



Comité de Coopération avec le Laos

Boîte postale 4791, Vientiane, Laos

Tél : (856-21) 25 40 39 - Télécopie : (856-21) 21 69 25

Email : cclvientiane@ccl-laos.org

Site : www.ccl-laos.org

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Railway could be built sooner than planned: Official

(By Times Reporters)

Much has been done to move construction of the Vientiane-China railway forward following the groundbreaking ceremony that took place last month, the Deputy Minister of Public Works and Transport has said.



MrLattanamanyKhounnivong(centre) gives an interview to Lao National Television.

MrLattanamanyKhounnivong told local media last week that construction could take just over four years, slightly less than the original estimation of five years. Speaking during an interview with Lao National Television (LNT) on Friday, attended by reporters from various media outlets, he said the developers were keen to plough ahead with the 38.7 billion yuan (US\$6.04 billion) project. The deputy minister said the groundbreaking was not merely a ceremonial event held to mark National Day on December 2, with no work having been done since, as many people have said. The groundbreaking signified the actual start of construction of the 427-km railway, with a number of activities having been undertaken since then. MrLattanamany said financing had been sought to enable the Lao and Chinese governments to establish a joint venture company to carry out the project. China will provide 70 percent of the investment cost, while Laos is responsible for the remainder. The two governments will each contribute 40 percent of their financial obligation to set up the joint venture company. The company

will source the remaining funds from financial backers. The Lao government has obtained a loan of about US\$480 million from China to pay its share of the investment cost. The funds needed to purchase trains and pay compensation to people who lose land and buildings so the railway can be built are included in the total investment cost. Initially, 18 trains will be purchased, including four passenger trains. The deputy minister said the route to be taken by the railway had been mapped out. The authorities were now gathering information about the property that would be affected so they could assess the amount of compensation that had to be paid. People affected by the project would be compensated appropriately, he added. Fifty metres of land along each side of the railway will be kept free and fenced off for safety reasons. The largest station, in Vientiane, will require 1.5 million square metres of land, while the smallest station on the route will require about 400,000 square metres. The project developers and the contractor will soon meet to discuss the construction plan so that work can go ahead as quickly as possible. MrLattanamany said the Chinese contractor had sent 40 technical staff to Laos to work on the project. Laos fully supports the building of a railway in a bid to free itself from the constraints of being landlocked, hoping to create a land link and become a transit hub within the region. The railway will lower transport costs and is expected to benefit the economy by attracting more foreign investment and providing much improved logistics services. "By using the railway, passengers can cut the cost of travel in half compared to travelling by road, while it will cost a quarter of the current price to transport goods over the same distance by train," MrLattanamany said. Set to run at 160km per hour, the passenger train will be able to travel from Vien-

tiane to the Chinese border in about three hours, much shorter than the more than 24 hours it takes to make the journey by road. Freight trains will run at 120km per hour. Passenger trains can travel at speeds of up to 200 kilometres per hour on flat terrain between Vangvieng and Vientiane. There will be 11 passenger stations. Two will be built in the Boten and Nateuy areas of Lua-

ngNamtha province. Three stations will be built in Oudomxay's Namor, Xay and Ngadistricts. Two stations will be built in LuangPrabang and Xieng-ngeun districts in LuangPrabang province. Three will be constructed in Kasy, Vangvieng and Phonhong districts in Vientiane province and the main station will be in Vientiane.

(Vientiane Times 04 January 2016)

Govt promises appropriate compensation in railway project

(By Times Reporters)

Compensation payouts to the owners of land and other property that will be lost when the Laos-China railway is built will be dispensed under a prime ministerial decree, a senior government official has said. Deputy Minister of Public Works and Transport, Mr Lattanamongkhounvong, said last week that a plus-three policy would be used to calculate the amount of compensation awarded. Explaining the policy, the deputy minister said Prime Ministerial Decree No. 135 issued on May 25, 2009, would be used as a basic reference plus an actual estimation of the value of the property plus negotiations with the people affected, to calculate the amount of the compensation and satisfy all the parties involved. The amount of compensation to be awarded for each category of property, such as a house, other building and land, is specified in the decree. This specified amount will be used as the basic reference, along with the other two considerations mentioned above. "That is why a mediation team has been set up [to deal with the issue]," Mr Lattanamongkhounvong said during an interview with Lao National Television on Friday, which was attended by reporters from various media outlets. The entire compensation package is part of the 38.7 billion yuan (US\$6.04 billion) investment cost. Deputy Prime Minister Somsavat Lengsavad, who is in charge of the project, told the National Assembly recently that compensation should be paid within an appropri-

ate timeframe, saying it should not be delayed until the project is complete. The 427-km railway will link Vientiane with the Chinese border and will pass through urban areas in several provinces. Mr Lattanamongkhounvong said it was inevitable that the track would affect houses, buildings and land owned by local people. Authorities in charge are collecting information on the actual land and properties that will be affected by the project. A total area of 3,058 hectares will be required for the railway and its associated facilities. Of this area, 50 metres of land along each side of the railway will be kept free and fenced off for safety reasons, while other parcels of land will be required to build stations. The largest station, in Vientiane, will require 1.5 million square metres of land, while the smallest station on the route will require about 400,000 square metres. According to the plan, there will be 11 stations for passenger use. Two will be built in the Boten and Nateuy areas of LuangNamtha province, while three will be built in Oudomxay's Namor, Xay and Ngadistricts. Two more stations will be built in LuangPrabang and Xieng-ngeun districts in LuangPrabang province. Three will be constructed in Kasy, Vangvieng and Phonhong districts in Vientiane province and the main station will be in Vientiane. A goods transport depot will also be built in Vientiane. Construction of the railway is expected to be complete within five years.

(Vientiane Times 05 January 2016)

New hospital slated for Xiengkhuang

(By KeoviengkhoBounviseth)

Construction has begun on the Xiengkhuang Friendship Hospital, with a groundbreaking ceremony taking place in Paek district, Xiengkhuang province on Saturday.



Deputy Prime Minister Somsavat Lengsavat (fifth left) strikes a gong at the Friendship Hospital groundbreaking ceremony in Xiengkhuang province.

The ceremony was attended by Deputy Prime Minister Somsavat Lengsavat, who is Chairman of the Laos-Vietnam Cooperation Commission, and Deputy Minister of Planning and Investment of Vietnam Nguyen Chi Dung. The new facility will be a modern hospital with 200 beds and modern medical equipment, at a cost of over 138 billion kip (US\$17 million). The building is set for completion in the middle of 2018 and is slated for an official opening in 2019. Speaking at the groundbreaking ceremony, Mr Nguyen Chi Dung said the Vietnamese government had provided grant assistance to the Lao government to fund the

construction of the hospital. He said this assistance demonstrated the concern of the Lao and Vietnamese governments for the health-care sector and the welfare of the Lao people. Mr Nguyen Chi Dung added that the hospital would be solidly built and provide more modern health facilities in Xiengkhuang province, especially for healthcare checks and the provision of disease treatment. Provincial Governor Prof. Dr Somkot Mangnomek said the hospital would be a boost to the health sector and further the socio-economic development of the province. He said the Lao and Vietnamese governments decided to build the new hospital because the 30-year-old existing one was crowded and the equipment it contained was inadequate and out of date. The new hospital will be able to treat more patients and will offer better facilities for local communities. When the hospital is built, the provincial authorities will transfer healthcare services from the existing hospital to the new facility. However, the existing hospital will continue to offer services as the authorities hope to decrease the patient load by providing treatment at both the new and old facilities. The authorities also plan to have Vietnamese health specialists teach Lao staff new medical skills as part of the project.

(Vientiane Times 05 January 2016)

Lao businesses struggling in AEC

(By Somsack Pongkhao)

It is essential to improve the level of professionalism in the business sector to enable local operators to survive the rising tide of competition, leading entrepreneurs have suggested. The establishment of the Asean Community on December 31, in particular the Asean Economic Community (AEC), introduces the free flow of goods, services, investment and skilled labour, and a freer

movement of capital across the region. As a result, many businesses in Asean nations have expanded their operations to Laos, but only a small number of Lao businesses have set up shop in other Asean countries. Many business operators say they are not yet in a position to expand into other countries. At this stage they aim to maintain their business presence in Laos and learn from others to develop their strength and expand in the fu-

ture. Vice President of the Lao National Chamber of Commerce and Industry, MsValyVetsaphong, told *Vientiane Times* on Monday “As we know, the AEC provides us with both opportunities and challenges and I think our SMEs will face more challenges than opportunities initially.” “But how can our businesses survive? We can survive by partnering with entrepreneurs from other Asean countries who are looking to set up joint ventures with local companies. But we have to improve our professionalism given that all businesspeople want to partner with those who operate businesses professionally.” MsValy stressed that the government and the business sector need to work closely to understand the problems of the business sector and discuss ways they can be resolved. “The business sector must be included in policy making processes so that it enables businesses to grow,” she said, adding that another significant thing is to encourage Lao people to do business honestly. She said those who run a business fairly by paying taxes and fulfilling their corporate social responsibilities should be rewarded. A senior economist from the National Economic Research Institute, DrLeeberLeebouapao, said the AEC will mean there will be no protec-

tion for local products. It's like playing a sport - those who are stronger will emerge as the winners. “We have to acknowledge that some of our businesses may not survive and others may struggle just to survive in this era of economic competition,” he said. “I think the most important point is product quality, while prices must be low to enable us to be competitive. I agree that the enthusiasm and capability of some of our entrepreneurs must be enhanced to catch up with others in the region.” Asean is a market of more than 600 million people which will attract more trade, investment and tourism to the region. The AEC also offers an opportunity for intra-Asean trade and allows member states to refocus their trade efforts with one another. The underdeveloped infrastructure in Asean offers many opportunities for foreign investment. China has decided to invest in a railway linking Vientiane to the Chinese border. This year Laos is the chair of Asean and will host the Asean Summit in September, which will further enhance the country's international reputation. Laos has been on track in implementing its AEC commitments, particularly in cutting tariffs, but the country will have to work harder to maintain its current high rate of economic growth.

(Vientiane Times 05 January 2016)

Lao coffee exports continue downward spiral

(By Times Reporters)



*Lao coffee growers are struggling with low prices after a slump in the world market price.
--Photo Phoansab*

The volume of coffee exports from Laos has decreased continually over the past couple of years due to a slump in coffee prices on the world market. Total coffee exports in 2014 reached 26,000 tonnes at an estimated value of US\$60 million, which fell slightly to 23,000 tonnes valued at US\$50 million in 2015, the Lao Coffee Association reported at its seventh congress in Champassak province last week. By comparison, coffee exports in 2013 reached 30,000 tonnes and were valued at US\$72 million, which was an increase on

the 2012 figure of about 10 tonnes. The price of Arabica coffee currently ranges from US\$2,756 to US\$4,198 a tonne while Robusta sells for between US\$1,930 to US\$2,168 a tonne, the association's Vice President, Mr Saengchan Khammountha, reported at the congress. However, the Ministry of Agriculture and Forestry expects the number of coffee growers to remain stable. The coffee price in Laos at present is very low compared to previous years. Most of the crop is exported to Chinese Taiwan, Italy, Japan, Spain, Poland, Germany, the US, France, Belgium, Sweden, Thailand and Vietnam. Domestic and foreign businesses operating in Laos, especially in the southern provinces, have to export their products despite being affected by low prices. To solve the problem, the association is trying to formulate a policy for promotion of the crop and developing coffee products of a higher quality. The association is also seeking new markets to help growers sell their products and guarantee them a price, as well as en-

couraging farmers' groups in the four southern provinces, Champassak, Saravan, Xekong and Attapeu, to continue to farm the crop. The association also plans to try to develop some areas as organic farms, said Mr Saengchan. The government should cancel or reduce the export tax as well as supply some funds to address the crisis, Lao coffee entrepreneurs say. To promote Lao coffee products on domestic and international markets, the association, in cooperation with various private and government organisations, held the first Lao Coffee Festival in Pakxe district, Champassak province, at the end of 2014. Coffee is one of Laos' top income earners among all exports of agricultural products; the highest price of coffee was in 2004, when US\$5,000 per tonne could be obtained for Arabica coffee while Robusta sold for US\$2,500 a tonne. Despite the fall in prices, total coffee production in Laos in 2015 increased to about 99,800 tonnes or almost double compared to the figure for 2011.

(Vientiane Times 05 January 2016)

Work powers ahead on Don Sahong dam

(By Times Reporter)

Khong district, Champassak province: A milestone has been reached in the development of the Don Sahong Hydropower Project with the start of construction of the cofferdam.



Dr Bounthong Divixay (third left) and Mr Viraphonh Viravong (centre) applaud the start of construction of the cofferdam.

This major component of the project is over 400 metres long and should be built in about one month. A ceremony to mark the occasion

took place here yesterday in Hua Sadam village. It was attended by provincial Governor Dr Bounthong Divixay, Deputy Minister of Energy and Mines Mr Viraphonh Viravong, project developers, local authorities and local residents. A Buddhist ceremony was also held to mark the construction of the cofferdam, with the participation of local monks, to ensure the project proceeds as planned. Speaking at the official opening, Mr Viraphonh said the hydropower project was essential for the development of the energy sector in Laos. The electricity generated by the dam will fuel development in the south of Laos. The project will not only contribute to national development and poverty eradication but will deliver direct and indirect benefits to local communities and the region, he added. Mr Viraphonh said the de-

veloper had carried out the project as planned and had been well supported not only by local people but also people overseas, scientists, and experts in the hydro-power field. But some groups in other countries had not received the correct information and were not well informed about the true situation surrounding the project so they were opposed to the dam, he noted. Mr Viraphonh called on the project developer as well as engineers and consultants to take full responsibility for closely monitoring all aspects of the project to ensure it was carried out in line with international standards, rights and the 1995 Mekong Agreement. He urged local authorities as well as people in the project area to play their part in contributing to the project so that on completion it would help to ease poverty and boost prosperity. Dr Bounthong said the project was essential for the social and economic development of the province. The area was remote and villagers had to travel by boat to get around but when the dam is

complete they will be able to use a road and bridge. He said the dam, which will have a capacity of 260MW, has the potential to drive development in the area, especially rural development. It is expected that when more electricity is generated through the dam, people will be able to abandon agriculture and switch to the production of goods. The project would also help people to access better education and healthcare, as well as electricity and water supplies, Dr Bounthong added. The dam has a concession period of 25 years and is expected to generate about 2,000 GWh of electricity a year. It is expected to start commercial operation in 2019. In March, Mega First signed an agreement with the state-owned utility Electricite du Laos (EDL) to regulate its participation in building the dam. Under the agreement, EDL holds a 20 percent stake in the Laos-incorporated Don Sahong Power Company Ltd (DSPC) while Ground Roses and Silver Acreage hold 79 percent and 1 percent respectively.

(Vientiane Times 06 January 2016)

Xamneua transformed from rural backwater to urban centre

(By Khonesavanh Latsaphao)

New buildings are springing up in profusion in central Xamneua district, the provincial capital of Huaphan, and the town is almost unrecognisable compared to a few years ago. Residents of Vientiane who visited the northern town recently remarked on the extent to which things had changed and couldn't remember the places they knew because of the proliferation of tall buildings. Director of the provincial Planning and Investment Department, Mr Phonxay Inthavong, told *Vientiane Times* on Wednesday the state had spent several billion kip and taken out loans to develop infrastructure in Huaphan. The government is borrowing millions of dollars from a Vietnamese bank to build a big park with a fountain and a heritage hall in Xamneua town centre, among other civic developments. "We wanted to

expand Xamneua so we moved some government buildings to the new Vangheua Development Area to create some space," Mr Phonxay said. Vangheua is nearby on the road to the Nongkhang area where a new airport is being built. The government will relocate most of its offices to Vangheua in 2017. The new airport will enable larger planes to land, bringing in more domestic and overseas visitors. It can accommodate ATR72-500 planes, which can hold up to 74 passengers. Huaphan's development was instigated by the goals laid down in the seventh National Socio-economic Development Plan and its growth will continue under the eighth National Socio-economic Development Plan for 2016 to 2020. Huaphan has 10 districts: Aed, Hiem, Huameuang, Viengxay, Xamneua, Xamtay, Xiengkhor,

Xone, Kuan and Xopbao. Xone and Xiengkhor districts were in greatest need of improved infrastructure. Between now and 2018, the government will borrow US\$120 million (over 976.6 billion kip) to carry out developments in Xone district and will be spending US\$66 million (more than 537.1 billion kip) of its own money on civil works in Xiengkhor district. Over the next three years, the government will build roads, install water supplies, expand the electricity grid, and build government offices. According to the Planning and Investment Department, the National Assembly gave permission for the province to spend over 80.5 billion kip on infrastructure development, while assistance from international organisa-

tions will amount to about 7 billion kip. At present, 50 percent of villages in Xiengkhor district have access to electricity, but the figure in Xone district is less than 40 percent. Last year, the government split Vienthong district into the two new districts of Hiem and Xone, in a bid to accelerate development. Provincial leaders and authorities are encouraging local people to forge closer connections with neighbouring Vietnam, with which Huaphan shares a border. Traders from Vietnam cross the border every day, mainly to purchase dried sweetcorn and cassava from Lao farmers, while trucks from Laos carry goods across the border. Most Vietnamese trucks bring construction materials into Huaphan.

(Vientiane Times 07 January 2016)

Health Ministry disseminates law on alcohol control

(By Phetphoxay Sengpaseuth)

The Ministry of Health is disseminating information on the Law on Alcoholic Beverages Control to the owners of restaurants and other entertainment venues such as nightclubs operating near education institutes and Buddhist temples or colleges, aiming to create understanding of this law. The Law on Alcoholic Beverages Control prohibits the opening of restaurants and other entertainment venues such as nightclubs near education institutes and Buddhist temples and colleges. It also has provisions to close any restaurants within the vicinity of such institutes for causing social harm. A representative of the alcoholic drinks and cigarette control office under the Ministry of Health, Dr Soulivanh Pholsenatold *Vientiane Times* on Tuesday that the ministry started providing information about this law to the owners of restaurants and other entertainment venues such as nightclubs as of last year. However the owners of restaurants and bars say they understand the content of the law but these problems are difficult to solve because many of them leased or purchased their premises prior to the passing of the law

and it will adversely affect their businesses if they cannot operate in accordance with the terms of their lease. In 2016, the ministry will continue to diffuse and provide information on the importance of the new law to the owners of restaurants and other entertainment venues such as nightclubs which are located near schools, colleges, universities or Buddhist temples. In particular, they will be targeting the provinces of Savannkhet, Champassak and Luang Prabang because these provinces have greater numbers of restaurants and other entertainment venues such as nightclubs, Dr Soulivanh said. Current figures show that people aged 15 and upwards consume an average of 15 litres of pure alcohol equivalent per year, mainly in beer, with consumption rates increasing steadily over the past 20 years and an amended law on treatment, aiming at reducing injury and death rates from drinking and the provision of treatment for people suffering from accidents or illnesses resulting from drinking, he added. He also explained the meaning and importance of the definitions, regulations and measures setting out

the law's implementation, the management and inspection of alcoholic drinks and the intensive treatment system. This is aimed to protect the benefits and rights to health of the people and to reduce the death rates from accidents and disease caused by the consumption of alcoholic drinks. In addition, it also aims to ensure all ethnicities in society will receive good quality treatment on an equal basis for national socio-economic development. Drink driving has created a negative impact by causing death and the destruction of property. This is because the consumption of alcoholic drinks is increasing continually. Drinking in general is on the

rise in Laos, which is having harmful effects on society. According to the Ministry of Health, each year, more than 60 percent of road accidents come from drinking and driving. So far, some 2,360 people have been killed in accidents involving people driving while under the influence of alcohol. The Law on Alcoholic Beverages Control came into effect on December 19, 2014 and the amended Law on Treatment on January 30, 2015. The Law on Alcoholic Beverages Control is in the process of dissemination to the public and involved officials are being given a full understanding of it before starting to take action to implement the law.

(Vientiane Times 07 January 2016)

Millions of passengers, freight tonnage annually for railway

(By Souksakhone Vaenkeo)

Domestic passengers commuting through the planned Laos-China railway project are expected to reach 3.98 million annually in its first year, a study has showed. The number of domestic passengers is forecast to rise to 6.11 million annually in the short-term and jump further to 8.62 million annually over the longer-term, Deputy Prime Minister Somsavat Lengsavad said recently. Passengers commuting from Vientiane to the Chinese border via the railway would be charged only about 161,850 kip, much cheaper than fares by road currently at 285,000 kip, Mr Somsavat told the recent ordinary session of the National Assembly. The Lao and Chinese governments broke ground on December 2 in Vientiane to commence construction of the US\$6.04 billion project to connect Vientiane with the Chinese border over the distance of 427 km. Construction is expected to take about five years to complete. The project will form part of the regional railway network connecting China's Kunming to Singapore via Laos, Thailand and Malaysia, and the number of passengers of the five countries commuting through the regional railway is expected to reach 9.65

million annually in its first year. The numbers are expected to rise further to 11.98 million passengers a year in the short-term and increase further to 16.5 million passengers annually over the longer-term. At the beginning its operation, freight through the regional railway between China and the four Asean member countries - Laos, Thailand, Malaysia and Singapore is estimated to reach 2.59 million tonnes a year and rise further to 3.62 million tonnes within the short-term then jump to 5.46 million tonnes over the longer-term. Through the planned railway, goods transported from Vientiane to Chinese border would be charged only 269,750 kip per tonne, which is much cheaper than road freight currently charged at 833,340 kip per tonne. Mr Somsavat, who is in charge of the project, told the parliament that rail transport offering cheaper costs with faster speed would enable Laos to enjoy advantages in promoting trade and investment. Once the railway is operational, Mr Somsavat said "Transportation time will be significantly cut." Currently, goods transported by road from Vientiane to the Chinese border took about three days, but once

the railway was in use, transportation would

take just over three hours, he said.

(Vientiane Times 08 January 2016)

Asean chair provides opportunities, challenges for Laos

(By TimesReporters)

Assuming the chairmanship of Asean this year offers Laos a great opportunity but the country will face numerous challenges in leading the bloc, a senior official has acknowledged. Deputy Prime Minister and Minister of Foreign Affairs MrThonglounSoulith made the comment recently when speaking to Foreign Affairs, a magazine whose offices are in London, UK, and talked about how much effort Laos was making to accomplish Asean's objectives. "This [Asean chairmanship] has great significance for Laos and is a source of great pride and opportunity for the Lao PDR in its efforts to further contribute to strengthening the Asean Community building process," he said. "However, there are also numerous challenges facing us, particularly following the establishment of the Asean Community, as Laos will be the first country, in cooperation with the other nine Asean countries, to turn the Asean Community Vision 2025 into reality so as to deliver tangible benefits to the 10 nations." MrThongloun said Asean cooperation was an important part of Laos' foreign policy. The country had been entrusted to chair Asean for the first time in 2004-2005 and this year assumed the chair for the second time. He promised Laos would do its utmost to succeed in this important role for the common benefit and interests of Asean and the international community and called for continued support, assistance and close cooperation from the other nine Asean countries, dialogue partners, and friends near and far. Laos had gained the trust of the international community and many people around the world were learning about the

Lao PDR, its people and the situation here, he added. Prior to 1975 Laos was a much lesser known country than it is today. "We went through painful centuries of foreign occupation. At some points, we were almost erased from the world map. But thanks to our national heroes, who led the people's struggles for independence to protect this land so that our people could have an independent and sovereign country, the Lao people have been able to determine their own destiny since December 2, 1975," MrThongloun said. The government believes that chairing Asean and hosting the Asean Summit this year will further enhance the country's profile in the international arena. MrThongloun said Laos was a stable and peaceful country with well-preserved traditions and culture, and the Lao people were generally regarded as caring and sharing. This had led to the country becoming an increasingly popular and award-winning tourist destination. The role and reputation of Laos have been increasingly recognised internationally with the country hosting and chairing various international conferences. Most notable among these were the Asean Summit in 2004, Ministerial Conference of the Francophonie, the First Meeting of the States Parties to the Convention on Cluster Munitions in 2010, the 9th Asia-Europe Summit in 2012, and other regional and international conferences. Based on this success, it seems clear that the Lao PDR, as a member of various important international bodies, including the World Trade Organisation, will continue to be increasingly recognised in the international arena.

(Vientiane Times 08 January 2016)

LuangPrabang town plans to expand

(By Times Reporters)

LuangPrabang provincial authorities have plans to expand the town to ease traffic congestion and in response to the increasing number of tourists to the World Heritage site. The LuangPrabang town expansion project covers 100 hectares of land starting from Donkeo village to LuangPrabang airport through Phanom and Nasangveuy villages. "Our company has finished a design and survey at a cost of more than one billion kip," Director of Duangpaseut Road and Bridge Construction Company MrBounthieng Duangpaseuth told *Vientiane Times* recently. The project includes construction of concrete and asphalt roads and a new bridge across Nam Khan River, with construction expected to be finished within two years. The project will cost around US\$40- 50 million and be funded by the

government. "The Company is currently waiting for budget from the government for full construction of the project," he said. MrBounthieng said the project was part of a wider urban development plan for LuangPrabang, and some government offices and businesses would be relocated. This project will help reduce traffic congestion in town due to the ever growing number of vehicles and tourists. According to the provincial Tourism Office, in 2013 the number of overseas visitors to LuangPrabang reached 343,000 people, increasing to 370,000 in 2014. Over the first six months of this fiscal year, LuangPrabang province welcomed more than 300,000 tourists with the figure expected to hit 500,000 people for the whole year.

(*Vientiane Times* 08 January 2016)

Nam Aow hydropower plant set to operate in 2018

(By Times Reporters)

Bothong Inter Company Limited, a privately-owned company, is now investing a total of US\$30 million (over 244.8 billion kip) to develop a small scale hydropower plant in Xiengkhuang province, planning for a completion date in 2018.



Excavation work for the construction of Nam Aow hydropower plant is now some 20 percent progressed. The dam site is located in Pha village, Phaxay district of Xiengkhuang province.

The hydropower development is being undertaken by a 100 percent privately-owned company and managed by local investors. Chairman of Bothong Inter Company

Limited MrChanthongXanavanhtold *Vientiane Times* yesterday that construction of the Nam Aow hydropower plant began last October with a focus on excavation work to prepare the land for the construction of the dam site. "Currently we are 20 percent progressed for clearing land for the construction of infrastructure to access the dam site prior to building a house for electric generators," he said. He explained that construction of the building to house the generators will take at least two dry seasons to complete because work on this area will not be able to be carried out in the wet season due to the inconvenience of too much water and other factors. According to MrChanthong, this small scale hydropower plant has an installed capacity of 15 MW and will be able to generate electricity in both the wet and dry seasons. "Electricity to be generated from this plant will be sold to Electricite du Laos (EDL)," MrChanthong said, noting that the

completion of Nam Aow hydropower plant will enable Laos to decrease its imports of electricity from neighbouring countries. Nam Aow hydropower plant is located in Pha village, Phaxay district of Xiengkhuang province. The project has estimated that a total of six hectares of rice fields will be affected, which are owned by about 12-13 families. "They will be offered a reasonable compensation by the company in relation to the different offers or choices," Mr Chanthong said. The company has clear options for affected residents in the form of three different choices. For example, the first option is that people can choose to work with the company, secondly the company will find another place for them to build up a new community or they can find new places themselves and take compensation in cash. "According to our primary survey, many villagers would prefer to take cash rather than the other options however our

company will try to do some paperwork to ensure they agree to pick up an exact offer," he said, adding that the actual payment will be managed when the floodwater comes. Mr Chanthong also added that once the two or three generators are installed, the machines will also be launched to ensure electricity is sold in accordance with the purchasing agreement. According to a recent report from the government, the abundant resources of the Mekong River and its tributaries give Laos the potential to produce more than 25,000MW of electricity. Laos has 38 power plants for which development has been completed, with a total installed capacity of 6,264MW, according to a report in March this year. Laos is also aiming for a total installed capacity of about 12,000MW by 2025. Currently a total of 89.6 percent of the population has access to electricity across Laos.

(Vientiane Times 08 January 2016)