

CONSTRUCTION / ENERGY

MDX plans dam on Salween

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MDX Plc, a local major construction group, is set to sign a memorandum of understanding with Rangoon for the construction of a 3,600-megawatt hydro-power dam on the Salween River.

Sitthiporn Ratanopas, governor of the Electricity Generating Authority of Thailand, said the signing would take place on Dec 20.

The firm would develop the project in the upper part of the Salween River. The project is being developed separately from those of Egat.

GMS Power, a subsidiary of MDX, has been conducting studies on the project since 1997.

MDX has also won deals with Rangoon to build a coal mine in a Burmese town opposite Prachuap Khiri Khan, a port project in Tavoy and a Mae Sot-Rangoon road project.

The company also has construction projects for dams in China and Laos.

MDX's shares have been suspended and are in the rehabilitation sector of the Stock Exchange of Thailand.

A 1991 survey by Energy and Power Development Corporation, a Japanese government-owned generating firm, identified six potential sites along the Salween River in 1991 for hydro-power projects.

MDX has expressed interest in developing one site and has signed an initial agreement with Rangoon while Egat has focused attention on another two sites for possible dam construction.

The other three sites had attracted little attention from developers.

The project to be developed by MDX is located at Tasang, in Shan state, Burma. Although the site is not in Thai territory, electricity transmission cables could be linked. MDX executives declined to give details of the project. However, it is expected the dam construction would require a total investment of at least US\$3.6 billion.

A source at Egat said the two dams the authority was interested in constructing would have power generation capacity of 4,540 and 792 megawatts, respectively.

The project site is opposite Mae Sariang district in Mae Hong Son province. Egat has already submitted the project for the two dams to the cabinet for consideration.

The government was considering whether the project should be implemented by Egat or private companies. The project also depended on negotiations with the governments of the two neighbouring countries.

The study by the Japanese firm showed the 4,540-megawatt dam is expected to be around 570 metres long and 168 metres high. The dam, if completely built, could result in a flooded area of 21,400 rai, compared with 150,000 rai flooded by the Sirikit and Bhumibol dams in Thailand.

The project to be developed by Egat is expected to require total investment of between \$5 billion and 5.6 billion.

Mr Sithiporn said the plant on the Salween River could begin supplying power to Thailand in 2009. Its generation cost would be the lowest in Asia at 90 satang per unit compared with 1.80 to two baht per unit for petroleum and coal-fired power plants.