow, so most travellers opt for overland travel. Buses now link all of the provinces and major cities, but the standards can vary dramatically, from converted pick-ups right through to modern coaches. Services are run by private individuals and as a result there is no real central resource for information on bus routes. The best bet is to ask for advice from your hotel or hostel staff. Many people opt to hire a car in order to get around Laos. It is not recommended to drive yourself, as the driving style of the locals can be somewhat hazardous for those not used to it.

Accommodation

Tourist accommodation is somewhat sparse in Laos. In the major cities, such as Vientiane, Luang Prabang and Vang Vieng there are a modest number of good hotels available. Elsewhere, it can be difficult to find accommodation. There is generally a selection of village hostels and guesthouses, but it is advisable to contact a tour

but also the kindness, friendliness, hospitality and generosity of its people, along with their unique and attractive arts and crafts, that makes travelling to Laos an unforgettable experience. All over the country there is a multitude of traditional celebrations and festivals. In addition, Laos boasts numerous historic sites that testify to its long history.

Laos benefits from a relatively predictable and tropical climate, which does not suffer from extreme temperatures. There is a monsoon season between May and October, with a dry season from November to April. Throughout the year expect hot weather with slightly chillier climates in areas of high altitude. Lightweight cotton clothes are advised, with at least one sweater for travel to upland areas.

Places to Visit

The capital of Laos is the city of Vientiane. Situated on the banks of the Mekong, the city is home to plenty of temples, shrines, monuments and markets. The biggest tourist attraction is probably the Wat Pha Kaew, or Temple of the Emerald Buddha. This 16th century

former royal temple is now a museum and houses a collection of Buddhist statues from all over Asia. The other must-see temple is the Wat Si Saket, which is the oldest temple in Vientiane.

There is also a magnificent triumphal arch, called the Anousavari Monument, which was built in 1962 to commemorate the lives of the people who died defending Laos. Also of interest is the Lao National Museum, the cultural hall and the forested enclave containing the Wat Sokpaluang temple.

The city of Luang Prabang is often described as the jewel of Laos. This tiny city houses just 16,000 inhabitants and has been virtually unaffected by the gradual creep of Western culture across Asia. Literally dozens of historic temples form the city's main tourist attractions.

The Wat Xieng Thong and Wat Wisunlat temples are particularly worth visiting. The Pak Ou caves, which contain hundreds of Buddha images, and the impressive Kuang Si waterfalls are approximately half an hour's drive south of the city.

operator with experience of Laos to help you arrange accommodation, or simply for advice.

Recently the Laos government has built "ecolodges" in Laopako, Nam Mgum and Luang Namtha in a bid to encourage eco-tourism to the country. These lodges are specially constructed to have as little impact on the environment as possible and are open to visitors all year.

Development of Tourism & Investment Incentives

Tourism has been the second largest contributor, after mining, to Laos's GDP. Laos expects tourism to be the top contributor to its economic growth, and is focusing on promoting eco-tourism to international markets. The country recorded 1.7 million tourist arrivals in 2008, which generated US\$245 million, an increase of about 20 percent from 2007. The government expects tourist arrivals to reach two million in 2009, hoping the SEA Games will drive up tourist numbers and give Laos a boost amid the economic recession.

The government has made tourism development, with the focus on ecotourism, one of 11 priority sectors to help improve standards of living - a way of generating income for local people, raising awareness about environmental conservation, encouraging local production and protecting Laos' multiethnic culture and traditions.

Tax & Duty Incentives

The DDFI automatically awards all approved foreign investors an incentive tax rate of 20 percent, compared to the general tax rate of 35 percent. Unlike most other countries, this 20 percent rate applies to foreign investment in all sectors of the economy and does not depend on company or

performance. Foreign investors must pay a 10 percent dividend withholding tax. Foreign investors and expatriate personnel pay a flat 10 percent personal income tax.

There is a minimum tax on all companies (unless tax holidays are granted) of 1.0 percent of turnover, i.e. foreign-owned companies pay either 20 percent tax on profits or 1.0 percent tax on turnover, whichever is greater. In special cases, primarily for hydroelectric projects or resource-based development projects, tax holidays can be negotiated.

As an incentive to all foreign investors, a duty of only 1.0 percent is charged for imports of capital equipment, spare parts, and other means of production. No duties or import turnover taxes are payable on any imported inputs for export production. Foreign investors whose products substitute for imports can negotiate incentive duties and turnover taxes on imported inputs on a case by case basis.

At present, an administrative ruling of the Minister of Finance allows all imports subject to incentive duty rates to be free of turnover tax and excise tax. Producers whose output is sold on both the domestic and export markets pay no duty on the inputs for export production, and a negotiated rate on inputs for import substituting production. This simple system obviates the necessity of instituting cumbersome duty drawback systems or creating free trade or export processing zones.

In the future, however, the government may move to a system in which foreign investors face the same tax and tariff incentives as domestic investors do. Under this system, investment in "promoted industries" would receive tax and duty reduction incentives, but

investment in other sectors would pay the normal corporate profit tax, turnover tax and duty rates.

Non-tax Incentives

The government provides the following incentives to all foreign investors:

- Permission to bring in foreign nationals to undertake investment feasibility studies.
- Permission to bring in foreign technicians, experts, and managers if qualified Lao nationals are not available to work on investment projects.
- Permission to lease land for up to 20 years from a Lao national and up to 50 years from the government.
- Permission to own all improvements and structures on the leased land, transfer leases to other entities, and permission to sell or remove improvements or structures.
- Facilitation of entry and exit visa facilities and work permits for expatriate personnel.

The government also offers guarantees against nationalization, expropriation, or requisition without compensation.

Under the FI Law, the government does not offer incentives of import protection (in the form of increasing duties or banning imports) for import substituting investments, and it does not provide measures to restrict further entry to reduce competition for current investors. The policy of not reducing market competition as an incentive for investors is not a feature of the foreign investment systems of most other countries in the region, such as Thailand and Vietnam. ■

Land of the Gods Offers Exotic Tourist Experience

A country of thousand facets; rich and diverse arts and cultural heritage; numerous breathtaking scenic spots; exotic and tasty culinary delights; and the smiling people all over the countryside; Indonesia is a country awaiting visitors. Indonesia promises an abundance of pleasure-filled and yet adventurous journeys across its 33 provinces and 17,508 islands, some of which are yet to be discovered.



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Bali - An Island Paradise

Bali is known as "Paradise Island" thanks to the beauty, mystery and tranquility of its land and the friendliness of its inhabitants. Bali is so magical and mystical that most visitors feel it the moment they set foot on the island. The "magic" of Bali permeates its stunning temples and grand old palaces; it washes over the terraced rice-paddy land and the high mountain lakes, and is captured in the graceful hand movements of a traditional dancer or the delicately

carved features of a wooden statue.

Bali covers 5,633 sq km and floats a few degrees South of the equator between the islands of Java in the West and Lombok in the East. Bali's 3.2 million citizens are 95 percent Hindu and most of them live on the Southern coast. The skewed population distribution is due largely to the unequal distribution of resources in each regency. Bali is divided into eight regencies and one municipal city--Denpasar, which is also the island's capital. Between



Ulun Danu Temple at Bedugul Bali



Balinese Dancer

them, the regency of Buleleng and the city of Denpasar account for approximately one third of Bali's total population.

Bali is undoubtedly one of Indonesia's most beautiful islands. There are miles and miles of sandy beaches, much sought after by surfers and snorkelers alike; spectacular, active volcanoes

towering over 3,000 meters whose calderas enclose pristine lakes; picturesque rice terraces and lush tropical forests full of exotic wildlife. Bali is so steeped in culture and history that hardly a day goes by without a ceremony or festival taking place at one of its 20,000 temples and palaces. It is the harmonious relationship between nature and culture that makes Bali so special and the reason why it has long attracted artists and visitors and continues to lure them from the four corners of the world. Indeed, there is something for everyone to do, see, stay and eat, and the island caters for all tastes and budgets.

Nonetheless, Bali is also renowned for its diverse and sophisticated art forms, such as painting, sculpture, woodcarving, handcrafts, and performing arts. Balinese percussion orchestra music, known as gamelan, is highly developed and varied. Balinese dances portray stories from Hindu epics such as the Ramayana but with heavy Balinese influence. Famous Balinese dances include pendet, legong, baris, topeng, barong, gong keybar, and kecak (the monkey dance).

The Best of Bali

The beautiful beaches of Kuta, Sanur, Lovina, and Tanjung Benua are world renowned and have been attracting visitors for decades. Kuta is undoubtedly the most popular--hence crowded--beach, famous for its fine, white sand and unforgettable sunsets, as well as its nightlife and its array of bars, restaurants and hotels. The white, sandy beach of Tanjung Benua, located at Nusa Dua, offers a wide range of water sports and luxurious hotels. Located on the East coast, Sanur is renowned for its sunrises and colorful fishing boats. The sea is calmer here because it is protected by coral rocks. Rental canoes provide the best way to explore this beautiful coastline. On the North coast is Lovina beach which is considered the most stunning and safest place to swim and dive. Boats can also be rented and dolphins are often spotted swimming just off the black sandy beach.

Bali's villages are also worth exploring and the most visited are Ubud, Mas and Tenganan. Famous for its painters' community, Ubud is special in more ways than one. Its



Tanah lot Temple

beautiful surroundings and gracious way of life have drawn celebrities and artists from all over the world for decades and many have adopted Ubud as their home. An array of boutique hotels and unique restaurants cater to Bali's most culturally inclined tourists. The village of Mas is home to the island's prominent woodcarvers who specialize in carvings of all kinds. Protected for centuries from the outside world by its surrounding walls, the village of Tenganan has maintained its ancient pre-Hindu customs through a strong code of non-fraternization with outsiders that continues even today. The village is famous for its unique woven material called gringsing, which allegedly affords the wearer magical powers.

The foothill village of Sangeh is surrounded by dense, virgin rain-forest which is inhabited by hundreds of monkeys. Many of the forest's trees are unique to the area and cannot be found anywhere else on Bali; their existence in Sangeh remains a mystery. A mossy temple lies hidden among them and is an exotic and tranquil place providing the hairy, inquisitive residents are kept at bay.

The Tasty Balinese Culinary Specialities

The "Island of the Gods" offers a thousand and one tantalizing flavors from Indonesian to international cuisine in a diverse array of settings. The typical Balinese food is rice as the central dish served with small portions of spicy, pungent vegetables, fish or meat and served almost always with sambal or chili paste. Specialties of Balinese food include Babi guling or roasted suckling pig is a specialty, and bebek betutu (smoked stuffed duck wrapped in bamboo leaves). Some say Ubud is the best place to sample the the betutu chicken.

World's Best Spa Destination

Indonesia and especially Bali region were voted as the Best Spa Destination in the World by the Berlin-based International Travel Bourse and the island is regularly honored with International Wellness Awards. By combining ancestral knowledge with modern scientific research, the spas of Bali are undeniably some of the world's best, offering a wide range of baths, treatments and massages.

Komodo National Park -

Beyond the Dragon Paradise

Komodo National Park, the last remaining habitat of the world's largest lizard, is one of the most unique and beautiful places on the planet. Consisting of island groups and their surrounding waters, the Park is widely recognized as an outstanding storehouse of globally significant terrestrial and marine biodiversity and, in acknowledgment of its immense value, was designated a Man and Biosphere Reserve in 1986 and a UNESCO World Heritage Site in 1991.

The Park was established in 1980, originally to protect the Komodo dragon, which occupies a unique position in the Park's terrestrial ecosystem and has a high tourism value. It is located between the islands of Sumbawa and Flores at the border of the East Nusa Tenggara (NTT) and West Nusa Tenggara Barat (NTB) provinces. It includes three major islands, Komodo, Rinca and Padar, and numerous smaller islands together totaling 603 sq km of land. The total size of Komodo National Park is presently 1,817 sq km. Proposed extensions of 25 sq km of land (Banta Island) and 479 sq km of marine waters would bring the total surface area up to 2,321 sq km.

From some of the most vivid coral gardens in the world to surreal savannah dotted with Lontar palms to monsoon forest, the Park presents a uniquely primordial environment. The presence of the world's largest lizard on these islands, together with a rich marine fauna, present opportunities for wildlife viewing that are not possible anywhere else on earth.

Komodo Dragons

Komodo dragons are the world's



largest lizards. They can be found on only four islands - Komodo, Rinca, Gili Motang and Nusa Kode - in Komodo National Park, and a handful of small areas of northern and western Flores, just outside the Park. Less than 2,500 of these giant lizards inhabit the Park's dramatic landscape, and they do not exist anywhere else on earth. Komodo dragons, which were discovered by western science in 1910, are thought to have once lived over a much larger area. Growing pressure from human activities has reduced their habitats to the small refuges found today. Due to their extremely limited range, the Komodo dragon is considered to be endangered and in need of protection.

Terrestrial Ecosystems

The many animals in Komodo National Park are important to the ecology of the Komodo dragon. The Komodo dragon is the top predator in its environment and all animals in the Park are potential prey of the Komodo dragon. The 277 animal species found in the Park are made up of a mixture of animals

originating from Asia or Australia. These include 32 mammal species, 128 bird species and 37 reptile species. Prey species on both Komodo and Rinca include wild buffalo (*Bubalus bubalis*), wild boar (*Sus scrofa*), and Timor deer (*Cervus timorensis*). There are at least three species of poisonous land snakes, including the Green tree viper, cobras and Russel's vipers. The long-tailed macaque (*Macaca fascicularis*) and a small population of wild horses are found on Rinca.

Marine Ecosystems

The marine area constitutes 67 percent of Komodo National Park. Indonesia is the only equatorial region in the world where there is an exchange of marine flora and fauna between oceans and the Park boasts one of the world's richest marine environments. The seas in and around the Park are reputed to be among the most biologically productive in the world. The Park encompasses 1,214 sq km of highly diverse marine habitats, including coral reefs, mangroves, seagrass beds, seamounts, and semi-enclosed bays. These habitats

harbor more than 1,000 species of fish, some 260 species of reef-building coral, and 70 species of sponges. Dugong (*Dugong dugon*), dolphins (10 species), whales (6 species), and hawksbill (*Eretmochelys imbricata*) and green (*Chelonia mydas*) turtles all occur within the Park.

In recent years, Komodo National Park has become extremely popular as a diving destination, thanks to the pristine state of much of its coral and its unusual levels of marine biodiversity.

Lombok - A Paradise of Natural Wonders

Long overlooked, the Lombok island beyond Bali are treasure-trove of fascinating cultures and natural wonders. Lombok located directly to the east of Bali belong to the province of West Nusa Tenggara. With a huge variety of stunning attractions there is no doubt that Lombok will be major players in the future of Indonesian tourism.

Lombok is one among the two largest islands in West Nusa Tenggara. It is the capital and



Senggigi Beach Boats

largest city of the province. Lombok wide area is about 4.738,70 sq km (23.51 percent). The other largest islands is Sumbawa, with 15.414,37 sq km (76.49 percent) wide area. Beside that, the province of West Nusa Tenggara is also surrounded by thousands small islands, such as Gili Air, Gili Meno, Gili Trawangan, Gili Gede, Gili Nanggu, Gili Tangkong, Moyo Island, Bungin Island, Satonda Island, Kaung Island, and Panjang Island.

Lombok experienced strong Balinese influences, but has retained a unique identity. The indigenous people of Lombok, the Sasaks, are predominantly Moslem and have a strong, distinguished tradition, as do the people of neighbouring Sumbawa. Soft, white sand, virgin beaches are typical in Lombok, where the motto is "You can see Bali in Lombok, but not Lombok in Bali". Famous for its ikat handwoven textiles, the island has exceptional charm and is relatively undiscovered, except for the town of Senggigi, which is becoming a major resort area.

Set in arid savannah-like landscape, the village of Sengkol, Pujut and Rambitan take us back to centuries

gone by. Not unlike Bali, Lombok is also a haven for water-based activities. Lombok's Kuta Beach is one of the island's many virgin beaches. For five kilometers along the Indian Ocean, an unbroken stretch of clean white sand and sparkling water are perfect for bathing and swimming. On the 19th day of the tenth month in the Sasak lunar calendar, the Nyale come to the sea's surface and Kuta Beach becomes the site of great festivities of the Nyale Ceremony. In the west are surfers and windsurfers beaches. On the three offshore islands of Gili Meno, Gili Trawangan and Gili Air, palm-fringed, white sandy beaches spread towards crystal clean waters that teem with tropical reef fishes, turtles and even sharks. Senggigi beach is one of the most scenic with coral gardens growing just offshore. Climbing Mount Rinjani (3.800 meters) and soaking in the tranquility of the Segaranakan Crater Lake and valley near the summit is the ultimate Lombok experience.

West Lombok.

West Lombok has both the lushness of Bali and the starkness of outback Australia. The 3,726m Rinjani volcano dominates the northwest of

the island, while the southwest is arid and covered by savannas.

Famous for its basket ware, pottery and ikat hand woven textiles, Lombok has exceptional charm and is relatively undiscovered, except for Senggigi and the Gili islands that have become popular tourism areas. We visit traditional villages and a local market in search for rare pieces of handicraft.

With the three 'big cities', the airport and the biggest concentration of hotels, West-Lombok is the best place to stay for the visitor. Here are the popular Gili Islands, as well as the most important Balinese temples, the center of Wetu Telu and mount Rinjani. The first route takes the tourist north, from Ampenan to Senggigi beach, Gili's, Wetu Telu center Bayan and surrounding, and eventually to the foothills of Moutn Rinjani. The second route goes south to quiet beaches and surfing locations of the southern peninsula.

Central Lombok

Central Lombok is the tourist heart of the Island. The area concludes the traditional villages which are visited in most daytrips - and which are not far from the 'big three' cities - and the southern coast: Kuta beach, where the festivities around the sea worms (nyale) takes place and Tanjung Aan, with beautiful beaches for surfing. Many travel agencies organize daytrips to these easy to reach destinations.

East Lombok

East Lombok is lush and less developed than the western part of the island, allowing you to peek into a rural part of Indonesia, inhabited by the indigenous Sasak people, who keep their culture very much live. ■



Sasak Village, Sade

A Synonym for World's Most Popular Tourist Destination

Thailand is one of the world's most popular tourist destinations, attracting 12 million visitors a year, and with good reason. The varied landscapes offer something for everyone, from the hearty trekker to the adamant lounge lizard. From the infamous Golden Triangle region in the far north to the tropical islands of the south, Thailand offers a range of tourist options like no other country in Asia.

Culturally speaking, Thailand has drawn on the two giants to its north and south - India and China - as influences on many aspects of its identity. The influence of these two countries has fused with local traditions to give the country a unique cultural flavour. Apart from a separatist insurgency in the largely Moslem deep south, the country has a politically loyal and largely unified population. Ninety percent are piously Buddhist, making Thailand the largest national grouping of this faith.

The country is a constitutional monarchy, with a stable and mostly

peaceful democracy, though periodically interrupted by coups! The military maintains a powerful presence in the country, but the much-respected King - who is head of state - wields the most influence, despite remaining apolitical. The country is 514,000 sq km, bordering Malaysia to the South, Cambodia to the East, Laos to the North, and Myanmar (Burma) to the west. Agriculture, tourism, manufacturing and assembly are Thailand's key industries, and it maintains a healthy export sector.

The monarchy is important to Thailand, and it has been governed by a succession of kings since around the 13th century, from capitals first in Sukhothai, then Ayutthaya, followed by Thonburi and now Bangkok. The current king, Bhumibol, has ruled for 60 years, and the abolition of the absolute monarchy in 1932 saw the drafting of the country's first constitution. All these historical locations still exist, and the ruins of the ancient capitals should be high on any history buff's

travel itinerary.

Given that Thailand covers so much territory, there are many ethnic groups that fall under the jurisdiction of its constitutional monarchy. One of the joys of traveling through Thailand is observing the different peculiarities and idiosyncrasies from province to province, evident in everything from language to clothing and cuisine. Minorities include groups with several main dialects, and the minority hill tribes who are found mainly in the north and add colour and character to the national identity.

The December 2008 Airport Occupation: A Summary

Tourism in Thailand represents 6.0 percent of the nation's GDP and the amplifying effect of the industry creates millions of jobs in Thailand jobs that are now under threat. Although it appears that the worst of the current round of political violence is over in the country, with even the worst of the Bangkok riots having relatively little impact on



The Royal Grand Palace



Shivaratrillabagcha Raja



Phi Phi Don, Thailand

tourists, Thailand has sustained serious damage to its image as a tourist destination.

The Thai Tourism Authority (TAT), to its credit, has been quick to respond to new developments, but it will take a great deal more than soothing words from TAT officials to bring tourists back in a hurry. One of a range of strategic approaches is to bring media and tourist industry leaders from key source markets to see for themselves (as they did following the December 2004 tsunami) that Thailand is indeed a safe and tourist friendly destination. Indulging in spin won't cut it for Thailand's tourist industry right now.

The figures for October 2009 show an increase of 15 percent in arrivals compared to 2008. In total, 862,263 tourists visited Thailand in October. This positive development also counts for the other months of 2009.

Must-see sights in Thailand

Bangkok

Bangkok is Thailand's gateway and a proud capital blending the ancient and modern, with the Grand Palace and Wat Phra Kaew being the country's number 1 attraction. A day tour usually includes taking in the giant reclining Buddha of Wat Po and the exotic pagodas of Wat Arun.

Other notable attractions include the all teak Vimanmek Palace and Dusit Throne Hall, as well as Jim Thompson's house and the impressive collection in the National Museum. Shopping, dining and of course the nightlife also attract people to Bangkok.

Phuket

Phuket, in the south, is the country's most popular coastal destination, with its excellent tourist infrastructure and lovely west-coast beaches. It's within an hour's drive of the stunning Krabi coastline, with the dramatic karst backdrops of Railay beach and Ao Nang gracing many travel brochures. The unique and world famous Phi Phi islands are offshore, while Koh Lanta to the south is a good island for a family getaway. The magnificent Pha Nga Bay is also in the area, representing another remarkable karst seascape.

Chiang Mai

For a thoroughly Thai experience, many venture up north to the mountainous regions surrounding the ancient city of Chiang Mai. Characterised by a laidback atmosphere, pretty moat and numerous temples and ruins, it's also a good base for trekking and embarking on excursions to the Golden Triangle or adventurous Mae Hong Son Loop. The bohemian

backwoods town of Pai is another hit, while Chiang Mai's inexpensive, good-quality shopping keeps people there longer than they planned.

Hua Hin

If you need something closer to Bangkok, Hua Hin is a royal favourite and a weekend escape for Bangkokians, less touristy and only two hours away. The hedonists and punters prefer Pattaya, on the east side of the Bight of Bangkok - the original tourist resort and more famous now for its naughty nightlife than its beaches. Venture further down the coast, and you come upon the small but delightful Koh Samet, another weekend favourite and home to Thailand's whitest beaches.

Koh Chang

Koh Chang is the country's so-called eco-island, near to the Cambodian border, a rugged and less touristy alternative. Nature lovers will also appreciate Khao Yai near Bangkok, one of Asia's biggest national parks. And finally, although it attracts fewer tourists, Isaan is the heartland of the country - a large rural region in the northwest hemmed in by the mighty Mekhong, and a true reflection of the real Thailand. ■



Sai Yok Noi Waterfall



Koh Chang



Emerald-Buddha-Temple

A Country with Rich Historic Past Bracing for Bright Future

Overview

The last century saw Cambodia occupied several times (with an occupation nearly every decade), before coming under the horrible regime of Pol Pot. The citizens of Cambodia are still suffering and the country is nowadays ranked as the second poorest state in South-East Asia. Taking Cambodia's painful political history into consideration one will nevertheless be surprised about the friendliness of the Cambodians toward foreigners and how safe one feels traveling around the country.

Cambodia has one of the fastest growing economies in the region, with an annual growth of about 9.8 percent in the years 2004-2007 (this rate subsequently dropped to 7.0 percent in 2008 as a result of the world economic crisis). Over the past

years growth was driven by an expansion in the garment sector but also in construction, agriculture and tourism. If you talk with Cambodians, one can immediately recognize three things: firstly, their desire to look forward and maintain a positive attitude; secondly, their respect for education as a means to personal development; and thirdly, their growing appreciation of the benefits their tourist sector brings. Cambodians are therefore working hard to carve out a tourist niche amongst Thailand and Vietnam.

"Nowadays a typical tourist stays 2-3 nights in our hotel to see Angkor and its temples, although Cambodia has a lot more to offer", says Denis Lamont, Director of the Sofitel in Siam Reap. Cambodia is still a so-called extended destination for tourists coming to South-East Asia. In practice, this means that they add a



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Ta prohm temple in Angkor

trip to Cambodia when booking holidays for Thailand or Vietnam. "Almost every traveler comes to regret having only booked such a short visit to this beautiful country", says Thomas Preischl, Vice-Director of Asian Trails Cambodia, the biggest tour operator in Cambodia since 1999.

"If you want to see the true Asia in terms of people but also the rich heritage of the culture you can't find a better place to explore than Cambodia", describes Thomas Preischl. Although the country, with its tumultuous history, has many difficulties to overcome before it moves forward, you can see that the people have preserved a positive attitude toward foreigners and that change is underway.

Looking at the Roots

Around 15 years ago, in 1994, tourists who came to see Angkor and its temples were flown in and out on the same day from Phnom Penh to Siam Reap. There were two reasons for this; on the one hand, a hotel industry and its related infrastructure simply did not yet exist. On the other, Khmer rouge insurgents hiding in the forest

continued their attacks on people in Siam Reap.

If you step into Siam Reap now, you would not believe that things like this happened only 15 years ago. Cambodia has forced itself to meet the challenges of attracting tourists from all over the world, and you will find a fine selection of modern hotels, luxury resorts, and boutique hotels with world-class spa facilities. The conditions of the streets can still change within a minute, but for now they are full of life and tourists. At the same time, Siam Reap is trying to retain its traditions in the face of change, and you will also find many budget-friendly and family-run guesthouses. The temples, which are a World Heritage Site, are an astonishing glimpse of the grandeur of Cambodia's past but there are plenty of other things to do in the country.

Visiting Sihanoukville and its beaches will change the traveler's understanding of what to expect of a beach and its surroundings. These beaches on the mainland as well as on the offshore islands in the gulf of Siam are unique in terms of cleanliness and the crowds they attract.

Facts & Figures

A total of 2.125 million people visited Cambodia in 2008, which is a tremendous leap of 91.25 percent compared to 2004, when there were 1.05 million arrivals. The situation for 2009 shows a slight decrease due to the world economic crisis, but remains stable. For the first quarter 2009 a total of 0.62 million arrivals were counted, meaning a slight decrease of 3.4 percent. Compared to other countries in the region, this slowdown is proportionally rather small, despite the fact that the overall figures are still on a small scale in relation to other countries. Furthermore, the average length of the stay per visitor has increased from 5.5 days in 2003 to 6.65 days in 2008. This development goes in line with the increased rate of hotel occupancy, up to 62.68 percent in 2008, compared to 50 percent in 2003 (and so is up 12.68 percent). The increase in the tourist sector's financial contribution is a milestone in Cambodia's development: tourists spent 1.6 billion USD in 2008 (750 USD per tourist), compared to 0.58 billion USD in 2004 (500 USD per tourist).



Par 3 hole on the Phokeethra golf course, part of the Sofitel resort

A look at the countries of origin of the tourists coming to Cambodia shows that South-East Asian countries contribute the most visitors, with Vietnam and Korea in first and second place respectively. However, third place has been taken by the US, and with the UK and France, two European countries are now in the top ten. According to a Cambodian government presentation, the projected number of arrivals in upcoming years will increase tremendously. Estimates range from 2.5 million arrivals in 2011,

up to 3.6 million in 2015. These huge numbers are predicted on the back of the numerous mid- and large-scale projects in the tourist sector already in development. The government directs all activities under the brand name "Cambodia Kingdom of Wonder". They support foreign investors who are interested in establishing businesses in Cambodia. There are particular opportunities in the fields of hotel infrastructure, gastronomy, transportation and education.

Golf a Driving Force?

"The Sofitel Group's new hotel in Phnom Penh, with 200 rooms and seminar facilities on more than 1,800 sq m will open in June 2010", says Denis Lamont. As part of the concept a golf course, which will meet international standards, is planned outside of Phnom Penh. When it comes to golf Lamont gets very enthusiastic, talking about the success they have already had with their golf course in Siam Reap and the Johnnie Walker Cambodian Open, which is part of the Asian tour. As golf is very popular in Asia (especially in Korea, Thailand and Japan) the sport is regarded as a good opportunity to attract tourists on the one hand and create jobs on the other. "Golf is a superb activity which brings wealthy people into the country, and it needs a lot of encouragement", Lamont explains. He knows this too well; Sofitel engaged a whole village outside Siam Reap as staff for the maintenance and service department of the course. Beside the creation of jobs, Sofitel also invests a lot in the education of these people. "It is the only way to bring the country forward, and a win-win situation for both parties", he adds. Currently there are three first-class

golf courses in Siam Reap, including Sofitel's.

Obstacles & Opportunities for Investors

"The first priority in promoting Cambodia as a tourist destination is to develop more extensive trips that take advantage of ongoing improvements in roads and infrastructure. A number of tours lasting 10 to 15 days, covering much more of the country than before, are already in place. Longer tours are becoming more and more popular", explains Thomas Preischl. He is truly convinced of the opportunities which Cambodia has to offer, for tourists as well as for investors. He puts a special focus on eco-tourism, which demands a premium that people will voluntarily pay, which will fund the development of environmentally sensitive resorts. Once built, the operating costs of low impact facilities are lower than those of other establishments, and the higher prices help boost long-term profitability. Low impact eco-tours also help to preserve the uniqueness of Cambodia.

So far the country, and especially the coast around Sihanoukville, is unspoiled by architectural eyesores. Although stories are being reported about village people forced off their land to make way for development, Cambodia is generally on the right track. A look at the country's economic data shows an inflationary rate of 18.7 percent in 2008, which will likely increase in 2009. The average household income is USD 625, which doubled in the last seven years. However, 30 percent of the citizens are still living on 1 USD per day. Around 70 percent of the total

population of 14 million Cambodians are still working in the agricultural sector, and have to spend 80 percent of their earnings on food.

"The development and promotion of the more responsible practices in the tourist industry should be a top priority on the list. Along with the benefits that tourism undoubtedly brings, the largely unplanned and rapid development of Siam Reap and the coast around Sihanoukville has resulted in many environmental and social issues", explains Thomas Preischl. He is convinced that Cambodia has definitely something to offer for investors. "The government encourages investment by allowing 100 percent foreign ownership with one exception: non-Cambodian nationals cannot own land" he remarks.

In fact, Cambodia's government supports foreign investment with a very positive approach. The regulations provide investment incentives such as

- Twenty percent corporate tax
- Up to nine year exemption from corporate profit tax
- Five years loss carry-forward
- Possible exemption from import



Trishaw owner in Siam Reap



fisherman painting his house in the fisher village near Siam Reap

duties for the period of construction of the project and first

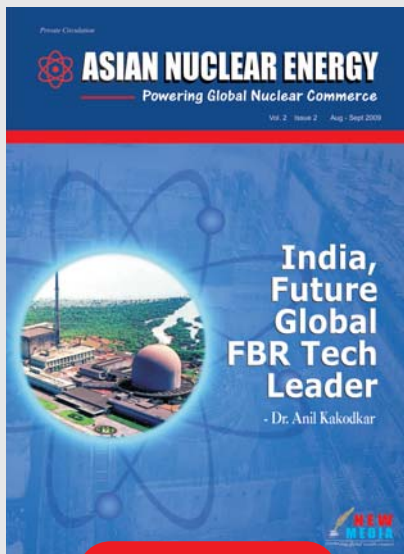
- year of business operation
- Repatriation of profits (withholding tax)
- Tax free distribution of dividends and profits
- Employment of foreign expatriates where no qualified Cambodians are available
- Equal treatment of all investors

Large Investments on the Way

The Cambodian government has signed an agreement with a foreign Investment company to develop Koh Puos, one of the largest of the 22 islands in the province of Sihanoukville. This 300 million euro project is designed to turn this island into a paradise by 2010. The project will be crowned by a bridge connecting Koh Puos and Sihanoukville.

Sokha Hotel Company has officially announced the Bokor National Park Development Project, with a ground breaking ceremony on top of Bokor Mountain. The project will take 15 years to complete, and has a budget of about USD1,000 million. It includes the building of a road network on the mountain, sewage and drainage systems, the construction of hotels and casinos, condominiums, villages, flat houses, amusement parks, restaurants, department stores, vegetable farms, hospitals, schools etc. This plan aims at transforming the area from a quiet tourist city into a dynamic developmental city surrounded by the great views of Cambodian natural forest. ■

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The Islands of Pristine Beaches & Beauty

As the Philippines has a huge range of sights for all kinds of tourists, we would like to present you with a selection of some of the best and most unique spots, which together make up all that a traveler could ask for.

Palawan - A World Nature Sanctuary

The island province of Palawan has



been declared a world nature sanctuary, and for good reason. It is wrapped in a mantle of rainforests, outstanding diving sites, majestic mountains, primeval caves, and pristine beaches. It is surrounded by a coral shelf that abounds with varied and colorful marine life. It boasts exotic flora and fauna, like the mousedeer and the scaly anteater, that are found nowhere else.

A diver's paradise, it has miles of sub-surface coral and rainbow reef walls which surround the coasts and coves teeming with rich marine life.

The El Nido Marine Reserve in Miniloc

El Nido is a popular nature spot in the forest and covers an area of 96,000 hectares. It features a range of diverse ecosystems, such as rainforests, mangroves, white sand beaches, coral reefs, and limestone



reefs, as well as a variety of fishes, such as the manta ray and the sea cow or "dugong," the world's rarest marine mammal. It is now one of the country's premier destinations, blessed with amazing natural scenery, and is considered a sanctuary for various forms of wildlife.

Palawan is approximately 586 kilometers southwest of Manila, between Mindoro Island to the north, Borneo on the south, the China Sea on the west, and Sulu Sea on the east. Its total land area of 1,489,655 hectares spreads across the peripheral islands of Busuanga, Culion, Linacapan, Cuyo, Dumaran, Cagayanes, and Balabac.

Why Go There

To explore the wildlife and unique natural features, diving, to explore the rich and exciting history of the Philippines and its archaeological sites.

Climate

The province has two types of climate. The first, which occurs in the northern and southern extremities and the entire western coast, has two distinct seasons six months dry and six months wet. The other, which prevails in the eastern coast, has a short dry season of one to three

months and no pronounced rainy period during the rest of the year.

How to get there

The easiest way to get from Manila to Puerto Princesa, the capital of Palawan, is by plane. Flights last one hour and ten minutes and there are several local airlines which offer regular flights to Palawan.

Where to stay

Palawan offers a wide range of accommodation opportunities.

Please visit:

www.wowphilippines.com.ph for further information.

Boracay The Finest Beach in the World



The palm-studded island of Boracay with its white, talcum-fine beach, balmy weather, and warm, crystalline waters is a magnet for tourists. In this tiny, butterfly-shaped island at the northwestern tip of Panay in Western Visayas, days can be spent simply lazing on the beach, while nights are for indulging in the tropical party lifestyle. The best part of the island is the four-kilometer White Beach, which has been hailed as the "finest beach in the world." The code in Boracay is strictly informal. Even swinging discos have the beach for a floor, giving a new twist to dancing. Sailboating and

kayaking are popular sporting activities, with Boracay playing host to the annual Paraw Regatta, an international sailboat race that makes use of the native outrigger. Diving sites surround the island and are training venues for both novice and professional divers, guided by competent instructors from the many diving shops that operate in the area. Trekking and mountain biking bring the intrepid from the island's quaint interior villages to the edges' scenic rocky cliffs, who discover many hidden coves along the way, with isolated beaches far from the tourist crowd. And for golf enthusiasts, the Fairways and Bluewater Resort Golf and Country Club has an 18-hole championship course. During the day, tourists enjoying a soothing massage under the shade of a coconut tree beside the shoreline are a common sight. And from dusk to dawn, Boracay turns into one big party, where everyone is welcome to join in. Boracay Island belongs to the Western Visayas island-group along with the western part of the province of Negros, the island of Panay, and many smaller islands.

Why go there

Leisure, family-friendly environment, beach holidays, windsurfing, partying, relaxation

Climate

March to June are the summer months in Boracay, with temperatures reaching as high as 28 to 38 degrees Celsius. November to February have pleasant winds, cool nights, and occasional rainshowers. July to October are the wettest months.

How to get there

It takes only 45 minutes by plane from Manila to Boracay, which is to the South of the capital. You can

choose from several local airlines, which offer regular flights to Palawan. Journey by bus is another possibility, but this takes approximately 12 hours in total.

Where to stay

Boracay offers a wide range of accommodation opportunities. Please visit www.wowphilippines.com.ph for further information.

Bohol - The Lure of



Chocolate Hills

Scenic Bohol casts an enigmatic charm, drawn from the many historic monuments spread throughout the oval-shaped island; from the Chocolate Hills and the tarsier, to 16th century watchtowers, and Jesuit Baroque mission churches. The Chocolate Hills comprise 1,268 perfectly cone-shaped hills, and are undoubtedly the most famous tourist attraction in the province. Two of these Central Bohol hills have been developed into top-class resorts. A rare animal found in the Philippine archipelago, the Tarsier is the smallest primate in the world. It is nocturnal, measuring from four to five inches, and has a tail that is longer than its body. Those interested in seeing the famous primate in its natural habitat up in the hills near the town of Corella are

always welcomed by the Boholanos. A tropical haven of natural beauty, the coastline of the province is punctuated with gentle coves and white sandy beaches. You can find some of the country's great diving sites here, and if you are really lucky, you may find yourself swimming with a passing school of dolphins. Bohol is about 700 kilometers directly south of Manila and about 70 kilometers southeast of Mactan Island. The province is thought to have been created as a result of the

collision of the southwest Philippine plate east of Samar and Surigao with its neighbour millions of years ago.

Why go there

Exploring unique natural features, hiking, diving, exploring the varied history of the Philippines, beach holidays, relaxation

Climate

The province falls under the climate type IV, characterized by short rainy period and no dry season. It is usually warm and dry along the coast while cold and humid in the interior.

How to get there

There are numerous way of getting to Bohol. Beside domestic flights from Manila to Tagbilaran (1h 15min) or to Cebu (1h 15 min + ferry and bus), it is also possible to

India

A Mecca of Tourism



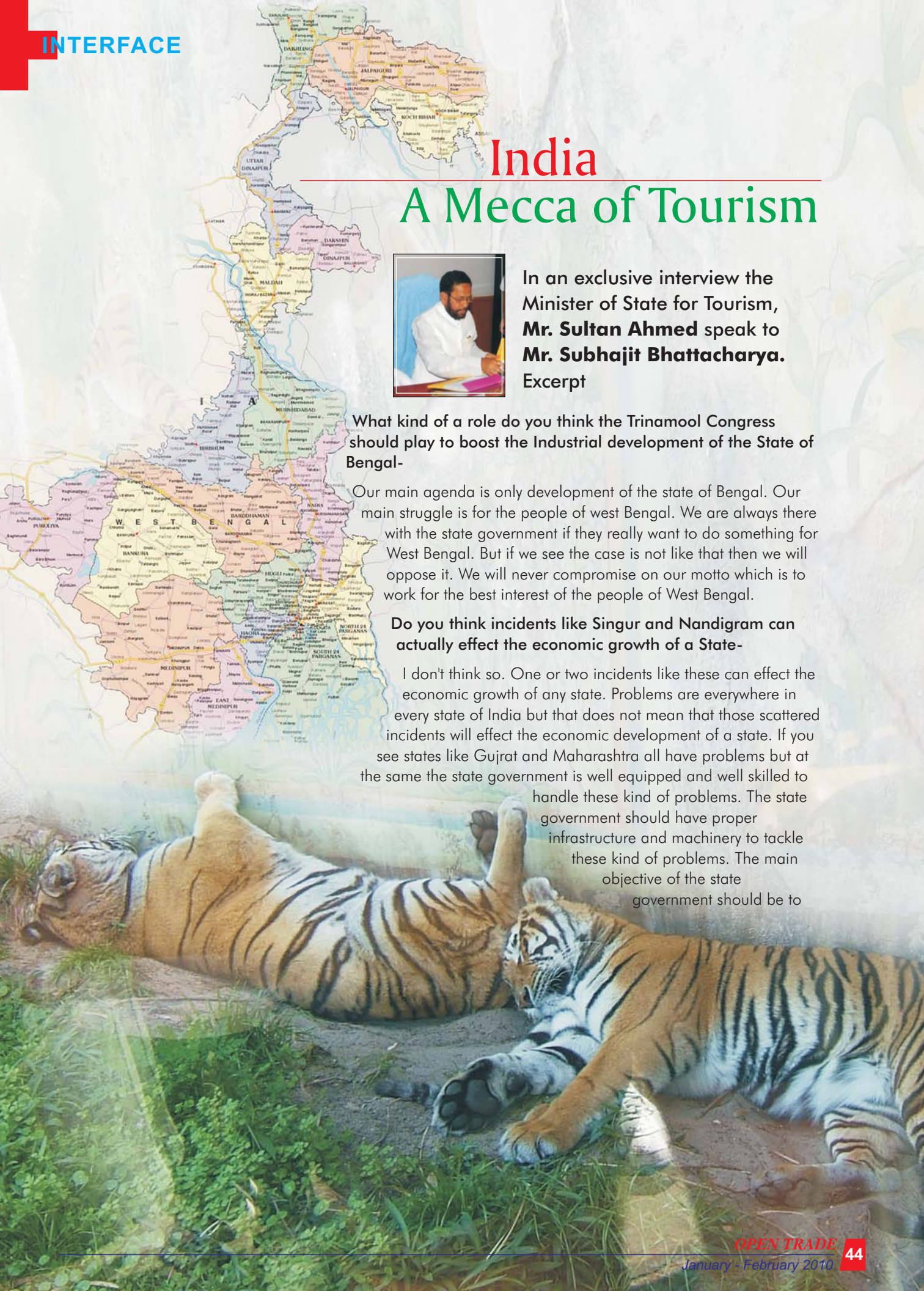
In an exclusive interview the Minister of State for Tourism, **Mr. Sultan Ahmed** speak to **Mr. Subhajit Bhattacharya**.
Excerpt

What kind of a role do you think the Trinamool Congress should play to boost the Industrial development of the State of Bengal-

Our main agenda is only development of the state of Bengal. Our main struggle is for the people of west Bengal. We are always there with the state government if they really want to do something for West Bengal. But if we see the case is not like that then we will oppose it. We will never compromise on our motto which is to work for the best interest of the people of West Bengal.

Do you think incidents like Singur and Nandigram can actually effect the economic growth of a State-

I don't think so. One or two incidents like these can effect the economic growth of any state. Problems are everywhere in every state of India but that does not mean that those scattered incidents will effect the economic development of a state. If you see states like Gujrat and Maharashtra all have problems but at the same the state government is well equipped and well skilled to handle these kind of problems. The state government should have proper infrastructure and machinery to tackle these kind of problems. The main objective of the state government should be to





do something good for the people of the state of Bengal.

For the first time West Bengal has seven ministers from the state. What kind of development the state should expect from them-



All the ministers from our party are very serious about the development of West Bengal. At the same time we are hard bound to do something good for the whole eastern zone. Because we personally believe that all the states of eastern India has great potential. The state of Bengal can grow really well in the field of industrialization at the same time we can do miracle in the field of agriculture.

But at the same time the state government should have the right intention to do something good for the state. The union government can give funds to the state for its development but at the time the state government should have proper blue print and proper infrastructure to use and channelize the funds in a

proper way.

As a Tourism minister what are your plans to develop Bengals tourism scenario-



As I have told you that the State of Bengal has great potential in the field of tourism. Because we are the only state which has beautiful mountains in one side and on the other side we have blue oceans.

Bengal has a huge panorama of natural assets which we can showcase in the international market. The state has beautiful mountains in the north-eastern part at the same time we have huge oceans in southern part of Bengal.

The cultural heritage of Bengal is very strong as we can find beautiful historical sculptures and landmarks in different parts of Birbhum, Malda, Murshidabad.



We have a very beautiful river like Ganga which we can utilize in a very beautiful way for the purpose of tourism. The most beautiful asset of Bengal is The Sunderbans which is very rich with natural beauty.

I have plans to work on the development of all these places. The (Hon) Railway minister already started to develop the connectivity within the state. At the same time she is trying to develop and connect the Northern part of India



with the rest of India in a proper way. The tourism is very much related with the development of the state so the state has to take responsibility of the infrastructural development .The Tourism department has plans to develop Sunderban area into a wild life park which will attract foreign tourist at the same time we planning to start a ferry service in the Ganges which will be of great attraction.

To start all these the Union government need special effort from the State government. Funds have been sanctioned before but they are not used properly by the State government. So we have to keep in mind that the tourism industry is a great industry so we should encourage that.

As you have said that development is related very much with the tourism industry but we can see the infrastructural development is not there in the north eastern part of India but tourism has great potential in those areas .What steps the Union government is taking to get rid of this problem-

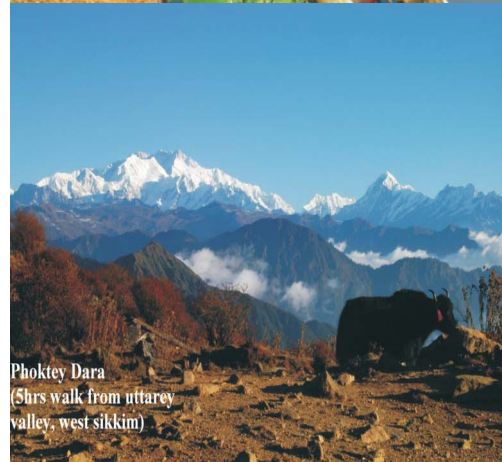
The Union government is giving special care to develop the north-eastern part of India. We are in constant talks with the Chief Ministers of different north-eastern state. I personally met Dr.D.D. Lapang the CM of Meghalaya and we are now moving towards a phase of extreme development. The State government is equally eager to do something good for the state tourism. They have already configured a team of experts who will give tips and will guide the State government to develop the State tourism scenario. Sikkim has done a wonderful job in the field of tourism and we are also planning to start some direct flights to Shillong. I think we are moving in the right direction and we will succeed in making the north-east an ideal place for tourists.

Do you have any specific plans to showcase India as a potential tourism spot in the international arena-

Yes we do have I am trying my best to showcase Indian tourism. Because I think as a country it is like the Mecca of tourism. I am visiting different parts of the world to project the tourism spots of India. I think South-eastern Asia and US and European market has great potential for our tourism, so we are giving special stress in those pockets.

India will be hosting Asian games next year in Delhi. Is the tourism department taking any special initiative to bank on this opportunity as different delegates and tourist will pour in at that time-

We are ready to face any sort of challenge. We are expecting a turn out of one lakh delegates. If they want to visit any part of India we are ready for that we will showcase our best to them during that time. ■



Phoktey Dara
(Shrs walk from uttarey
valley, west sikkim)

