

## Lao bank officials learn about int'l finance regulations



Mr Krirk Vanikkul outlines the Bank of Thailand's experiences of the Basel 2 Recommendations.

Times Reporters

More than 70 chief executives from the Bank of the Lao PDR (BOL) and various commercial financial institutions in Laos have learned from Thai banking officials about the Basel 2 Recommendations on banking supervision.

The High-Level Seminar for the Implementation of Basel 2 took place yesterday in Vientiane,

chaired by BOL Deputy Governor Mr Sonexay Sithphaxay and Bank of Thailand Deputy Governor Mr Krirk Vanikkul.

The seminar provided a platform for the Bank of Thailand to help BOL officials understand the standards required of commercial banks as defined by the Basel Committee on Banking Supervision, whose role is to research and define standards on banking supervision at an international level.

Participants heard about the experiences of the Bank of Thailand in implementing the Basel 2 Recommendations.

Improvements to banking supervision systems as outlined in the Recommendations will be an important aspect of the financial development plan for Laos' financial services system. From 2009-2020, the BOL is seeking to improve its legal mechanisms for banking supervision to meet the standards outlined by the Basel 2 Recommendations and hopes to fully adopt them by 2015, as 91 other countries are planning to do.

These improvements aim to create a strong and stable banking system in Laos that allows further regional and international integration, in particular within the Asean Economic Community which comes into effect in 2015.

## Global bonds 'oversubscribed' on Pertamina's expansion plan

Amahil S. Azwar, The Jakarta Post, ANN

A number of investors will miss out on state-owned oil and gas firm PT Pertamina's global bonds after the firm booked a four-fold oversubscription for the US\$3.25 billion it offered in global bonds.

The US dollar-denominated bonds, which were offered in New York on Tuesday Jakarta time, are meant to finance the firm's planned acquisitions of multinational oil and gas firms operating overseas.

"Pertamina's global bond deal was made with an order book of US\$14.4 billion, oversubscribed by 4.4 times," Pertamina investment planning and risk management director Afdal Bahaudin said here on Wednesday on the sidelines of the 37th Indonesian Petroleum Association (IPA) convention.

Separately, Pertamina finance director Andri T. Hidayat said Pertamina had just completed the "largest international bond offering" an Indonesian issuer had ever made.

"The offering is a testament to international investors sponsoring Pertamina and a recognition of Pertamina's prospects in years to come," he said.

Pertamina raised US\$1.62 billion from 10-year bonds offered with a

4.30 percent coupon rate at the same price, and the remaining US\$1.62 billion from the 30-year bonds, with a 5.625 percent yield.

Afdal said Pertamina's bonds had attracted 667 international investors from Asia, Europe and the US.

European, US and Asian investors bought 39 percent, 32 percent and 29 percent of the 10-year bonds, respectively, he said.

Meanwhile, 40 percent of the 30-year bonds went to US investors, 38 percent to Asians and 22 percent to Europeans, he said.

Afdal said the funds acquired from the bond sales would likely be used to finance the firm's upstream activities.

Pertamina signed five share-purchase agreements (SPA) with various multinational firms last year to acquire their assets in efforts to boost its output.

Pertamina aims to increase oil production this year by 19,900 barrels per day (bpd), from around the 190,000 bpd recorded at the end of last year.

One of the five SPAs - the firm's deal with New York-listed Harvest Natural Resources Inc. to buy the latter's stake in Venezuela's Petrodelta SA - was terminated by the Indonesian government following a disagreement over the investment amount.



(Seated, from left) Mr Chea Aun, Mr Dinh Viet Thang, Mr Sommath Pholsena, Mr Hideyuki Onishi, and Mr Yakua Lopangkao.

## Laos, Cambodia, Vietnam prepare for aviation upgrade

Times Reporters

Civil aviation officials from Cambodia, Laos and Vietnam gathered in Vientiane for the second meeting of the Regional Joint Coordinating Committee as part of preparations for the anticipated surge in airline traffic entering and leaving the three countries.

The committee is primarily overseeing capacity development in readiness for the switch to the new Communications, Navigation and Surveillance (CNS)/Air Traffic Management (ATM) systems.

Minister for Public Works and Transport, Mr Sommath Pholsena, Civil Aviation Department Director General, Mr Yakua Lopangkao, Under Secretary of State for Cambodia State Secretariat Civil Aviation, Mr Chea Aun, Deputy Director General of the Civil Aviation Administration of Vietnam, Mr Dinh Viet Thang, and Japanese Embassy to Laos Counselor Mr Hideyuki Onishi jointly presided over the two-day meeting from May 16-17.

The meeting was also attended by representatives from the Japan International Cooperation Agency (JICA) and the Japanese transport sector.

This second committee meeting

is one of a number that are planned to ensure a smooth transition to the new CNS/ATM systems in the three countries.

"The committee has already carried out evaluations of a number of programmes identified as being part of the overall preparations, such as Flight Procedure Design which is used to support the implementation of Performance Based Navigation, a training system for CNS/ATM, an instructors training and safety management system and a review of the progress and achievements to reach the common goal of a 'seamless sky' in our region," Mr Yakua told the meeting.

The department recognised that the valuable experience of the JICA experts had been transferred to their Lao counterparts.

"I do hope that as a result of this meeting, those charged with this responsibility will expend their energy on developing good practices to enhance aviation safety and offer reasonable and fruitful suggestions for the further embellishment of the upcoming action plan. The results will be presented by the independent joint evaluators, including making recommendations," he said.

Mr Sommath said that while Laos is a land-locked country, under the government's socio-economic

development plans, the country will be transformed into a land link through the development of the transport network.

Over the past decade Laos has received grant aid from the Japanese government for the development of its civil aviation infrastructure, such as a new air traffic control tower, fire fighting station and equipment, power house, passenger terminal building and related facilities.

"These premises and facilities are still being effectively operated, providing an air traffic control service and an airport service as well," Mr Sommath noted.

In addition, the Civil Aviation Training Centre has been upgraded.

At the request of the government, the master plan to develop the new CNS/ATM system was formulated.

This master plan was approved on September 2012 to support the smooth introduction of the new CNS/ATM systems.

"This project remains highly effective and integral to the government's policy in terms of modernisation, integrity, connectivity and safety to cope with the growing air traffic occupying Lao airspace, and the take-offs and landings at international airports in Laos," Mr Sommath said.

## Sharp's future still far from bright

The Yomiuri Shimibun, ANN

Sharp Corp.'s future remains uncertain despite plans to rehabilitate the company by reinforcing its mainstay liquid crystal display panel business and reshuffling its executive lineup.

On Tuesday, Sharp announced massive deficits in the business year ending in March, and the company plans to undergo corporate rehabilitation under the guidance of its main creditor banks.

Major electronics companies, which rely on TV businesses for their growth, including Panasonic Corp. and Sony Corp., now face a major turning point.

"It's common sense anywhere in the world that a company head presides at the negotiating table," Sharp Vice President Kozo Takahashi said at a press conference on Tuesday.

Takahashi, who will take over as company president in June, admitted the firm had suffered from problems of "polyarchy," or a multihued regime, over the past year.

In August, Sharp Chairman Mikio Katayama and Katsuhiko Machida, an adviser who resigned from the board in June last year, held negotiations with Taiwan's Hon Hai Precision Industry Co., a major electronics manufacturing service company, on forming a capital and business alliance, which was announced months earlier.

Sharp President Takashi Okuda was excluded from the negotiations, even though they were key to restructuring the company. Instead, Okuda visited banks to raise funds to keep the firm going.

Katayama, an expert on LCD business, successfully achieved alliances with US chipmaker

Qualcomm Inc. and South Korea's Samsung Electronics Co.

Okuda dealt with internal matters, such as handling voluntary retirements of employees, rather than negotiations with other companies.

This resulted in a delay in selling TV plants and cancellation of the capital alliance with Hon Hai, which slowed down reconstruction efforts. Infuriated executives wondered whether Okuda really had what it takes to be the company's top executive.

Sharp's main banks and the Economy, Trade and Industry Ministry, which launched a behind-the-scenes effort to assist in the rehabilitation, became distrustful of the company.

"We don't know who the real head of the company is," one official said.

This has culminated with Okuda's impending departure a little more than a year after he took over as president.

### Exchange rates as of May 17, 2013 Banque pour le Commerce Exterieur Lao

Foreign Currencies	Buying	Selling
US Dollar 50-100	7,654	7,691
Thai Baht	257.36	258.65
Euro 50-500	9,843	9,891