

Business

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Govt expects US\$153 million from state enterprises

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The Lao government hopes state enterprises will bring in more revenue to the treasury, making more funding available for programmes next fiscal year.

According to a report from the Ministry of Finance, the government expects to collect 1.23 trillion kip (US\$153 million) from state enterprises in the country during the 2014-15 fiscal year, a 2.24 percent increase compared with this fiscal year's target.

Laos' 100-percent-state-owned enterprises together have a total asset value of about 19.43 trillion kip (US\$2.4 billion), with the largest being Lao Airlines, Lao State Fuel Company, ETL telecommunications and Electricite du Laos.

As part of measures to generate funds from these state owned enterprises, the government plans sell shares

in the businesses and list them on the stock market. The management teams of the various enterprises are targeting improvements before they issue initial public offerings.

The government also holds shares in more than 48 state-private joint ventures in the country. Two of the largest are Lao Telecommunications, with the government holding a 51 percent share of the company, and BCEL Bank, of which the government owns 70 percent.

The report shows that the government expects to collect 937 billion kip (US\$117 million) in dividends from the state-owned enterprises and joint venture companies.

State enterprises and joint ventures are not only a major source of government income but they also play a significant role in boosting GDP growth.

In 2011, the state enterprises contributed 8.2 percent of the GDP value, becoming the second largest contributor to

GDP.

State-private joint ventures contributed 7.3 percent of GDP in 2011, while private firms are the largest contributor to GDP value, accounting for about 16 percent of the total.

The report also highlights another expected major source of government income next fiscal year with state asset management including the sale of timber to provide 1.89 trillion kip (US\$235 million) to the national treasury.

The government has increased efforts to collect revenue this year so as it can secure funding for more of its expenditure programme. The government has been facing revenue shortages and is delaying payment of salaries to civil servants and debts to some public infrastructure projects.

In the 2014-15 fiscal year, the Lao government plans to collect 23.79 trillion kip and spend some 31.2 trillion kip.



Planning and Investment Deputy Minister Dr Bounthavy Sisouphanthong (right) shakes hands with Mr Nikolaos Konialidis, Financial Advisor of Velcan Energy Group, after signing the agreement.

Two hydro plants in pipeline for Attapeu, Xaysomboun

Times Reporters

Local and foreign energy developers signed a project development agreement (PDA) with the Lao government on Friday for two hydropower projects on the Nam Phouan and Nam Ang rivers in Xaysomboun and Attapeu provinces.

The developers, Electrical Construction and Installation State Enterprise of Laos and Hydro Lao Investment (HLI) 1 and 2 of Velcan Energy Group from France, signed with the Planning and Investment Ministry on behalf of the Lao government.

The PDA provides an exclusive framework for the negotiation of a tariff Power Purchase Agreement with Electricite du Laos (EDL), the Lao national utility, according to a press release.

The PDA validated four years of work by Velcan's team in Laos and international consultants.

The resulting advanced feasibility studies and detailed environmental and social assessments comply with the highest standards practiced in the industry, the press release noted.

The PDA further confirms the attractive features of the projects, typical of Laos' great

potential for hydroelectricity.

Nam Phouan hydropower project is located in Hom district, Xaysomboun province and it will have an installed capacity of 52 megawatts (MW).

The project was jointly developed by Velcan Energy and ECI under the guidance of a Memorandum of Understanding (MOU) signed with the Lao government in September 2010.

Nam Ang hydropower project is located in Sanxay district, Attapeu province, with a proposed installed capacity of 41MW and was jointly developed by Velcan Energy and ECI via a MOU signed with the Lao government in March 2011.

The Nam Phouan and Nam Ang hydropower projects are run-of-the-river projects that, once built, will provide sustainable and clean energy with very limited environmental impact.

Importantly, these projects will require no population resettlement, the handout noted.

The cost of the projects' investment is about 1.2 trillion kip (US\$150 million).

These projects will contribute towards the electrification objectives set out by the Lao government, especially in remote areas of

the country.

The generated electricity will be fed into the Lao national electricity grid, fostering economic growth and improving the wellbeing of the Lao people.

The projects also feature significant infrastructure works, such as a total of 65km of new and upgraded roads and 60km of transmission lines that will benefit local communities.

Velcan Energy is a green energy producer headquartered in Paris that has been present in Laos since 2010 through its representative office in Vientiane and its field operations. HLI 1 and 2 are subsidiaries of Velcan Energy entirely dedicated to investments in Laos.

So far Laos has 24 operational power plants, starting from one MW with a total installed capacity of 3,250.3MW. 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 a combined installed capacity of about 2,859.6MW and 10 plants under the management of EDL which have a combined installed capacity of more than 390MW.

Europe's move to rein in Google would stall in US

MOUNTAIN VIEW, California (AP)—Europe's moves to rein in Google including a court ruling this month ordering the search giant to give people a say in what pops up when someone searches their name may be seen in Brussels as striking a blow for the little guy.

But across the Atlantic, the idea that users should be able to edit Google search results in the name of privacy is being slammed as weird and difficult to enforce at best and a crackdown on free speech at worst.

"Americans will find their searches bawdier than prissy European sensibilities," said Stewart Baker, former assistant secretary for policy at the US Department of Homeland Security. "We'll be the big losers. The big winners will be French ministers who want the right to have their last mistress forgotten."

Mountain View, California-based Google says it's still figuring out how to comply with the European Court of Justice's May 13 ruling, which says the company must respond to complaints about private information that turns up in searches. Google must then decide whether the public's right to be able to find the information



Exhibitors of the Google company work on laptop computers in front of an illuminated sign of the Google logo at the industrial fair Hannover Messe in Hanover, Germany.

outweighs an individual's right to control it with preference given to the individual.

The judgment applies to all search engines operating within the European Union. But in practice that means Google, given that 90 percent of all online searches there use Google's search engine.

"The ruling has significant implications for how we handle takedown requests," Google spokesman Al Verney said. "This is logistically complicated, not least because of the many languages involved and the need for careful review. As soon as we have thought through exactly

how this will work, which may take several weeks, we will let our users know."

There will be serious technological challenges, said US privacy attorney David Keating in Atlanta.

"It seems aspirational, not a reality, to comply with such a standard," he said. "The reengineering necessary to implement the right to be forgotten is significant."

Google may partially automate the process, as it does with copyright-infringement complaints, but ultimately a human will have to decide when results should be sanitised.

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Exchange rates as of May 26, 2014
Banque pour le Commerce Extérieur Lao

Foreign Currencies	Buying	Selling
US Dollar 50-100	8,047	8,075
Thai Baht	248.85	250.10
Euro 50-500	10,935	11,990