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PTL - DEOCA Group
Ink joint venture agreement on Laos-Vietnam Railway

The Petroleum Trading Lao Public Company (PTL) and DEOCA Group Joint Stock Company have signed a Joint Venture Agreement on the Laos-Vietnam Railway Project from Mu Gia, Quang Binh province to the Vung Ang seaport in Ha Tinh province, Vietnam.



The joint venture agreement was signed in Vientiane on Monday 27 February 2023. The signing ceremony was attended by Deputy Minister of Planning and Investment Mrs Khamchanh Vongseneboun; the Vietnamese Ambassador to Laos, Mr Nguyen Ba Hung; former Minister to the Prime Minister's Office and President of the Executive Board of Strategy and Planning at PTL Holding Company Limited, Mr Alounkeo Kittikhoun; and other senior government officials.

Speaking at the agreement signing ceremony, President of the Petroleum Trading Lao Public (PTL) Company, Mr Chanthone Sitthixay, said "The construction of the Laos-Vietnam Railway

is essentially the implementation of the policy of the Party and government to achieve the vision of the Lao government and the country's development strategy for the transformation of Laos from a land-locked to a land-linked country."

The railway has the potential to create maximum socio-economic benefits for the two countries as well as enhancing the longstanding special bond of unity and comprehensive cooperation between Laos and Vietnam, he added.

Mr Chanthone explained Laos' role in the project, which is being carried out by PTL in full compliance with the terms of a Memorandum of Understanding signed with the Lao government on October 15, 2019, on the detailed study, survey and design of the railway.



The track will run from Thakhaek district in Khammuan province to the Laos-Vietnam border over a distance of 139.19 kilometres.

"The project is progressing well according to plan and has received confirmation from the Feasibility Study in economic and technical terms from the relevant government departments such as the Department of Railways, Ministry of Public Works and Transport," Mr Chanthone said.

He also briefed the gathering on the Laos-Vietnam Railway Project study, survey and design carried out on the Vietnamese side from the Laos-Vietnam border to the port of Vung Ang, by Vietnam's Transport Engineering Design Inc. (TEDI).

"DEOCA has signed an employment contract with TEDI that has completed the preliminary economic technical feasibility study and the study of geological survey work, hydrology, traffic calculations, technical standards, initial design and investment model," Mr Chanthone said.



It is expected that these documents will be submitted to start the process of requesting investment permission from the Vietnamese government during the first quarter of 2023 in accordance with the private sector investment model stipulated by Vietnamese law.

"We hope it will be approved by the Vietnamese government in the first quarter of 2024," Mr Chanthone said, adding that the overall goal of the project is for the railway to be operational in the first quarter of 2027.

Meanwhile, Chairman of the Board of Directors of the DEOCA Group Joint Stock Company, Mr Ho Minh Hoang, said he was pleased to be part of the joint venture with PTL on the Laos-Vietnam Railway Project.

“Of course, numerous challenges, obstacles and problems lie ahead, but fortunately the continuing support from the governments of Laos and Vietnam will enable us to achieve our goals,” he said.



In relation to cooperation between PTL and DEOCA, a joint press conference will be held to inform members of the public about the purpose and goal of the project and other discussion sessions will also be organized, Mr Hoang said.

According to initial information, the Laos-Vietnam Railway Project is a high-speed electric locomotive railway with a total estimated investment value of about US$5 billion. The railway will cover a total distance of about 452 kilometres.

The line from Vientiane to Thakhaek district in Khammuan province will be about 312.8km long and the line from Thakhaek district to the Vietnamese border will be about 139.19km in length. On the Vietnamese side, the track will be about 102.74km long.