

Business

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Rubber tapping launched in Savannakhet

Times Reporters

The Quasa Geruco Joint Venture Company from Vietnam, who has been supervising the project since 2007, has begun tapping its rubber trees in Savannakhet province.

A rubber tapping ceremony was organised yesterday at the company's plantation in Veunhongkham village, Phin district in Savannakhet province.

The Deputy Prime Minister, Mr Somsavat Lengsavat, the Minister of Agriculture and Forestry, Mr Vilayvanh Phomkhe, the Minister of Natural Resource and Environment, Mr Nourin Sinbandith, Savannakhet provincial Governor Dr Souphanh Keomixay, Vietnamese government officials, provincial authorities and company representatives attended the ceremony.

The company comes under the Vietnam Rubber Group and the Ministry of Planning and Investment approved the company's investment in a rubber plantation in May, 2007.

According to the company, they have invested 677.8 billion dong (approximately US\$33 million) in planting rubber trees on 6,672 hectares of land in Savannakhet province.

The company hopes this year

would see around 700 hectares of tapped rubber trees.

Plans to establish a rubber processing plant in the area are underway with the company hoping it will have the capacity to process around 5,000 tonnes of rubber per year.

The construction of a rubber plantation is creating job opportunities for local residents who are going to receive around 4 million dong or 1.5 million kip for their labour.

Some other works these labourers have done include building infrastructure facilities such as roads, schools, electricity systems and a temple for community development.

The company has also contributed several million kip to social welfare, particularly in electronic equipment along with skills development on rubber tapping for Lao youth.

If this project continues expanding at this rate it will create job opportunities for over 3,000 locals.

This is only one of the company's projects as they have already constructed other rubber plantations on 28,000 hectares of land in Laos.

The project has helped to contribute to the socio-economic development of Laos through poverty reduction. It has also solidified



Somsavat Lengsavat (centre) taps a rubber tree, accompanied by investors.

cooperation between Laos and Vietnam.

The company has paid a tax obligation of almost 10 billion kip

to the government in the duration of this project.

Despite this, the company is required to closely cooperate with

the Lao and Vietnamese governments along with Savannakhet provincial authorities, local officials and residents.

Energy generation expected to grow

Times Reporters

Domestic energy generation was unofficially about 7,196.62 million kWh while about 543.54 million kWh was imported in the first six months of this fiscal year (2013-14).

"The 7,196.62 million kWh is at a cost of 1,032 billion kip (US\$129 million)," according to a national social and economic development report from the Ministry of Planning and Investment (MPI) two weeks ago.

"The import of 543.54 million kWh was at a cost of about 237.92 billion kip (US\$29.74 million)," the report also noted.

The report stated that the supply included the export of about 5,590.06 million kWh at a cost of about 2,129.2 billion kip (US\$266.15 million), while the rest (about 1,619.01 million kWh) was to be for local supply; with 949,713 families accessing the power grid.

The Ministry of Energy and Mines reported recently that local energy generation was expected to

rise in the first six months, although the amount of power required by local and export markets was still larger.

Laos generates energy for both domestic and export markets, but must still import power for domestic consumption because some areas that are outside the national grid do not get sufficient electricity. However those areas are close to neighbouring countries, from which power can easily be imported.

The ministry's report noted that energy generation in the first quarter (first three months) was 3,495 million kWh, representing a 50.5 percent increase compared to the same period last fiscal year.

Electricity generation increased sharply because some power plants' first quarter generation saw much greater output than the previous year.

The MPI reported that in the first six months, foreign and local investment in 713 projects was about US\$3,060 million or about 24,458 billion kip.

The most high value investment

was in the service sector in 686 projects and was at a cost of about US\$2.60 billion followed by the energy sector with US\$383 million and the mining sector with US\$60 million on nine projects.

The outstanding projects that were approved by the government recently were the three hydropower projects of Nam Phay at a cost of about 1,744 billion kip (US\$218 million), Nam Xan 3A was 776 billion kip (US\$97 million) and Nam Xan 3B was 544 billion kip (US\$68 million).

So far Laos has 24 operational power plants (starting from 1MW) with a total installed capacity of 3,245MW. Combined, these are generating more than 16,100GWh annually for local and export markets.

The 24 plants include 14 under the management of independent power producers that have an installed capacity of about 2,854MW and 10 plants under the management of Electricite du Laos which have an installed capacity of more than 390MW.



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Exchange rates as of May 7, 2014
Banque pour le Commerce Extérieur Lao

Foreign Currencies	Buying	Selling
US Dollar 50-100	8,020	8,055
Thai Baht	248.28	249.53
Euro 50-500	11,163	11,219