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Vietnam Gets $9Bln Loan To Build First Nuke Plant

By The Moscow Times

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Russia agreed to lend Vietnam as much as $9 billion to fund the construction of the Southeast Asian nation's first nuclear power plant as the countries deepen their economic ties.

"The total loan value will be between $8 billion and $9 billion, depending on prices of materials at the time we start construction," Phan Minh Tuan, head of state-run Vietnam Electricity's nuclear energy development department, said Tuesday. The lending period will be as long as 28 years, Tuan said, declining to disclose the interest rate.

Vietnam said last year that it planned to build as many as 13 nuclear power stations with a capacity totaling 16,000 megawatts over the next two decades. The announcement attracted interest from atomic plant builders including Moscow-based Rosatom and China's Guangdong Nuclear Power Group.

Construction of the 2,000-megawatt Ninh Thuan 1 plant is scheduled to start in 2014, Tuan

said.

Russia will also fund the plant's feasibility study, to be conducted by a group consisting of E4 Group, Energoproject Kiev and EnergoProject Technology, the state utility known as EVN said in a statement on its web site. The study will last as long as two years, according to Tuan.

Vietnam and Russia will also aim to boost two-way trade to $5 billion by 2015, according to a statement posted on the Vietnamese government's web site Monday.

The Ninh Thuan 1 plant, to be built in the south of Vietnam, will comprise two advanced light water reactors, according to EVN's statement. The utility plans to build another atomic plant with Japanese assistance, Tuan said.

Japan Atomic Power Company signed a 2 billion yen ($26 million) contract to carry out an 18-month feasibility study for the Ninh Thuan 2 plant, EVN said Sept. 28.

Ninh Thuan 1 and 2 are expected to meet about 4.5 percent of the country's electricity demand, Le Dinh Tien, Vietnam's deputy minister of science and technology, said Aug. 15.

The government is trying to boost power generation to meet its goal of annual economic growth of as much as 7 percent in the 2011-15 period. Electricity use may rise 15 percent this year, EVN said in January.

Vietnam said in August last year that it was pursuing an agreement with the United States on civilian nuclear technology and welcomed overseas assistance, potentially signaling greater access for American companies including General Electric to compete for contracts with rivals from Russia, China, Japan and France.

Vietnamese President Truong Tan Sang agreed Nov. 7 to seek greater cooperation with South Korea on the development of a nuclear power plant using South Korean technology, according to a joint statement released after talks in Seoul with South Korean President Lee Myung-bak.

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