
Vietnamese power utilities seek higher prices in anticipation of coal hike

Monday, 04 Jan, 2010

It is reported that State owned Electricity of Vietnam is seeking government approval to raise power prices by up to 13.8% from last year following a massive price hike proposal by coal monopoly Vinacomin.

In a recent proposal submitted to the Finance Ministry and the Ministry of Industry and Trade, power monopoly EVN wanted to raise retail prices by between 6.2 and 13.8%, saying new coal prices offered by Vinacomin would be very high. EVN also listed higher fuel, gas and dollar costs as reasons for its proposal.

Vinacomin or Vietnam National Coal Mineral Industries Group, last month asked for government consent to raise coal prices supplied to Electricity of Vietnam by as much as 149 in 2010.

Although the newly proposed prices are still 10% lower than export prices, experts said that the hikes would come as a shock to EVN. They said that if the government approved the new coal prices, EVN could increase power prices by 17.11% next year to ensure profitability, which would then hurt economic growth and hinder investment.

(Sourced from thanhniennews.com)

For more news visit at www.steelguru.com