



BỘ CÔNG THƯƠNG VIỆT NAM

MINISTRY OF INDUSTRY AND TRADE OF THE SOCIALIST REPUBLIC OF VIETNAM

Current status of coal production and business and the targets, roadmap and solutions for the future development of Viet Nam's coal market

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OUTLINE

1. CURRENT STATUS OF COAL PRODUCTION AND BUSINESS IN VIET NAM

2. TARGETS, ROADMAP AND SOLUTIONS FOR THE FUTURE DEVELOPMENT OF VIET NAM'S COAL MARKET



CURRENT STATUS OF COAL PRODUCTION AND BUSINESS IN VIET NAM



COAL PRODUCTION IN VIET NAM



Vietnam National Coal - Mineral Industries Holding Corporation (Vinacomin) và Dong Bac Corporation are the 02 key coal producers in the coal industry (contributing 95% of total domestic coal production). Their coal mining and production volume in the 2016-2021 period is summarized as follows:

- Raw coal mining: around 40-47 million tonnes/year;
- Commercial coal production: around 37-45 million tonnes/year (accounting for 85-90% of raw coal mining volume).

COAL PRODUCTION PLAN IN VIET NAM



- Period to 2030: raw coal production is expected to reach about 45-48 million tonnes/year;
- 2031-2040 period: raw coal production is expected to reach about 40-45 million tonnes/year;
- 2041-2050 period: raw coal production is expected to reach about 30-40 million tonnes/year.

COAL BUSINESS IN VIET NAM



VIET NAM'S COAL IMPORTS IN THE 2016-2021 PERIOD

Company	Annual volume (million tonnes)					
	2016	2017	2018	2019	2020	2021
Total	13.20	14.68	22.86	43.85	54.81	36.38
Vinacomin + Dong Bac Corp.	2.49	0.97	2.21	11.62	14.13	1.45
Other companies	10.71	13.71	20.65	32.23	40.68	34.93

- The 2016-2021 period witnessed changes in the volume of Viet Nam's coal imports: from roughly 13 million tonnes in 2016 to above 54 million tonnes in 2020 and around 36 million tonnes in 2021, depending on the global coal market and Viet Nam's coal import demand, of which the volume of coal imports of Vinacomin + Dong Bac Corp. only accounted for a small percentage (about 10-25%).

COAL BUSINESS IN VIET NAM



VIET NAM'S COAL CONSUMPTION IN THE 2016-2021 PERIOD

WBS	Consumers	Annual consumption (thousand tonnes)					
		2016	2017	2018	2019	2020	2021
I	DOMESTIC	46,959	55,668	66,212	75,412	85,216	93,738
1	Industrial	44,543	52,601	62,960	71,965	81,320	89,452
	<i>Of which, coal use for power generation</i>	<i>32,149</i>	<i>38,579</i>	<i>46,295</i>	<i>54,324</i>	<i>63,559</i>	<i>69,915</i>
2	Residential	1,074	1,363	1,445	1,532	1,868	2,136
3	Agricultural	1,342	1,704	1,807	1,915	2,028	2,150
II	EXPORTS	803	1,521	1,867	1,102	892	1,816

COAL BUSINESS IN VIET NAM



VIET NAM'S COAL CONSUMPTION IN THE 2016-2021 PERIOD

- The table shows that: Viet Nam's coal consumption in the 2016-2021 period followed the approved development orientations of the coal industry, which is prioritization of meeting domestic demand and contribution to the national energy security:
 - Coal production volume mostly supplied for domestic consumers' demand (accounting for above 95% of the total coal production volume of the industry).
 - Coal use for power generation increased significantly from around 32 million tonnes in 2016 to around 70 million tonnes in 2021 (more than doubled).



TARGETS, ROADMAP AND SOLUTIONS FOR THE FUTURE DEVELOPMENT OF VIET NAM'S COAL MARKET



DEVELOPMENT TARGETS OF VIET NAM'S COAL MARKET

- Overall objectives: To form and develop a coal market, together with the gas and power sub-sectors, towards healthy competition in different periods with the regulation of the State, ensuring the national energy security, contributing to meeting socio-economic growth requirements and implementing the targets and policies of the Party and the State, and improving international integration.
- Specific objectives:
 - To ensure the national energy security; ensure sufficient supply of coal for socio-economic development.
 - To transform coal industry to a State-regulated competitive market mechanism, which ensures healthy competition, transparency and non-discrimination, attracts and diversifies coal investments and business; and enable reasonable and efficient exploitation and use of domestic resources.

DEVELOPMENT TARGETS OF VIET NAM'S COAL MARKET



➤ Specific objectives:

- To develop Viet Nam's coal market in synchronization and interconnection with gas and power sub-sectors; ensure transparent market-determined coal prices.
- To implement the Government's direction for coal supply to power generation (particularly BOT thermal power plants receiving the Government guarantees for coal supply agreements) and coal exports.
- To gradually transform coal market to a fully competitive market that enables market participants to conduct coal trading activities, providing support services for coal trading in accordance with prevailing legal regulations and market practices.

DEVELOPMENT ROADMAP FOR VIET NAM'S COAL MARKET



➤ THE PERIOD TO END OF 2025

- State-owned enterprises to maintain their key role in domestic coal mining, production and trading; to further attract the participation of foreign and private enterprises in coal investments and business, and in particular, coal imports.
- To maintain the existing model of coal supply for household consumers:
 - + Coal supply for power generation: The investors of coal-fired thermal power plants (except for the BOT plants receiving the Government guarantees for coal supply agreements) shall be responsible for ensuring the sufficiency and sustainability of legal coal supply during the plants' lifecycle and ensuring competitive and effective coal prices.

DEVELOPMENT ROADMAP FOR VIET NAM'S COAL MARKET



➤ THE PERIOD TO END OF 2025

- + Coal supply for non-power generation purposes: To apply competitive bidding or negotiations, and sign coal purchase agreements at market-determined coal prices in accordance with prevailing legal regulations.
- + For coal exports: Domestic coal producers shall export high-quality coal which is not used domestically, based on the annual coal export plans approved by the Prime Minister.

DEVELOPMENT ROAD MAP FOR VIET NAM'S COAL MARKET



- THE PERIOD FROM 2026 TO END OF 2030
 - To continue implementing the Government-guaranteed coal purchase agreements and coal commercial contracts which have been signed and remain effective; implementing coal exports in accordance with the Prime Minister's direction.
 - To continue strengthening the key role of specialized state-owned enterprises in domestic coal mining, production and business.
 - To gradually form a coal market with numerous sellers and buyers; diversify coal supply sources and suppliers.
 - To research and develop tools and legal corridor for finalizing, managing and operating a fully competitive market efficiently.

DEVELOPMENT ROAD MAP FOR VIET NAM'S COAL MARKET



➤ THE PERIOD FROM 2031 TO END OF 2045

- To continue implementing the Government-guaranteed coal purchase agreements and commercial coal contracts which have been signed and remain effective; implementing coal exports in accordance with the Prime Minister's direction.
- To operate a fully competitive coal market in all segments, enabling market participants to conduct coal trading activities and providing support services for coal trading in accordance with prevailing legal regulations and market practices; encourage foreign and private enterprises to invest into coal industry.
- To review, revise and supplement tools and legal corridor for finalizing, managing and operating a fully competitive market in an efficient manner.

SOLUTIONS FOR COAL MARKET DEVELOPMENT IN VIET NAM



- To apply long-term coal purchase agreements for large consumers; develop digital coal purchase agreements; research and pilot listing coal products in trading platforms through futures and derivatives contracts.
- For coal imports: To promote research and investigation in the sources of coal imports to create a foundation for developing and implementing the strategy for coal imports and overseas mining investments; to consider coal imports via qualified focal enterprises with satisfy coal trading competents and conditions in accordance with prevailing regulations, which is to strengthen the negotiations on high-volume coal trading. To study the adoption of coal price index in coal imports, specifically:
 - The period to 2025: To research the global coal price index as reference for imported coal prices for Viet Nam.

SOLUTIONS FOR COAL MARKET DEVELOPMENT IN VIET NAM



- After 2025: To pilot and finalize the coal price index for official application in coal imports if it is relevant to actual conditions in Viet Nam.
- To regulate market-oriented domestic coal prices, ensuring reasonable cost compensation and profits for coal producers in order to meet the demand for additional investments in maintaining production capacity and expanding/increasing production volume, in consideration of socio-economic efficiency of domestically produced coal.
- To develop infrastructure for coal production and business which is relevant to coal import and export demand in specific geographical regions, particularly coal transshipment terminals.
- To encourage international and national enterprises to cooperate with coal industry enterprises in implementing the projects where technology ownership needs to be improved and investing in the infrastructure for coal industry development.

SOLUTIONS FOR COAL MARKET DEVELOPMENT IN VIET NAM



- To support investments in coal industry development in connection with energy security by adopting relevant supporting policies for coal exploration investments, supporting policies for investments in infrastructure development for coal production, supply and imports.
- To renovate and restructure coal production and business.
- To timely revise and supplement the policies/mechanism for remuneration, health care, social welfare, housing and insurance to attract labors to coal mines (especially underground coal mines).

An aerial photograph of an industrial facility, likely a refinery or chemical plant. The image is split vertically: the left half is dark blue, and the right half is light grey. The facility features numerous large, white, cylindrical storage tanks arranged in rows. A complex network of pipes, walkways, and structural steel frameworks is visible throughout the site. The background shows a clear sky and distant hills.

Thank you for your attention