

Overseas Market Information



Vietnam

Vietnam to Spend \$373 Mln Building Hanoi-Haiphong Expressway

The Ministry of Transport says Vietnam has injected VND 5,831 billion (\$373 million) to build an expressway linking the capital Hanoi with the northern port city of Haiphong under the BOT (build-operate-transfer) mode. Vietnam will seek foreign investors to join the project with local partners. The BOT contract's life span is proposed to be 22 years. Construction will be carried out in two phases, with the first stage lasting from 2006 to 2008 and the second from 2008 to 2013.

Vietnam, China cooperate in Iron Ore Exploitation, Steel Plant Construction

Vietnamese and Chinese partners are joining hands to exploit iron ores and build the first steel plant in Vietnam's northern Lao Cai province. "The two sides plan to implement two projects on annually exploiting 2.5-3 million tons iron ores for local sales and export to China, and constructing a steel plant with a yearly capacity of 500,000 tons, according to the provincial Department of Planning and Investment.

Of the iron ores to be annually tapped in the Quy Xa mine with an estimated reserve of 120 million tons, 1-1.5 million tons will be exported to China in exchange of fat coal and coke, 500,000 tons supplied to an existing steel factory in northern Thai Nguyen province, and the rest to a future steel plant in Lao Cai. The steel plant, the first of its kind in the province, will annually turn out 500,000 tons of cast iron in the first phase, 500,000 tons of steel billet in the second phase, and 500,000 tons of construction steel in the third phase. The two projects will be submitted to the Vietnamese government for approval before October 2004, for which the Vietnam Steel Corporation and the Chinese partner signed a memorandum of understanding late last month. According to the corporation, investment for mining the Quy Xa will stand at 40-60 million US dollars, and for building the steel plant reach 200 million dollars.

Vietnam Power Construction & Investment Association Set Up

The Vietnam Power Construction & Investment Association was officially put into operation

on August 12, with the accession of more than 200 corporations, businesses, organizations and individuals of all economic sectors.

Important corporations such as Electricity of Vietnam (EVN), the State-owned Vietnam Oil and Gas Corporation (PetroVietnam), Vietnam Coal Corp., the Vietnam Construction Import-Export Corp. (Vinaconex), Song Da Construction Corp., and the Infrastructure Construction & Development Corp. (Licogi) are among the members that play a key role in the association.

Between 2004 and 2008, the association will be responsible for consultancy works for construction and investment in electricity, coal, oil and gas sectors, and suggestions to the Ministry of Industry before the ministry decides to grant investment licenses to big projects involved in the power sector.

Vietnam Forecasts Energy Demand by 2050

In the 2010-2020 period, electricity demand is predicted to continuously grow, with 93 billion-100 billion kWh in 2010, 200 billion-230 billion in 2020, and 625 billion-766 billion kWh in 2050.

Coal demand will be 20 million - 30 million tons in 2010, 30 million - 40 million tons in 2020, and 150 million - 190 million tons in 2050. Of which, coal for local electricity production will rise rapidly to 10 million, 15 million - 20 million tons, and 85 million - 110 million tons, in the respective years.

Demand for refined oil is to grow rapidly to 11.2 million tons in 2005, 17.5 million - 18 million in 2010, 32.7 million - 36.5 million in 2020, and 106 million-135 million tons in 2050. Vietnam will consume 8 billion - 10 billion cu. m of gas in 2010 and 14 billion - 18 billion in 2020, with 80% for electricity production.

The electricity sector expects the total capacity of hydropower plants to be 8,800 MW by 2010 and 15,000 MW by 2020; gas-powered thermal power plants to be 7,000 MW in 2010 and 11,000 MW-14,000 MW in 2020; coal fired thermal power plants to be 4,200 MW and 9,000 MW - 10,000 MW in the respective years and 170 billion - 200 billion kWh of nuclear power by 2010.

It will also import electricity from Laos, China and Cambodia, with a total of 400 MW in 2010, 4,000 MW in 2020, and 10,000 MW in 2050.

The coal sector is to raise its output to 23 million - 24 million tons in 2010 and 30 million - 40 million in 2020. The oil and gas industry hopes to domestically produce 30 million - 32 million tons of oil and gas, including 16 million - 18 million tons of crude oil and 12 billion - 14 billion cu. m of gas, and exploit abroad 2 million - 3 million tons of crude in 2010.

Vietnam's Vinacoal Plans to build 200-MW Power Plant

State-owned Vietnam Coal Corp., is preparing a feasibility study to build a 200-megawatt coal-fired power plant in Son Dong district, Bac Giang province, according to a company executive.

Construction for the Son Dong power plant, which is about 80 kilometers north of Hanoi, is expected to cost \$ 222 million. The Vietnamese government has allowed Vinacoal to seek investment options, including bank loans and equipment supply, from foreign investors. He added Vinacoal is targeting to start building the Son Dong plant from 2005 and make it operational in 2009.

Vietnam has an estimated reserve of 4 billion tons of coal and Vinacoal is currently building six power plants with a combined generation capacity of 2,000 MW.

Vietnam Needs around \$14.6 Bln for Power Projects in 2002-10 period

Vietnam needs around VND 229,949 billion (\$14.6 billion) for power projects between 2002 and 2010, according to Electricity of Vietnam (EVN). To ensure enough electricity for the country in this period, EVN needs to build 25 hydropower plants, 11 thermo-electric plants (excluding projects that are started before 2010 and become operational after 2010), 19 500-kV transmission lines and 16 500-kV transformers; 96 220-kV transmission lines and 115 220-kV transformers; and 356 110-kV transmission lines and 554 110-kV transformers.

The corporation's ODA loans reach \$3.7 billion and its loans from domestic banks are VND 10 trillion.

(Source : Embassy of India, Hanoi)