

**OPENING REMARKS OF VICE MINISTER DANG HOANG AN
AT THE 3RD VEPG HIGH LEVEL MEETING**

Hanoi, 10/12/2019

- Your Excellency Ambassador Pier Giorgio Aliberti, Head of the Delegation of the European Union to Viet Nam,
- Your Excellency Ousmane Dione, Country Director of the World Bank in Viet Nam,
- Your Excellency Ambassadors and development partners in Viet Nam,
- Ladies and gentlemen,

On behalf of Ministry of Industry and Trade of Socialist Republic of Viet Nam, I warmly welcome all of you to the 3rd High Level Meeting of the Viet Nam Energy Partnership Group today.

As we all know, energy plays a crucial role for economic development and social security of all nations. With a dynamic economy with a high speed of growth over previous years (*Viet Nam experienced more than 20 years of annual economic growth rate of 5.9 - 7%, even during the global economic recession 2006 – 2010 and the global financial crisis 2008. In 2017, GDP growth rate of Viet Nam reached 6.81%, in 2018 with 7.08% and in 2019 expected to be increased by 7% at the current price*), Viet Nam is facing numerous opportunities as well as challenges in ensuring energy security, green and sustainable development. The energy transition is being accelerated and persisted by Vietnamese Government upon promoting internal forces, enhancing cooperation, seeking support from development partners. Multilateral cooperation mechanisms like Viet Nam Energy Partnership Group (VEPG) are very meaningful to the energy and economic development of Viet Nam. Established in June 2017, with two high level meetings, today we are delighted again to organize the 3rd VEPG High Level

Meeting to look back at previous achievements and look ahead at policy recommendations and action plans for the energy sector in Viet Nam.

Ladies and gentlemen,

In 2019, Viet Nam witnessed large investments in renewable energies (RE), especially solar and wind energy, with more than 4.5 GW of solar power connected to the national grid, and in the coming time, there will be more RE projects (solar, wind, bioenergy, etc.) to be commissioned. Restructuring of the energy and power sector is drastically directed by the Vietnamese Government in parallel with restructuring of state-owned enterprises, with a focus on equitization and state capital withdrawal at generation corporations, further developing the power market following the approved roadmap, improving the competitive power market, deploying competitive power wholesale market, being well prepared for the competitive power retail market after 2022. Moreover, Viet Nam is in the process of implementing the National Energy Efficiency Program for the third phase. Accelerating the rapid and sustainable development of the energy sector, meeting the demand of economic development and people's life, ensuring national energy security, and creating favourable conditions to attract investment capital from the entire society, national and international investors in the energy sector, incentivizing development of RE sources is the orientation and development strategy of the Government of Viet Nam for the energy sector. The objectives are obvious, however we know that sustainable, reliable and affordable supply of energy is the challenge for developing countries, including Viet Nam. Over past 20 years, annual growth rate of power demand in Viet Nam is at two digits, as 1.5 – 1.8 times high as GDP growth rate, of which this rate is 13%, 11% and over 10% in the periods of 2000-2010, 2011-2016 and 2017 until now, respectively. Calculations of MOIT show that the power demand will be further increased in relation to the country's industrialization,

modernization in the coming years. It is really a big challenge to respond to such a high demand growth rate.

As the result, developing a suitable, feasible, sustainable, locally specific development strategy for the energy sector becomes one of the most important tasks for Viet Nam. In this regard, I want to emphasize that besides significantly and meaningfully financial support of international partners, we identify importance and necessity for scientific – technological research, cooperation and public awareness improvement for deep and wide reform of the energy sector.

To this end, the National Energy Development Plan and the Power Development Plan VIII which are under compilation will play a crucial role in forming the basis for a sustainable, reliable, modern energy system in response to socioeconomic development demands. MOIT is assigned by the Government to take prime responsibility for developing these two plans, therefore the Ministry wishes that the 3rd VEPG High Level Meeting will further discuss, deliver effective policy recommendations for Vietnamese authorities with regards to development of the energy sector. Of which, objectives with the highest priority include: *(i) Ensure national energy security in medium and long terms to respond to development objectives; (ii) Identify optimal and sustainable energy mix for the country; (iii) Attract investments in energy infrastructure; (iv) Remove bottlenecks, promote cleaner, greener and renewable energy sources (v) Improve energy efficiency, decrease energy intensity of the economy.* Moreover, it is necessary to create conditions for all people in the society to have access to and enjoy benefits of sustainable, affordable energy development policies, pay special attention to vulnerable, low-income and policy groups in the society.

Ladies and gentlemen,

At the High-level Meeting of the VEPG in 2018, we endorsed 40 policy recommendations for the energy sector in Viet Nam. Some of them are developed into policy decisions. Over the past year, Technical Working Groups pooled efforts, cooperated to implement important energy policies under close direction of the Steering Committee and active, efficient support of the VEPG Secretariat. In this today event, we are delighted to receive the VEPG Progress Report on implementation of the recommendations as recognition for the cooperative efforts and achievements of stakeholders for a sustainable energy future of Viet Nam. I believe that this meeting will further deliver strategic, breakthrough recommendations as evidence for efficient cooperation within the framework of VEPG.

In 2020, Viet Nam serves as the ASEAN Chair. The 38th ASEAN Ministers on Energy Meeting will be organized in Viet Nam in the next fall. Many development partners of Viet Nam are also important partners of the ASEAN region. We welcome presence and dialogue of the development partners at the ASEAN Summit 2020 in general and the ASEAN Ministers on Energy Meeting in particular, for a sustainable Viet Nam and prosperous ASEAN community, with active contributions to the world. With expected increase of economic growth rate by 5% and annual average increase of energy demand growth by 4.7% in 2025, response to energy demand and sustainable energy development is evaluated as the top important issue for the ASEAN community in the coming years.

On this occasion, I would like to express my sincere thanks and appreciation to heads and staff of embassies, international development organizations, consulting firms, national and international business communities in Viet Nam for their contributions and cooperation, as well as active, efficient support for Viet Nam's socioeconomic development, including the energy sector. I would like to warmly

welcome Mr. Pier Giorgio Aliberti, Ambassador, Head of the Delegation of the European Union to Viet Nam and believe that he will have a very successful term of office and make impressions to our country.

I would like to express my thanks to Mr. Ousmane Dione, Country Director of the World Bank in Viet Nam for his effort, commitment and close, efficient work with Ministry of Industry and Trade during the past time as the Co-Chair of VEPG.

I would like to express my thanks and appreciation to the Steering Committee, Chairs and Co-Chairs of Technical Working Groups and the VEPG Secretariat for their proposal and implementation of numerous policy recommendations for the energy sector in Viet Nam!

I would like to express my thanks to representatives of the media agencies for their attention and media coverage on this event.

I wish all of you good health and happiness!

I wish the today event a great success!

Thank you./.