

## **EXIM Thailand and Lao PDR Issue Asian Bond Worth Bt 1.5 Billion**



EXIM Thailand provides guarantee for the debut issue of baht-denominated Asian bond worth 1.5 billion baht by the Lao PDR to finance its Nam Ngum 2 hydropower dam and electricity plant project. This Thailand-Lao partnership signifies a new scheme of cross-border fund raising in Asia with an aim to enhance infrastructure and economic development in the Greater Mekong Subregion (GMS).

General Surayud Chulanont, Prime Minister, and Mr. Bouasone Bouphavanh, Prime Minister of the Lao People's Democratic Republic (Lao PDR), preside over the signing ceremony of the Memorandum of Understanding (MOU) between Export-Import Bank of Thailand (EXIM Thailand), represented by Dr. Apichai Boontharawara, EXIM Thailand President, and Electricite du Laos (EdL), represented by Mr. Khamphone Saignasane, EdL General Manager, at the Government House, Bangkok on December 18, 2006. Under the MOU, EdL will issue the EXIM Thailand-guaranteed baht bonds worth 1.5 billion baht to support the EdL's equity participation in the SouthEast Asia Energy Limited (SEAN). SEAN is a company registered in Thailand to operate the Nam Ngum 2 hydropower dam and power plant in the Lao PDR.

According to EXIM Thailand President, this cooperation marks the joint success of Thailand and the Lao PDR in introducing a new Asian fund raising scheme to develop and strengthen economic fundamentals of developing countries in the Greater Mekong Subregion (GMS). The bond issue also provides another fund mobilization channel for the Lao government while promoting the Lao PDR and Thailand's role in developing the Asian capital market. With electricity generating capacity of 615 megawatts, the Nam Ngum 2 hydropower dam and electricity plant, once in operation, will provide power supply which is often considered the cheapest source of energy to the Electricity Generating Authority of Thailand (EGAT) for 25 years. Apart from ensuring the availability of electricity supply at a reasonable price for Thailand, the project also helps promote the expansion of Thai investment through equity participation in the SEAN as well as export of Thai goods and services which will contribute to sustainable economic growth of Thailand and the overall Asian region.

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