

EGCO gears up for Bt12 bn investment spree

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THE NATION 10

ELECTRICITY Generating Plc (EGCO) has set aside an investment budget of more than Bt12 billion for this year with the aim of generating a return on the investment of at least 10 per cent, the company's president Jakgrich Pibulpairaj said yesterday.

Jakgrich said the funds would be put towards three overseas power projects in the pipeline: the Xayaburi and Nam Theun 1 projects in Laos and the San Buenaventura facility in the Philippines. The plants are scheduled to start commercial operations in 2019 and 2022.

The company said that, for the following investment budget, it would set aside funds for a further three power projects that are under development. These are the Pak Beng hydropower project in Laos, the expansion of the Star Energy (Unit 3-4) geothermal project in Indonesia, and the Quang Tri coal-fired plant in Vietnam, Jakgrich said at a press conference.

The company holds a 30 per cent

stake in the Pak Beng project, which requires an investment budget of up to US\$3.5 billion. The company also holds 30 per cent of the Quang Tri plant, which needs investment for the whole project of about US\$2.5 billion. The company holds a 20 per cent stake in Star Energy (Unit 3-4), which requires investment of US\$280 million.

The company also is studying whether to expand its investments in others countries in the Asia-Pacific region, especially in India by focusing on electricity from alternative energy and fossil energy sources, Jakgrich said.

In addition, the company is exploring whether to move into new businesses relating to energy, such as energy storage, LPG, and industrial estates. For the latter, under consideration is a project that would see its existing electricity plant in Rayong become part of an industrial estate covering 500 rai.

The study was scheduled to be

finalised by the end of this year, with development of the project envisaged over the next two or three years depending on customer demand, Jakgrich said.

"We expect our return on investment for all of the projects, both in electricity and activities under the new business model, to be over 10 per cent," he said.

To achieve the goal of sustainable electricity generation in the South, after the delay in investment for a coal-fired electricity plant in Krabi, EGCO plans to increase production capacity at its Khanom electricity plant, in Nakhon Si Thammarat, to between 500 megawatts and 900 megawatts.

This investment is pending the government's announcement of the Power Development Plan (PDP), via the Energy Ministry. If the PDP announcement comes out as planned, the company is ready to investment at an average rate of US\$1 million per 1 megawatt. The invest-



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ment would be rolled out over a period of three years to three-and-a-half years, Jakgrich said.

Under the business direction for this year, the company would continue to focus on pursuing power business opportunities in the Asia-Pacific region while targeting growth in its renewable energy portfolio to make up 30 per cent of the total by 2026. At the end of 2017, renewables accounted for 20.56 per cent of the company's total production capacity of 4,260 megawatts.

The company also aims for net profit growth of up to 6 per cent this year, compared with last year, Jakgrich said. For 2017, the company reported net profit of Bt11.81 billion, up 42 per cent from 2016. The company expects to pay a 2017 final dividend of Bt3.50 per share.

The company's board of directors will propose to the 2018 shareholders' annual general meeting a final dividend payment from the second half of 2017 at Bt3.50 per share. Upon the approval of the shareholders, the full-year dividend payment would total Bt7 per share, Jakgrich said.