



Participants attend a workshop on the development of the project in Vientiane last Friday.

Villagers want quick assistance from hydropower developer

MANICHANH PANSIVONGSAY

Villagers affected by the Nam Ngum 5 hydropower project in northern Laos say they fully support the development of the dam, but they would like the developer to compensate them before water floods their farmland.

Forty-nine families will be directly affected by this project, but there is no resettlement arrangement. Fifty hectares of paddy fields will be inundated with water when the reservoir is created, according to an environmental and social impact assessment undertaken by the project's developer, Nam Ngum 5 Power Company Limited.

Representatives from the affected areas of Chim village in Khoun district, Luang Prabang province attended a workshop on the project in Vientiane last Friday. They said they were very happy to have the project built in the region, but urged the investor and the government to help develop their community and provide training for alternative

jobs to villagers to ensure living conditions in the region improve.

Mr Sommai, who represented the Head of Chim village, said he wanted the company to provide assistance to affected villagers quickly.

The project developer confirmed it would provide assistance to villagers who were affected.

It said that it would work with Electricite du Laos, who is a share holder of the project, to ensure residents in the affected areas were taken care of.

The Nam Ngum 5 hydropower station will be built in a mountainous area of Luang Prabang and Xieng Khuang provinces, about 300km from Vientiane.

The project is being developed by the Nam Ngum 5 Power Company Limited, which is a joint venture between Sinohydro Corporation of China and Electricite du Laos (EDL) with a concession agreement of 25 years. At the end of the concession period, ownership

of the plant will be transferred to the Lao government.

The power plant will have an installed capacity of 120 megawatts and an annual power generation of 507 gigawatt-hours. The electricity generated will be sold to EDL for domestic consumption.

Work on the Nam Ngum 5 hydropower project in northern Laos officially began after a ceremony marking the start of construction on April 28, 2008.

Construction of the plant is estimated to take about two years, at a total cost of US\$200 million. Commercial electricity generation is expected to begin in 2011.

Sinohydro Corporation holds an 85 percent share in the venture, while EDL has a 15 percent share.

The government expects the venture to bring economic benefits to many people around the country.

A memorandum of understanding was signed between the Lao government and Sinohydro Corporation in 2004.

Power provider reviews results

PHONSAVANH VONGSAY

Electricite du Laos (EDL) will today report on its company's bi-annual review meeting, which concluded yesterday in Vientiane.

The meeting was being held to review company accomplishments over the first six months of the year and establish plans for the remainder of the year, according to an EDL official.

Participants will today discuss company regulations, policies, funding, electricity development and investment projects such as transmission line installations and power plants construction projects.

Some projects are still operating and others have been

successfully completed.

Company officials from branches nationwide will report on current challenges and successes.

The export and import of electricity will be discussed at the gathering.

The meeting will also comment on the volume of electricity production, describe electricity development projects in each part of the country and report on the collection of previous company income, debts and expenditure.

EDL, a state-owned enterprise, has the objective of promoting economic development in Laos by providing electricity and related services to consumers

by the most economical means, but subject to certain requirements.

As an autonomous state-owned enterprise it is required to be profitable, self-financing and meet loan agreements and performance targets set by the state.

EDL's business activities are seeking electrical energy sources, generating, transmitting, selling and purchasing electricity both inside and outside the country.

It invests and participates in joint venture investments for the generation, transmission and sale of electricity, and also produces equipment relating to the electrical industry.

Public transport service charge unchanged

EKAPHONE PHOUTHONESY

The nationwide public transport service charge will remain unchanged despite decreasing fuel prices, according to a public transport official.

The government last week lowered the retail price of fuel in the country by more than 200 kip per litre, causing wide public debate about the impact lower fuel prices should have on the cost of other goods in the local market.

The Transport Department's Public Transport Management Division Head, Touy Phommasing, yesterday confirmed the drop in fuel prices in Laos would have no impact on the public transport service charge, saying local fuel prices had not dropped enough to warrant a price reduction.

"We will adjust the service charge once local fuel prices move out of the 10,000 kip to 13,000 kip per litre range," he said. "We will lower the public transport service charge if local fuel prices go below 10,000 kip per litre."

He explained the government had specific rules regarding raising or lowering the public transport service charge

and confirmed that a rate adjustment would not take place immediately after decreases or increases in fuel prices due fears it would create chaos in the public service sector.

He also said when local fuel prices went up, the government did not allow public transport entrepreneurs to increase their charges immediately even if this meant they would lose profits, so it was only reasonable to allow them to gain profits when fuel prices dropped.

Another Ministry of Public Works and Transport official said fuel prices in global markets were unsteady and had been fluctuating over past weeks.

"If we changed the public transport service charge immediately in accordance with fuel prices, we would have a lot of work to do and the government would be busy constantly approving the changes," said the official, who asked not to be named.

A senior economist Dr Liber Libuapao said the drop in fuel prices was very small and he believed it would not have a big impact on the prices of other goods. He also said it was difficult to predict inflation rates.

"In theory, when fuel prices go down, it will make transport costs cheaper and prices of other

goods will go down," he said. "But in practice, it depends on how quickly the government reacts to the market."

He also said the government was unable to adjust the prices of other goods due to unstable fuel prices in the global market. He said people should use fuel economically and effectively and if demand for fuel decreased, it would be cheaper.

Domestic Trade Department Director General, Santisouk Vilaychareun, said lower fuel prices in the local market had already driven down the price of agricultural goods in local markets, especially vegetables.

"We have been keeping a close watch over the price of goods in markets to make sure people get the benefits of lower fuel prices," he said.

Prices of imported goods remained high and were difficult to control, he continued. He urged Lao people to try to consume domestic products, which would help national economic growth and reduce inflation in the country.

Trade officials said the drop in fuel prices in the local market should not be a signal for people to consume more fuels. They said people should try to use less fuels, adding that saving fuel was good for everybody.

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Exchange rates as of August 4					
Banque pour le Commerce Exterieur Lao					
Foreign Currencies	Code	Unit \$: LAK			
		Buying Rates			Selling Rates
		Note	Bill	EFT	
US Dollar	USD 1-20	8,593	8,596	8,597	8,625
	USD 50-100	8,595			
Thai Baht	THB	256.12	256.12	256.14	257.40
Euro	EUR 1-20	13,371	13,373	13,374	13,438
	EUR 50-500	13,373			
Pound Sterling	GBP	16,975	16,975	16,977	17,314
Australian Dollar	AUD	7,954	7,954	7,956	8,113
Canadian Dollar	CAD	8,319	8,319	8,321	8,485
Japanese Yen	JPY	80	80	80	81
Swiss Franc	CHF	8,170	8,170	8,172	8,333