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# VIETNAM GAS INDUSTRY MASTER PLAN

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VIETNAM



# I. About Vietnam



## Area

- Total area: 331,212 km<sup>2</sup>

## Location

- Location: Indochina Peninsula, Southeast Asia
- Neighboring countries: China, Laos, Thailand, Cambodia

## Population (2017)

- Total: 93,7 million
- World Ranking: 14<sup>th</sup>

## City & Province

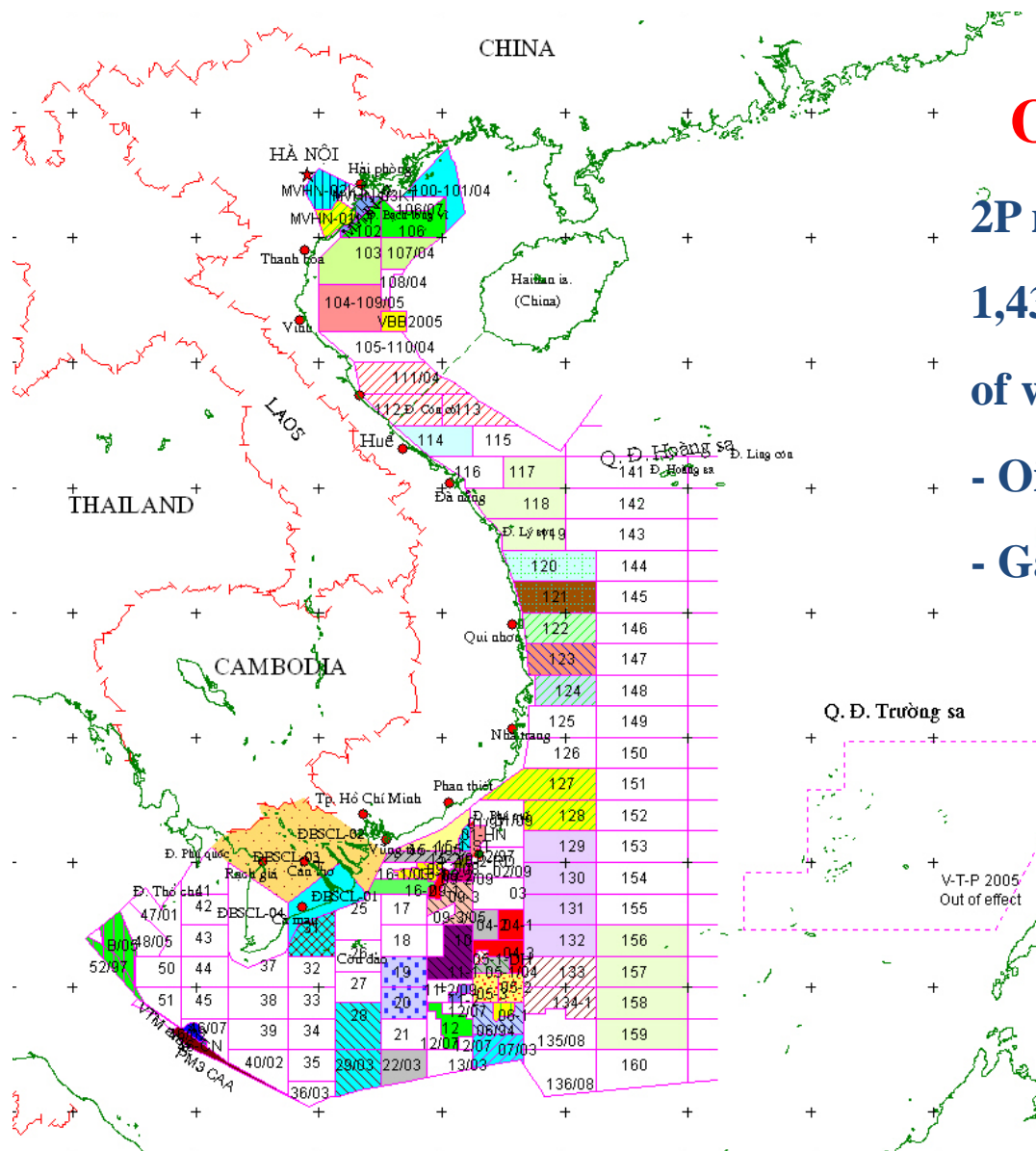
- City & province: 63
- Capital: Hanoi
- Big city: Hanoi, Haiphong, Danang, Can Tho, Hochiminh City

## GDP (2017)

- Total GDP: 5,008 trillion VND ~ 221 billion USD
- GDP growth: 6.81%
- GDP per capita: 2,385 USD

# CURRENTLY OIL & GAS INDUSTRY

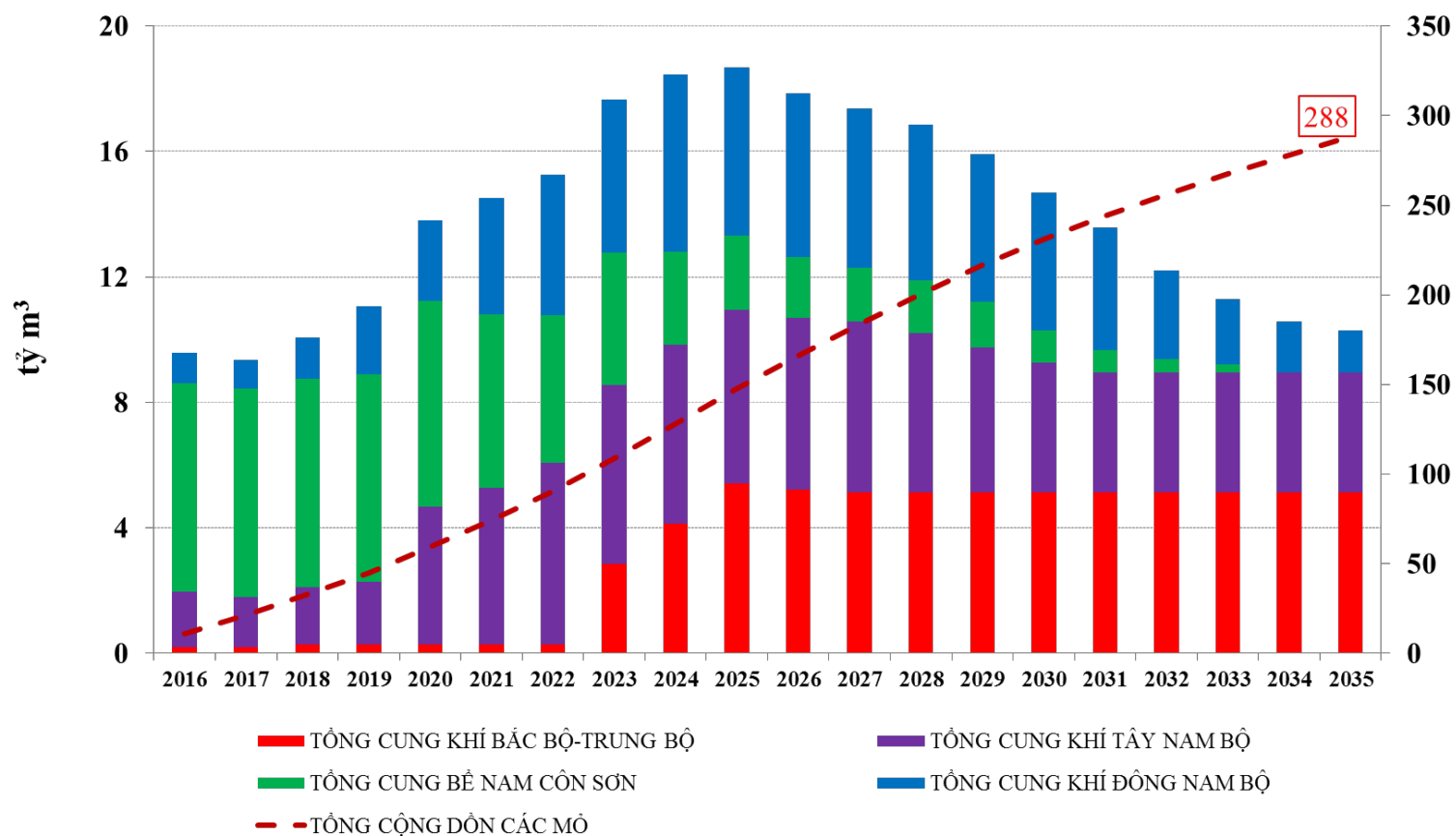
## OIL&GAS FIELD DISTRIBUTION MAP



## Oil & Gas Reserves

- 2P reserves discovered:**
- 1,436 mill. m<sup>3</sup> oil equivalent,**
- of which:**
- **Oil: 711 mill. m<sup>3</sup> (49,5%);**
  - **Gas: 725 bill. m<sup>3</sup> (50,5%).**

# Natural Gas resource (2016 – 2030)



# Oil and Gas Production

- 1. The crude oil production of Vietnam is about 15-17 millions tons per year, part of which is supplied for the first refinery and the remaining is exported.**
- 2. The first refinery produces about 30% of demand petroleum product.**
- 3. Vietnam has been importing remain 70% of petroleum products.**
- 4. Vietnam starts using bio-fuel E5 from 2014.**





# MINISTRY OF INDUSTRY AND TRADE



*(under Government's Decree No. 98/2017/ND-CP dated August 18th, 2017 stipulating functions, power and organization structure of Ministry of Industry and Trade)*

## *Position and tasks*

The Ministry of Industry and Trade is a governmental agency performing state management on industry and trade in following branches and domains: electricity, coal, oil and gas, new energy, renewable energy, chemicals, industrial explosives, mechanical engineering, metallurgy, mining and mineral processing industries, consumer-goods industry, food-industry and other processing industries, domestic goods circulation and market; import and export, cross-border trade, external market expansion, market surveillance, trade promotion, E-commerce, trade services, international economic-trade integration, competition management, imposing safeguard, anti-dumping, anti-subsidy and other measures to protect consumer-interest; state management on public services in the fields under scope of state management assigned to the Ministry.

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# MINISTRY OF INDUSTRY AND TRADE 'S ORGANIZATION



**MINISTERIAL LEADER**

MINISTERIAL UNITS	FOREIGN TRADE OFFICES	ADMINISTRATIVE UNITS
Departments	Asia - Pacific Market Units	Institutes
General Departments, Agencies	Europe Market Units	Educational Institutions
	America Market Units	Centers
	Africa, Western and South Asia Markets Units	Press



# MINISTRY OF INDUSTRY AND TRADE 'S ORGANIZATION

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## Minsterial Units Departments

Department of Planning

Department of Finance and Enterprise Development

Department of Science and Technology

Department of Asia – Africa Market

Department of Europe – America Market

Department of Multilateral Trade Policy

Department of Domestic Market

**Department of Oil, Gas and Coal**

Department of Energy Efficiency and Stable Development

Department of Organization and Personnel

Department of Legal

Ministry Inspectorate

Ministry Office

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## Minsterial Units

### General Directorate and Agencies

General Directorate of Market Surveillance

Electricity Regulatory Authority

Electricity and Renewable Energy Authority

Industrial Promotion Agency

Agency for Foreign Trade

Industry Agency

Vietnam Trade Promotion Agency

Industrial Safety Techniques and Environment Agency

Vietnam E-Commerce and Analog Economy Agency

Vietnam Chemicals Agency

Competition and Consumer Protection Agency

Commercial Defense Agency

Provinces Industry and Trade Agency

The South Agency

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# VIETNAM GAS INDUSTRY MASTER PLAN



## DEVELOPMENT OBJECTIVES

According to the Decision No.60/QĐ-TTg dated 16<sup>th</sup> January, 2016 about Vietnam gas industry development master plan, the development objectives of Vietnam gas industry as follows:

- Overall development of Vietnam gas value chain from upstream, midstream and downstream with projected indigenous gas volume in period of 2016 – 2035 as follows:
  - From 2016 – 2020: 10 – 11 bil. m<sup>3</sup> per annual
  - From 2021 – 2025: 13 – 19 bil. m<sup>3</sup> per annual
  - From 2026 – 2035: 17 – 21 bil. m<sup>3</sup> per annual

- ❑ Planned LNG volumes shall be imported and distributed in Vietnam market in 2021-2035:
  - From 2021 – 2025: 1 – 4 bil. m<sup>3</sup> per annual
  - From 2016 – 2020: 6 – 10 bil. m<sup>3</sup> per annual
  
- ❑ Planned gas demand in Vietnam market in 2021-2035:
  - From 2016 – 2020: 11 – 15 bil. m<sup>3</sup> per annual
  - From 2021 – 2025: 13 – 27 bil. m<sup>3</sup> per annual
  - From 2026 – 2035: 23 – 31 bil. m<sup>3</sup> per annual

## □ Northern Vietnam Region

No.	Project Name	COD
1	Ham Rong - Thai Binh phase 2	2018 -2020
2	Gas Distribution Network in Tien Hai (Thai Binh)	2018 -2020

## □ Central Vietnam Region

No.	Project Name	COD
1	Ca Voi Xanh – Quang Nam pipeline system	2023 -2025
2	Bao Vang – Quang Tri pipeline system	2023-2025

# KEY GAS UTILIZATION PROJECTS 2016 -2025



## ☐ Southeast Vietnam Region

No.	Project Name	COD
1	White Lion – NCS 2 pipeline system - phase 2	2019-2020
2	Gas Processing Plant 2	2019-2020
3	CRĐ – Lan Tây pipeline system	2018- 2019
4	ĐN/SV – NCS2 pipeline system	2019- 2021
5	Thi Vai LNG Terminal	2020-2021
6	Son My LNG Terminal	2023

## ☐ Southwest Vietnam Region

No.	Project Name	COD
1	Block B pipeline system	2021-2022
2	Southwest LNG Terminal	2022-2025



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# LNG DEVELOPMENT PLAN





According to the Viet Nam Gas Industry Development Master Plan upto 2035, the import of LNG will be started by 2021 and import demand will be increased to around 5 million tons of LNG by 2025, 10 million tons by 2030, 15 million tons by 2035 (accounting for about 1.6% of total world LNG imports).

To achieve this target, Viet Nam will develop the LNG terminal systems and related facilities as follows:

- In the period of 2021-2025, it is planned to build 3-4 LNG terminals with a the estimated capacity of each depot around 1-3 million ton per year (and can be increased if needed), mainly located in the Southern Viet Nam (such as Thi Vai LNG Projects, Son My LNG Project, Tien Giang LNG Projects, South West LNG Projects).
- In the period of 2026-2035, it is planned to build about 5-6 LNG terminals with the estimated capacity of each terminal around 3 million tons/year.



# LNG IMPORT PROJECTS

## FSRU LNG Terminal

- Capacity: 0.2-0.5 MMTA
- Schedule: 2026 - 2030

## Cat Hai – Hai Phong LNG Terminal

- Capacity: 1-3 MMTA
- Schedule: 2030 - 2035

## Son My – Binh Thuan LNG Terminal

- Capacity: 6 MMTA
- Schedule: 2022-2025

## My Giang – Khanh Hoa LNG Terminal

- Capacity: 3 MMTA
- Schedule: 2030 - 2035

## South East LNG Terminal

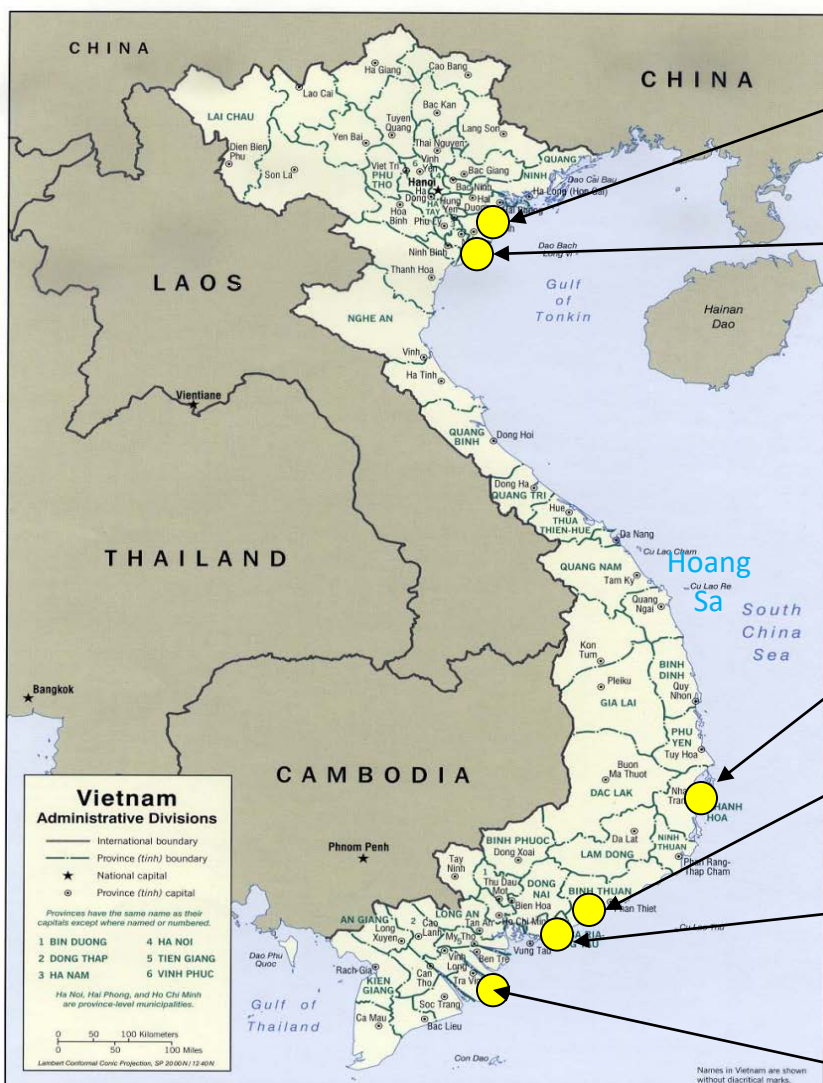
- Capacity: 4-6 MMTA
- Schedule: 2022 - 2025

## Thi Vai – Vung Tau LNG Terminal

- Capacity: 1-3 MMTA
- Schedule: 2020 - 2022

## South West LNG Terminal

- Capacity: 1 MMTA
- Schedule: 2021 - 2030



To implement the master plan, Viet Nam will establish and issue the legal framework for the development of the LNG sector in Viet Nam.

In the short term, to study and propose mechanisms and policies for importing and distributing LNG (such as LNG price control mechanisms for power plants, technical standards for LNG depot, terminal, pipeline,...).

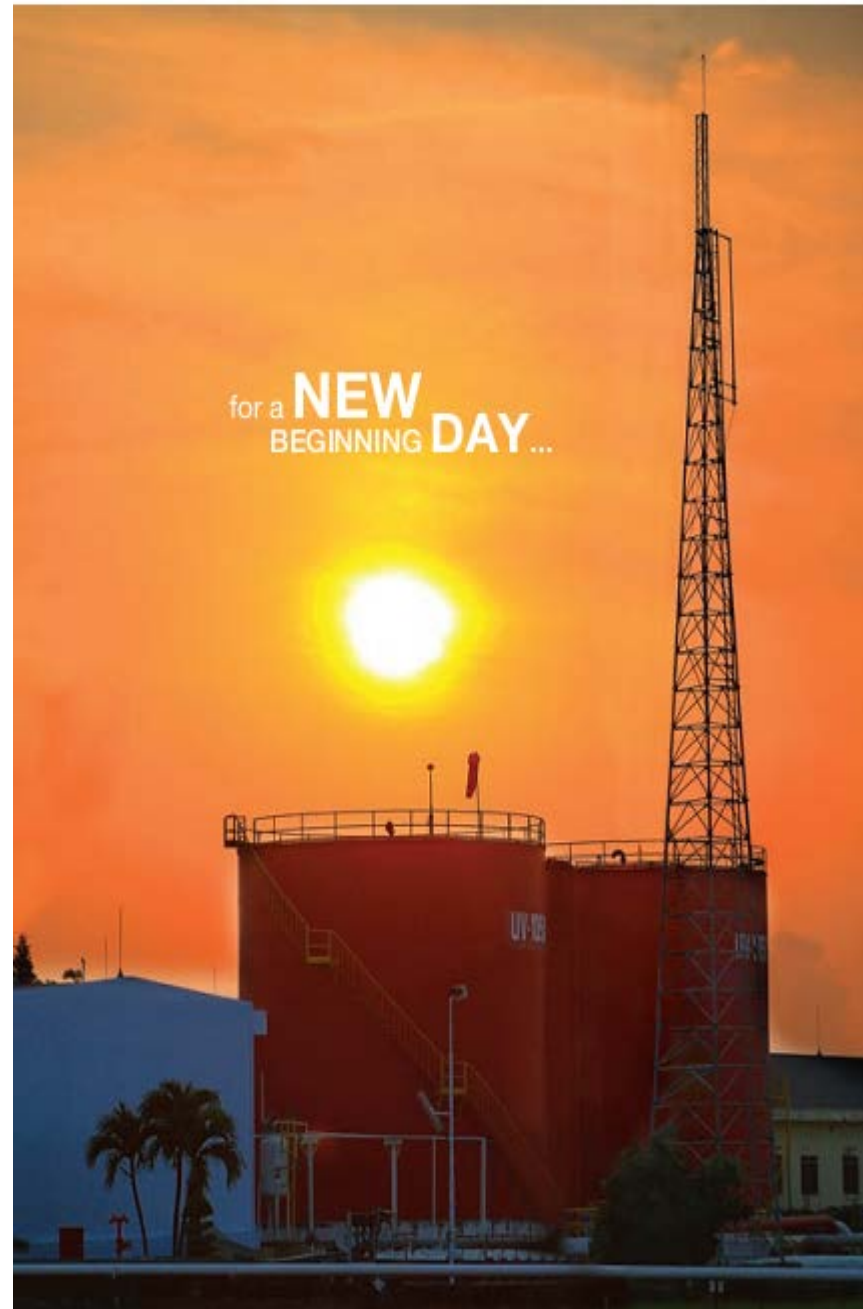
At the same time, to promote investment in LNG storage, terminal projects; to prioritize the timing, schedule of the storage project to call for investment.

# SUGGESTION FOR THE CONTENT OF TRAINING PROGRAM



- 1) LNG Import and Terminal Regulatory Development and Market Frameworks
- 2) LNG terminal and pipeline project Development
- 3) LNG technology and value chain
- 4) LNG Project Financing and Contracting
- 5) Gas markets (pricing, pooling price, price mechanism).

**THANK YOU!**



2018年7月25日プレゼンの様子@JCCP

