

Press Release

Monday, June 15, 1998

Fourteen Thai non-governmental organisations (NGOs) have called on Thailand's Prime Minister Chuan Leekpai to reject consideration of Thailand's purchase of electricity from the proposed Nam Theun 2 Hydroelectric Project, in a letter sent on 10 June 1998.

The letter also addressed Savit Bhodivihok, Minister responsible for the Electricity Generating Authority of Thailand (EGAT), and EGAT Governor Viravat Chlayon. The proposed Nam Theun 2 dam is being promoted by the Nam Theun 2 Electricity Consortium (NTEC, including Thai companies Phatra Thanakit, Jasmine, and Italian-Thai), the Government of the Lao PDR, and the World Bank. The 681 megawatt capacity dam would block the Theun River, central Lao PDR, to sell electricity to Thailand. Thai NGOs reason that if EGAT and Thailand were to purchase electricity generated by the proposed Nam Theun 2 dam, Thailand would be responsible for the economic, environmental and social impacts of Nam Theun 2, both in Laos and Thailand.

According to the NGOs' letter, "The ailing economic situation in Thailand has resulted in a negative growth rate in electricity demand and a large reserve of existing generation capacity, which becomes a burden on the investment costs for EGAT, and eventually on consumers."

The NGOs argue that the electricity purchase tariff proposed by NTEC, at US\$0.057 per kilowatthour, is much more expensive than the purchase price of electricity generated by independent power producers in Thailand. If EGAT were to purchase electricity from Nam Theun 2, Thai electricity consumers would have to pay for more expensive electricity. The NGOs also view Nam Theun 2, and EGAT's potential purchase of the dam's electricity, in a broader context. "The relationship between Thailand and Laos, though both having a long, shared history, is in some aspects very fragile in terms of the futures of both countries. If cooperation by both governments can bring about real benefits for the peoples of both nations, this delicate relationship will become strengthened. It is the governments' consideration of people that is an essential impetus for insuring sustainable friendship and political stability."

NGO's signing the letter include Foundation for Ecological Recovery, Committee for Popular Democracy, Wildlife Fund - Thailand, the NGO Coordinating Committee on Development, and the Thai Volunteer Service Foundation.

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