



# International Clean Coal Day

## Viet Nam's Coal Policy

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# Viewpoint for Coal Development

- To develop coal industry on the principle of effective and economical exploitation.
- To intensify coal resources investigation and exploration.
- To stabilize the production and consumption of coal to satisfy the long-term domestic demands;
- To diversify methods of investment and trading in coal industry.
- To maintain international cooperation in research and development and application of technological advances to coal exploration, mining and preparation.
- To develop the coal industry in line with environment protection.



# Viet Nam domestic coal demand

c	Users	Quantity (million tons)		
		2020	2025	2030
1	Coal fired power	64.1	96.5	131.1
2	Fertilizer, chemicals	5.0	5.0	5.0
3	Cement	6.2	6.7	6.9
4	Steel	5.3	7.2	7.2
5	Others	5.8	6.1	6.4
	<b>Total</b>	<b>86.4</b>	<b>121.5</b>	<b>158.6</b>

Source: Decision 403/QĐ-TTg dated 14<sup>th</sup> March 2016 on Revising Coal Sector Development to 2020, with vision to 2030

# CAPACITY, STRUCTURE OF COAL-FIRED POWER PLANTS IN THE POWER SYSTEM OF VIET NAM

	2020	2025	2030
Total capacity of power plants, MW	60,000	96,500	129,500
Capacity of coal-fired power plants, MW	25,600	47,575	55,167
Ratio of coal-fired power plants, %	42,7	49,3	42,6

Decision of the Prime Minister dated July 21, 2011 on approving the adjusted National Master Plan for power development the period of 2011-2020 with vision up to 2030

# Generation Power by coal - fired the thermal power plants

	2020	2025	2030
Total power generation (kwh)	265 bil.	400 bil.	572 bil.
Coal fired thermal power plants	131 bil.	220 bil.	304 bil.
Ratio of coal-fired power plants, %	49.3	55	53.2

# Coal demand – Supply Balance

No		2020	2025	2030
1	Total coal demand	86.4	121.5	158.6
2	Domestic coal	48.3	53.2	56.6
3	Import coal	38.1	68.3	102.0
4	Export	n/a	n/a	n/a



# Coal export plan period 2017 -2020

No	Companies	2017	2018	2019	2010
	<b>Total</b>	<b>4,050</b>	<b>2,050</b>	<b>2,050</b>	<b>2,050</b>
1	Vinacomin	4,000	2,000	2,000	2,000
2	Dong Bac Cooperation	50	50	50	50

Approved by Prime Minister dated on 02 December, 2016

# Strengths and Opportunities

- Domestic coal market: fast growth
- Energy prices are rising.
- Alternative energy sources (RN, LNG, nuclear power can not substitute for coal in the next 20 years).
- Clean coal technology is growing and widespread in the world .
- The prices of oil and gas are declining that will reduce the consumption of coal in the world market.
- Favorable international relations: Australia, Indonesia (import coal), Japan (technical assistance, loans, technology); South Korea: disposal of open pit waste, loan.

# Weaknesses and Challenges

- No competition in coal sector.
- Resources have not been fully evaluated, the volume of exploration is low.
- Exploitation and processing: low efficiency, high loss.
- Lack of capital: difficult to mobilize capital/loan.
- Lack of monitoring and controlling.
- Management model: centralized.
- Competitive strength of wholly – owned coal mining subsidiary member companies: weak, no competition.
- Labor force: shortage of underground mine workers, high – lever leadership forces.

# Weakness and Challenges

- Infrastructure for the coal production and import of coal remains weak and inadequate.
- The people living the coal – fired power plant area worry about the environmental pollution.
- Clean coal technology has not yet developed.
- Substitute for coal: shale gas, renewable energy.
- CO2 emissions: international commitments.
- The cost of CCT and equipment remains high.
- No contract for long-term coal imports.

# Solutions for coal development

- Strengthening the investigation of coal resources and assessment of coal reserves.
- Improving the mining capacity by upgrading and renovating existing mines and building new mines.
- Accelerating coal import: build coal port and find stable coal sources for import.
- Developing competitive coal market, allowing many economic sectors to invest in the coal value chain.

## **Solutions (con't)**

- Mobilizing capital with many preferential policies.
- Building up advanced management forces.
- Restructuring the Viet Nam National coal – mineral industries holding Corporation (Vinacomin) towards reducing subsidies from government, changing management model, strengthening monitoring and supervision.

## Solutions (con't)

- Promoting Energy efficiency program in Industry sector, especially coal fired power plants using SC and USC.
- Encouraging investors of coal power plants (BOT) make their own arrangements to supply coal for their plants.
- Strengthening international cooperation in the field of natural resources exploration and exploitation, development of port for importing coal, coal trading, safety in underground mine, environmental protection and the development of a competitive coal market, and human resources development.

**Thank you  
for your attention!**

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