



VIETNAM ENERGY SECTOR



Highlights

Vietnam is a promising market for companies operating in the Oil and Gas, Power and Renewable sector.

- Vietnam is South East Asia's third and world's thirty first largest oil and gas producer.
- Vietnam's exports of crude oil and petroleum reached 6.8 million ton, equivalent to US\$2.87 billion in 2017.
- The country's declining Vietnam to become a net crude oil importer for the first time by 2019, following trend in crude production and growth in refinery capacity.
- The Son My LNG import terminal is set to come online in 2020 and allow for Vietnam's first LNG imports.
- Gas production is to see a significant boost in the latter half of the decade, when PetroVietnam (PVN) and ExxonMobil's giant Blue Whale gas project comes online in 2023, contributing up to 10.0bcm of new output.

Oil & Gas

Oil & Gas production activities are dominated by the state owned PVN. Most of world's big Oil & Gas operators have presence here through forming partnerships with PVN.

Nearly all of Vietnam's proven crude oil and natural gas reserves lie offshore, mostly in the Cuu Long and the Nam Con Son basins off the country's southern coast. Vietnam's proven oil reserves stood at around 4.4bn bbl and gas at 702.8bcm.

Vietnam has total refining capacity of about 150,000 b/d, most of which comes from PVN's Dung Quat Refinery, meeting around 34% of local daily consumption of 378,000 b/d. The project is being expanded to increase its capacity up to 190,000 b/d by 2021.

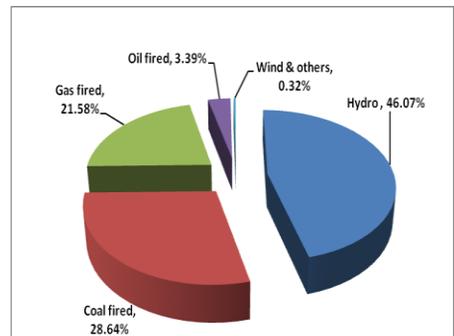
The second oil refinery, Nghi Son Refinery started construction in October 2013 in Thanh Hoa which is scheduled for completion in 2018. The US\$9 billion plant with capacity of 200,000 b/d will meet 40% of Vietnam's forecast domestic demand for petroleum products.

Power

Power demand grows around 12-15% annually. As the economy continues to expand, estimated growth will be around 8.7% between 2016-2030.

To meet this growing demand, Vietnam has prioritised the development of power plants. It is estimated that in the next 20 years, Vietnam will need to invest around US\$ 150 billion in the power sector.

Current Power Generation Structure



According to the Revised Power Development Plan VII, there will be 184 new power plants by 2030. Coal will be the major power resource (53.2%), then gas (16.8%), followed by hydro (12.4%) and renewable energy (10.7%).

Renewable energy is a priority for development with focus on solar, wind and biomass.

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