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Explaining the Evolution of Cambodia-Laos Relations

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Introduction

Laos and Cambodia have a long history of shared cultural, traditional, and religious practices. Both countries were the former colonies of French Indochina in the 19th century before becoming independent states in the middle of the 20th century after the French's Dien Bien Phu's defeat in 1954.¹ As neighbors, the leaders of Laos and Cambodia have always promised to maintain their longstanding friendship and good neighborly relations. As of 2024, the two countries have celebrated their 68th anniversary of diplomatic relations. Mutual trust between the citizens of the two countries has helped to deepen this relationship, and it will continue to be developed in order to benefit both nations and to maintain peace, stability, and collaboration for regional and global growth.²

In addition, the president of Laos, Thongloun Sisoulith, has extended his warmest congratulations and best wishes to the people of the Kingdom of Cambodia on the occasion of the country's 69th anniversary of independence. Along with expressing his satisfaction with the sustained growth and development of the friendly ties, solidarity, collaboration, and strategic alliance between the two

¹ History. October 27, 2009. "Battle of Dien Bien Phu". Available at: https://www.history.com/topics/european-history/battle-of-dien-bien-phu

² Sar, S. June 16, 2021. "Cambodia and Laos mark 65 years of good friendship". Khmer Times. Available at https://www.khmertimeskh.com/50874941/cambodia-and-laos-mark-65-years-of-good-friendship/

nations and peoples, he also committed to working with Cambodia to strengthen these ties in order to support future progress.³ Moreover, on May 4, the leaders of Laos and Cambodia declared their shared commitment to improving the "already excellent" ties. They wanted to continue their cooperation in investment, tourism, and security and implement current agreements.⁴

This paper aims to provide a comprehensive understanding of the historical, cultural, and diplomatic ties between Laos and Cambodia. It delves into the bilateral relations between the two countries, shedding light on the development of both developing nations in all aspects and their current relations. The analysis also offers insights into how Laos and Cambodia practice their long-lasting relations, overcome challenges, and plan to attract foreign investors together. Moreover, it serves as a valuable resource for international relations students, offering a detailed analysis of Laos and Cambodia's bilateral cooperation strategies across various sectors, including politics, security, economics, tourism, and sociocultural relations.

Political and Security Cooperation

Laos and Cambodia have experienced shared monarchies, colonial control, and struggles for independence throughout history. The two countries began formal diplomatic relations in 1956,⁵ marking a fresh start of bilateral relations after gaining complete independence from France in 1953 for Cambodia and 1954 for Laos.⁶ Despite both sides' uncertain bilateral relations during the Cold War era, Laos and Cambodia started to normalize their relations in the 1990s to reconcile and strengthen diplomatic cooperation and achieve regional stability.⁷ This normalization process

³ Ministry of foriegn affairs of Laos PDR. November 09, 2022. "Congratulatory Messages On the occasion of the 69th Anniversary of the Independence Day of the Kingdom of Cambodia". Available at http://www.mofa.gov.la/index.php/activities/messages/5046-congratulatory-messages-on-the-occasion-of-the-69th-anniversary-of-the-independence-day-of-the-kingdom-of-cambodia

⁴ Ry, S. May 04, 2023. "Cambodia, Laos ready for 'next level' ties". The Phnom Penh Post. Available at: https://m.phnompenhpost.com/national-politics/cambodia-laos-ready-next-level-ties

⁵ Torn, C. February 11, 2023. "Cambodia and Lao to Set Plans for a Long-Term Partnership". Cambodianess. Available at https://cambodianess.com/article/cambodia-and-lao-to-set-plans-for-a-long-term-partnership

⁶ Office of the Historian. n.d. "Dien Bien Phu and the Fall of French Indochina, 1954". Available at https://history.state.gov/milestones/1953-1960/dien-bien-phu

⁷ Sythong, K. 2023. "Cambodia and Laos Relations since normalization: Opportunities, Challenges and Perspective". Available at https://ebooks.elibrary-rule.com/public/images/sarana file/IR23%20(2).pdf

has led to the signing of memoranda of understanding, a high-level official visit, and an exchange in other sectors, including trade and people-to-people relations, which have improved bilateral relations between the two countries.

Regardless of the up-and-down relations throughout the past decades, Laos and Cambodia agreed to elevate their bilateral ties to a Comprehensive and Long-Lasting Strategic Partnership in 2019, where all fields of cooperation can be revitalized, including political-security, economics, and socio-cultural fields, among others. 8 This level of friendship is a foundation for further collaboration to achieve national development and harmonization between the people, widening the trust and confidence of the two sides. In this sense, both sides reaffirm their commitment to respect for non-interference principles in each other's internal affairs, non-use of force, peaceful settlement of disputes, and not allowing any foreign political group or armed forces to use their respective territory against the other side. Moreover, recognizing that issues of mutual concern need to be jointly addressed, the two governments also commit to retaining regular high-level meetings to promote coordination to solve issues or incidents in a timely and effective manner. Reiterating their commitment to strengthening the partnership, the prime ministers from both sides inked a five-year action plan for 2023, which lays the foundation for cooperation in all sectors.⁹ The signing of the Comprehensive and Long-Lasting Strategic Partnership between the two countries marks a significant milestone in bilateral cooperation, signaling the progress and commitment the Laotian government and the Cambodian side have set forward to enclose the two countries' relationship.

In terms of security cooperation, both governments agreed to improve communication and collaboration in fighting transnational crimes, human trafficking, and drug smuggling. Collaboration between the Cambodian Ministry of Interior and the Lao Ministry of Public Security

⁸ Ministry of Foreign Affairs of Lao PDR. September 12, 2019. "Joint Communique Between the Government of the Lao People's Democratic Republic and the Government of the Kingdom of Cambodia". Available at <a href="http://www.mofa.gov.la/index.php/statements/3397-joint-communique-between-the-government-of-the-lao-people%E2%80%99s-democratic-republic-and-the-government-of-the-kingdom-of-cambodia

⁹ KPL. February 14, 2023. "Laos, Cambodia further strengthen bilateral cooperation". Available at https://kpl.gov.la/detail.aspx?id=71454

can be seen as a mechanism to solve issues of common interest, which facilitates the safe movement of people along the border and ensures that goods and services are passed within the security measures. ¹⁰ In this instance, the two ministries have reiterated their commitment to fostering cooperation through various mechanisms, including official exchange visits, academy cadet exchange, and information exchange between border authorities. They aim to consolidate good cooperation against hostile activities that undermine security, public order, and social stability. ¹¹ The exchange of technical skills and experience, as well as police cadets, means that both countries prioritize maintaining internal security and combating cross-border crime.

Additionally, border security cooperation and demarcation are essential for both countries, given their shared border of over 500 km.¹² Regardless of the simmering border tension that led to the mobilization of troops along the Laos-Cambodia border in 2016,¹³ both sides have been engaged in diplomatic efforts and mechanisms to de-escalate the tension, including creating the Joint Border Commission, an annual meeting between the Lao Ministry of Public Security and the Cambodia Ministry of Interior, and the joint patrol effort along the border. These efforts aim to resolve differences in border disputes and find common ground to ultimately achieve a mutually accepted borderline between the two countries. To date, the two governments have ratified a total of 86 percent of the demarcated Laos-Cambodia border with 120 checkpoints installed.¹⁴ The remaining 14% of the un-demarcated border segment is expected to be finalized soon, as the

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¹⁰ Khmer Times. March 16, 2024. "Cambodia, Laos to deepen collaboration in combating cross-border crime". Available at https://www.khmertimeskh.com/501456832/cambodia-laos-to-deepen-collaboration-in-combating-cross-border-crime/

¹¹ Ministry of Foreign Affairs and International Cooperation. March 26, 2024. "Cambodia and Laos pledge to deepen the Comprehensive and Long-Lasting Strategic Partnership". Available at https://www.mfaic.gov.kh/files/uploads/GHEIQA4BTVFS/SEALED With Letterhead 250226 ENG Press Outcomes of STPM's OV_to.pdf

¹² The Phnom Penh Post. October 04, 2023. "Cambodia, Laos to strengthen military ties, border security". Phnome Penh Post. Available at https://www.phnompenhpost.com/national-politics/cambodia-laos-strengthen-military-ties-border-security

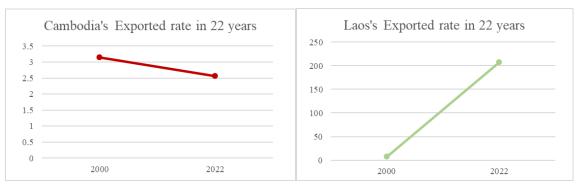
¹³ Parameswaran, P. September 21, 2018. "A New Cambodia-Laos Border Deal". The Diplomat. Available at https://thediplomat.com/2018/09/a-new-cambodia-laos-border-deal/

¹⁴ Torn, C. March 25, 2024. "Cambodian and Laotian PMs to Finalize Border Demarcation". Cambodianess. Available at https://cambodianess.com/article/cambodian-and-laotian-pms-to-finalize-border-demarcation

Cambodia-Laos Joint Commission for Bilateral Cooperation (JCBC) is committed to proceeding with the demarcation negotiation as soon as possible.¹⁵

Economic cooperation

From the economic aspect, trade relations are still minimal despite the increase since the 2000s. Cambodia exported \$2.56 million to Laos in 2022. Stone processing machines (\$212k), malt (\$109k), and pesticides (\$1.95M) were the top exports from Cambodia to Laos. From \$3.14 million in 2000 to \$2.56 million in 2022, Cambodia's exports to Laos have dropped at an annualized rate of 0.92% over the past 22 years. On the other hand, Laos transferred \$207 million to Cambodia in 2022. Laos's top exports to Cambodia were diamonds (\$2.93 million), other iron bars (\$10.5 million), and electricity (\$188 million). Laos's exports to Cambodia have grown at an annualized rate of 59.8% during the past 22 years, from \$6.92k in 2000 to \$207M in 2022. Both Cambodia and Laos did not export any services. ¹⁶



Source: Authors

Also, the energy commerce, collaboration, and relations between the two countries are expected to significantly improve with the opening of a new electrical transmission line from Laos up to Cambodia. The recently constructed 500-kilovolt (KV) transmission line connects the border region of Cambodia with a power substation located in a village in Laos' southern Champasak

¹⁵ Ben, S. July 11, 2022. "Cambodia, Laos agree to resolve border demarcation quickly". Khmer Times. Available at https://www.khmertimeskh.com/501109915/cambodia-laos-agree-to-resolve-border-demarcation-quickly/

¹⁶ OEC World. n.d. "Cambodia/Laos" Available at https://oec.world/en/profile/bilateral-country/khm/partner/lao

province. And currently importing about 445 MW from Laos, the power trade is predicted to reach 6,000 MW by 2030.¹⁷

However, their limited trade relations are an important challenge to promoting trade between the two nations. Despite the limited trade relations between Cambodia and Laos, Lim Heng, vice-president of the Cambodia Chamber of Commerce, believes the leaders' promise might generate new momentum and boost trust in the private sector. Also, the public and private sectors are concentrating on the frontier provinces to improve cross-border trade since the two ASEAN neighbors trade a significant amount of agricultural goods, and Cambodia is a significant buyer of Laos electricity. ¹⁸

Besides, following a recent series of important meetings between national officials and significant members of both countries, bilateral trade between Laos and Cambodia is expected to increase. During former Prime Minister Hun Sen's visit to Laos from 13-14 February 2023, the two countries organized the "Laos-Cambodia Business Meeting." During the meeting, the two sides discussed strategies to improve Lao-Cambodian business relationships, including trade and investment. In addition, they discussed promising economic futures and the two countries' investment opportunities. The two sides agreed to draft an MoU to facilitate trade between the two countries and to foster the interchange of ideas and policies. These initiatives focused on the border provinces of Preah Vihear, Stung Treng, and Ratanakkiri on the Cambodian side and Champasak and Attapeu in the Laos part. More than that, the two-way trade will increase because it will be supported by at least one planned railway link, the potential fulfillment of other recent agreements between the two governments, as well as advantages associated with the two countries' membership in ASEAN and the Regional Comprehensive Economic Partnership (RCEP). As a

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¹⁷ Prakash Jha. January 09, 2023. "New Laos-Cambodia line set to expand power trade, ties". Khmer Times. Available at https://www.khmertimeskh.com/501216024/new-laos-cambodia-line-set-to-expand-power-trade-ties/
¹⁸ May, K. March 26, 2024. "Rising Cambodia-Laos trade spurs economy". The Phnom Penh Post. Available at https://www.phnompenhpost.com/business/rising-cambodia-laos-trade-spurs-economy

result, Laos might transport products using any projected railway links to export elsewhere through a Cambodian seaport.¹⁹

Apart from that, to increase their cooperation in expanding their respective capital markets, the Securities and Exchange Regulator of Cambodia (SERC) and the Lao Securities Commission Office (LSCO) signed a Memorandum of Understanding (MoU) on August 10, 2023. The MoU is a significant step regarding the growth of the security markets in Laos and Cambodia. During the conference, the two parties came to an understanding of a cooperation plan for 2023, holding a seminar to share experiences in regulating and resolving issues in securities activities, enhancing cooperation and integration between the two countries, and promoting capital market investments. The LSCO group will also visit the Cambodian Stock Exchange, SBI Royal Securities Company, and a successful listed company called Golden Tree Co., Ltd. to observe and comprehend a successful example of a corporate bond offering at a stock market.²⁰

A cross-border QR Code payment system was also established at the 13th multilateral meeting between the National Bank of Cambodia and the Bank of Laos, which was held in Vientiane on August 18, 2023. During the conference, the two parties presented the Lao-Cambodia cross-border payment system (KHQR scan LAOQR), which enables users to use the local currencies, Lao kip and Khmer riel, to pay for goods and services in Laos and Cambodia via QR code. Travelers from both countries can make purchases by scanning the QR code, thanks to the KHQR scan LAOQR system. Moreover, a range of topics, including macroeconomics, monetary policy execution, economic development, foreign exchange management strategy, and personnel training, were discussed between the two countries. The discussion's main point of interest was the payment systems' digital link between Laos and Cambodia. 22

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¹⁹ Hin, P. February 15, 2023. "Trade spurt seen after PM's Laos state visit". The Phnom Penh Post. Available at: https://www.phnompenhpost.com/business/trade-spurt-seen-after-pms-laos-state-visit

²⁰ The Laotian Times. August 15, 2023. "Laos, Cambodia Regulators Collaborate to Boost Capital Market Growth". Available at https://laotiantimes.com/2023/08/15/laos-cambodia-regulators-collaborate-to-boost-capital-market-growth/

²¹ The Laotian Times. August 21, 2023. "Laos, Cambodia Launch Cross-Border QR Code Payment System". Available at https://laotiantimes.com/2023/08/21/laos-cambodia-launch-cross-border-qr-code-payment-system/
²² Ibid

Also, since the geopolitics of Laos are between Cambodia and China, on July 24, 2023, according

to the spokesman of the Ministry of Public Works and Transport of Cambodia, Chinese investors

would be permitted to transport agricultural products from Cambodia to Chinese markets through

Laos. The new commerce route will connect Phnom Penh with Laos via the provinces of Kampong

Cham, Thong Khmum, Kratie, and Stung Treng, and then go on to China via high-speed rail.

Hence, several agricultural items, such as milled rice, cashew nuts, pineapples, durian, and mangos,

are expected to increase exports to China.²³

Tourism cooperation

On the other hand, the Lao People's Democratic Republic and the Kingdom of Cambodia will

enhance their bilateral cooperation in the tourism sector. From March 12 to March 15, 2023, a

Cambodian delegation, under the direction of Minister of Tourism Thong Khon, visited Laos.

According to a statement from the Cambodian Ministry of Tourism, H.E Khon met with Mrs.

Suanesavanh Vignaket, the Lao Minister of Information, Culture, and Tourism, and made a

courtesy call on a Lao Deputy Prime Minister during the visit. The source mentioned that there

will also be a meeting between the two countries' private tourism sectors. And Cambodia hoped

that the visit would increase bilateral tourist flows between Laos and Cambodia, as well as those

of Chinese visitors and tourists from other countries.²⁴

Besides that, the governments of Laos and Cambodia have decided to research a plan to let visitors

from Cambodia visit Laos' tourism sites by high-speed train from Vientiane. With the help of

motorways, train connections, and self-driving tours, the strategy also hopes to increase the

number of Chinese and foreign visitors. Moreover, Cambodia is also considering cross-border self-

driving tour operators. As of 2022, Lao tourists ranked among the top ten arriving in Cambodia.

²³ Van, S. July 28, 2023. "Laos route to China for the Kingdom's goods explored". The Phnom Penh Post. Available

at https://www.phnompenhpost.com/business/laos-route-china-kingdoms-goods-explored

²⁴ Khmer Times. March 14, 2023. "Cambodia and Laos pledge to boost bilateral cooperation on tourism" Available at: https://www.khmertimeskh.com/501254707/cambodia-and-laos-pledge-to-boost-bilatera l-cooperation-o n-

tourism/

While only 219 Lao visitors arrived in Cambodia in 2021, 74,327 Lao tourists visited the nation between January and November 2022.²⁵

Due to the COVID-19 outbreak and economic decline, direct flights between Cambodia and Laos were suspended for several years. However, these flights are now being resumed. The airline used to fly direct from Vientiane to Phnom Penh between the 1980s and the mid-2000s. Despite the modifications, it continued to use ATR 72 aircraft to run direct flights between Luang Prabang and Pakse in Laos and the province of Siem Reap in Cambodia. Thus, Lao Airlines is now operating three weekly direct flights between Vientiane and Phnom Penh on Tuesdays, Thursdays, and Saturdays. The aircraft arrived at Phnom Penh International Airport on March 19 and was ceremoniously welcomed by Hul Seila, the undersecretary of state for the Ministry of Tourism. The reconnection is also expected to improve relations between the two countries and boost tourism to both destinations. Then, after Vientiane and Phnom Penh resumed direct flights, Laos became Cambodia's fourth most popular foreign tourist destination in 2023. Over 370,000 tourists came from Laos, which is a 302% rise. The secondary results are found to the control of the control of

Socio-Cultural Relations

Laos and Cambodia have a long cultural, traditional, and religious history. For decades, the new generation of leaders and people has cherished and nurtured the long-lasting traditional friendship between both countries based on the spirit of mutual trust, goodwill, and fraternal solidarity. The two countries have supported each other back and forth during times of need, showing good neighborliness. During the COVID-19 crisis, Cambodia donated \$13 million and 500,000 jabs to the Lao government in its fight against COVID-19 in 2021²⁹ and an additional ten vaccination

²⁵ Teng, Y. March 14, 2023. "A High-Speed Travel to Boost Cambodia-Lao Tourism". Cambodianess. Available at https://cambodianess.com/article/a-high-speed-travel-to-boost-cambodia-lao-tourism

²⁶ May, K. March 14, 2024. "Lao Airlines resume direct flights. The Phnom Penh Post". Available at https://www.phnompenhpost.com/business/lao-airlines-resume-direct-flights#:~:text=The%20state%2Downed%20carrier%20will,1980s%20until%20the%20mid%2D2000s.

²⁷ Chea, V. March 20, 2024. "Lao Airlines resumes Phnom Penh flight". Khmer Times. Available at https://www.khmertimeskh.com/501458786/lao-airlines-resumes-phnom-penh-flight/
²⁸ Ibid

²⁹ Kunthear, M. November 30, 2021. "Kingdom gives \$13M, 500,000 jabs to Laos". Phnom Penh Post. Available at https://www.phnompenhpost.com/national/kingdom-gives-13m-500000-jabs-laos

vehicles in 2022. ³⁰ Moreover, as a goodwill gesture, the Cambodian government donated \$1 million to Laos as the ASEAN Chair to help it organize the ASEAN Summit in 2024. ³¹ From its side, the Laos head of state, Thongloun Sisoulith, voices his support for Cambodia's Funan Techo Canal project. This 180 km waterway links the Mekong River System to the Bassac River System and onto the Kingdom's coastline in Kep province and will be an essential asset for Cambodian economic growth. ³² The reciprocal action between both sides is a sign that shows the spirit of friendship and solidarity, which strengthens bilateral ties.

Education is another area that the Cambodian and Laos governments have been working to promote for decades. especially higher education. To demonstrate their support for education collaboration, both countries' heads of government have encouraged the exchange of researchers and intellectuals and research exchange between the Royal Academy of Cambodia and the Lao Academy of Social Science, advocating for the preparation of the Lao-Khmer and Khmer-Lao dictionary. In addition, by increasing the number of scholarships for students in both the bachelor's and master's degree levels, both governments hope to deepen people-to-people relations that lead to close ties and good cooperation. Each year, the Laos side awards 15 scholarships to Cambodian students, and Cambodia also awards 15 scholarships to Laos students. Those scholarships are related to various majors such as tourism, interior decoration, engineering, architecture, economics, meteorology, computer science, and Lao literature. According to the report released by the Cambodian Ministry of Education, Youth, and Sport, from 2000 to 2023,

³⁰ Kunthear, M. March 09, 2022. "Kingdom donates extra vaccination trucks to help neighboring Laos". Phnom Penh Post. Available at https://www.phnompenhpost.com/national/kingdom-donates-extra-vaccination-trucks-help-neighbouring-laos

³¹ Khmer Times. March 26, 2024. "Goodwill gesture: Cambodia to donate \$1 million to help Laos organize ASEAN Summit". Khmer Times. Available at https://www.khmertimeskh.com/501462361/goodwill-gesture-cambodia-to-donate-1-million-to-help-laos-organise-asean-summits/

³² Chheng, N. April 23, 2024. "Laos president shares support for Funan Techo Canal". Phnom Penh Post. Available at https://www.phnompenhpost.com/national/laos-president-shares-support-for-funan-techo-canal

³³ Ministry of Foreign Affairs and International Cooperation. N.d. "Outcomes of the Official Visit of Samdech Akka Moha Sena Padei Techo HUN Sen, Prime Minister of the Kingdom of Cambodia to the Lao People's Democratic Republic". Available at

 $[\]underline{https://mfaic.gov.kh/files/uploads/JFF4X300K22O/PR\%20Outcomes\%20Eng-\%20STPM's\%20official\%20visit\%20in\%20Laos\%20FINAL.pdf$

³⁴ Kongkea, R. B. November 17, 2023. "Cambodia, Laos vow to further promote education". Khmer Times. Available at https://www.khmertimeskh.com/501393599/cambodia-laos-vow-to-further-promote-education/

Cambodia has provided 192 scholarships to Laos students, whereas 244 Cambodian students have received scholarships from the Laos government since 1985.³⁵ The exchange of students between both states is a form of collaboration that strengthens bilateral cooperation and a way to avoid misunderstandings since both nations' students understand each other's culture and way of life by studying in the country of one another. This exchange will also pave the way for further cooperation in different fields, including tourism, trade, and technology.

Conclusion

Likewise, the relationship between Laos and Cambodia is like that of friends who have been through hardships and are trying to develop together. So, further cooperation in many sectors is necessary, as it could provide various benefits and ensure the development of both countries. Moreover, Laos and Cambodia joined the Belt and Road Initiatives project established by China, which is a valuable opportunity to expand the development of the countries in all sectors, especially economics, tourism, and cross-border transportation. Therefore, Laos and Cambodia should enhance and deepen their relationship with cross-border transportation corporations through railway links to increase their national net income and provide direct benefits to the locals who live around those areas. To do so, building road infrastructure that connects Steung Treng to Champasak and the Joint Trade Commission is significant for both nations, as it can increase their trade volume and draw in foreign investments. To improve border security and boost trade and interpersonal exchanges, both sides should rush to finish the 14% un-demarcated border. Lastly, in terms of education, Laos and Cambodia should expand the number of scholarships and create more student exchange programs to enhance knowledge, study experience, and cultural understanding for their young generations.

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³⁵ Nary, L. November 16, 2023. "Cambodia, Laos vow to promote education cooperation". AKP. Available at https://www.information.gov.kh/articles/118173

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