

Construction of stock market kicks off



Construction of the first stock market in Laos will begin next month after a ground-breaking ceremony was held yesterday in Vientiane.

The building is to be located on Kamphaengmeuang Road in Phontan Neua village, Xaysettha district, opposite the Lao International Exhibition and Convention Centre (Lao-ITECC).

Vice president of the Lao Securities Exchange Commission, Mr. Phouphet Khamphounvong, who is also Governor of the Bank of the Lao PDR, said “The ground-breaking ceremony is an important step towards the establishment of the stock market.”

The stock market is a joint venture between the Lao government and Korean Stock Exchange.

A joint venture agreement was signed in Luang Prabang province on July 22, 2009, between Lao government representative Mr. Phouphet Khamphounvong and Chairman and CEO of the Korean Stock Exchange, Mr. Jung Hwan Lee.

According to the agreement, the Lao government has a 51 percent share in the stock market, with the remainder belonging to the Korean Stock Exchange.

The Lao side is responsible for the location and building of the stock exchange, while the Korean Stock Exchange is in charge of IT and human resource development for stock market operations.

President of the Securities Exchange Establishment Committee, Mr. Dethphouvang Moularath, said construction will begin in October and be finished by June 2010.

The Lao stock exchange will officially open on October 10, 2010.

Over the past five years, the Lao economy has expanded rapidly, fuelling demand for funding for investment and business expansion. The supply of funds is currently limited because Laos does not have a stock exchange as a source of long-term funding.

The stock exchange is expected to boost the economy and increase domestic production levels.

The ground-breaking ceremony was attended by Standing Deputy Prime Minister Somsavat Lengsavad, Republic of Korea Ambassador to Laos Park Jae-Hyun, and Standing Audit Commissioner and Executive Director of the Korean Stock Exchange Jong Bin Im.