TRANSIT TRANSPORT AGREEMENT
BETWEEN
THE ROYAL THAI GOVERNMENT
AND
THE GOVERNMENT OF THE LAO PEOPLE'S DEMOCRATIC REPUBLIC

The Royal Thai Government and the Government of the Lao People's Democratic Republic (hereinafter referred to as "Contracting Parties") present their intentions upon developing and fostering harmonious relationship between neighbouring countries with a view to furthering the aim of the Thai-Lao Declaration which was signed at Vientiane and Bangkok on 3 August 1976 and 25 March 1978 respectively.

Aiming at facilitating transit transport formalities based on the spirit of mutual respect for the independence, sovereignty, integrity, and equality of the two States,

have agreed as follows:

Article 1

Goods transported across either border shall be accorded the right of facilitation as is the essence of harmonious relationship between sister countries. This shall also be in conformity with the provisions contained in the Convention and Statute on Freedom of Trade, Barcelona, 20 April 1921.

Article 2

The Thai party agrees to permit the expeditious cross-border transport and movement of goods, and shall also ensure that the quantity and standard of the goods thus transported are in accordance with the Consignment Note. On the other hand, the Lao party agrees to expedite the movement of transit goods across to her side as much as possible.
Article 3

In order to ameliorate the basic living conditions of the Lao people, the Thai side hereby agrees to accord specific attention to the transit transport of certain products, namely:

- food supplies
- construction material and equipment
- fuel
- medicines

Article 4

In order to assist in minimizing expenses for the Lao party vis-à-vis the transit transport of her imports, the Thai party hereby agrees to permit cross border movement of imported goods directly from the ship to the warehouse subject to the availability of Consignment Note, and with the proviso that there is a clear indication on each case/box/carton.

Article 5

In order to expedite and facilitate cross-border transport of goods so that they may reach their final destination at a fair price, proprietor of the goods concerned shall only select those freight forwarders and transporter(s) who are authorized and certified by the Government of the other Contracting Party. Once this condition is met, then officials of that Contracting Party shall do their utmost to facilitate the work of the parties thus mentioned.

Article 6

Officials of the Thai side shall forward a copy of the Bill of Lading in respect of the transit transport of Lao's imported goods, to the Embassy of the Lao People's Democratic Republic in Bangkok within 3 days after the ship has called at the port. In addition...
addition, the Thai side shall allow officials of the Lao side to inspect and monitor the
movement of their goods during official hours.

In the case of transit goods remaining in Thailand for a duration exceeding 150
days, that is, from their initial arrival in the country, the Thai side shall notify the Lao side, after which consultations shall be held with a view to resolving the problem with 30
days.

Article 7

The Contracting Parties hereby agree that the inspection of any suspicious
caskets/cartons etc. shall be subject to the prior consent of the other party, and shall
carried out in the presence of the officials of both parties.

The Contracting Parties hereby agree to exempt transit goods from taxation and
stamp duty.

Article 8

Any change and addition to this Agreement shall be subject to the consent of
both parties, and shall be implemented in writing.

Article 9

This Agreement shall come into effect upon signing and shall stay in force for
a period of one year, and shall thereafter be automatically renewed on an annual basis. The
agreement may be terminated by either Contracting Party by giving notice to the other party.
The period of notice shall be three months before the expiry date of the agreement.

Done at Vientiane on the 1st day of June 1978 in duplicate in both the Thai and
Lao language.

On behalf of the Thai Government
(Mr. Upadit Paohariyangkun)
Minister of Foreign Affairs

On behalf of the Government
of the Lao PDR
(Poon Sipashek)
(Minister of Foreign Affairs)