



Petrolimex: Taking you further

“Petrolimex’s vision toward 2020 and its actions
on management & human resource ”

Mr. Vu Ba Phu

Deputy Director General, BOM’s member
Vietnam National Petroleum Group

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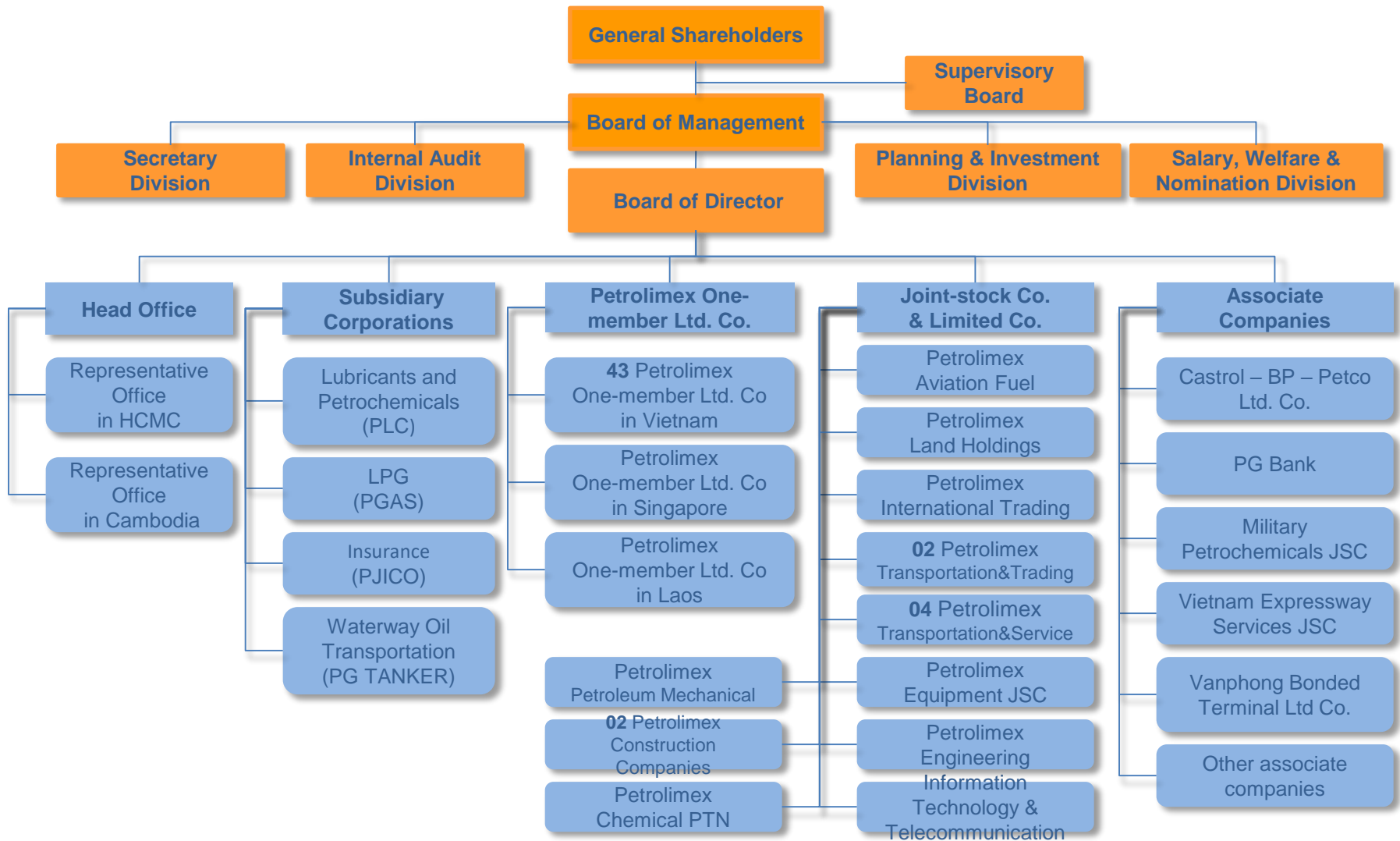
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1. Group Overview

- **Established in 1956**
- **Employees : over 17,000**
- **Total Assets : USD 2.24 billion (for 2015)**
- **Total Revenue : USD 6.52 billion (for 2015)**
- **Profit : USD 135.65 million (for 2015)**
- **Contribute to the State Budget: USD 1.45 billion (for 2015)**
- **Main business:**
 - Oil and Fuel trading
 - Oil transport and terminating
 - Oil and Gas terminal/Pipeline engineering and construction
 - Fuel dispensing pumps/hoses and related products
 - Lubricants blending and marketing
 - LPG distribution and marketing

Organization Structure

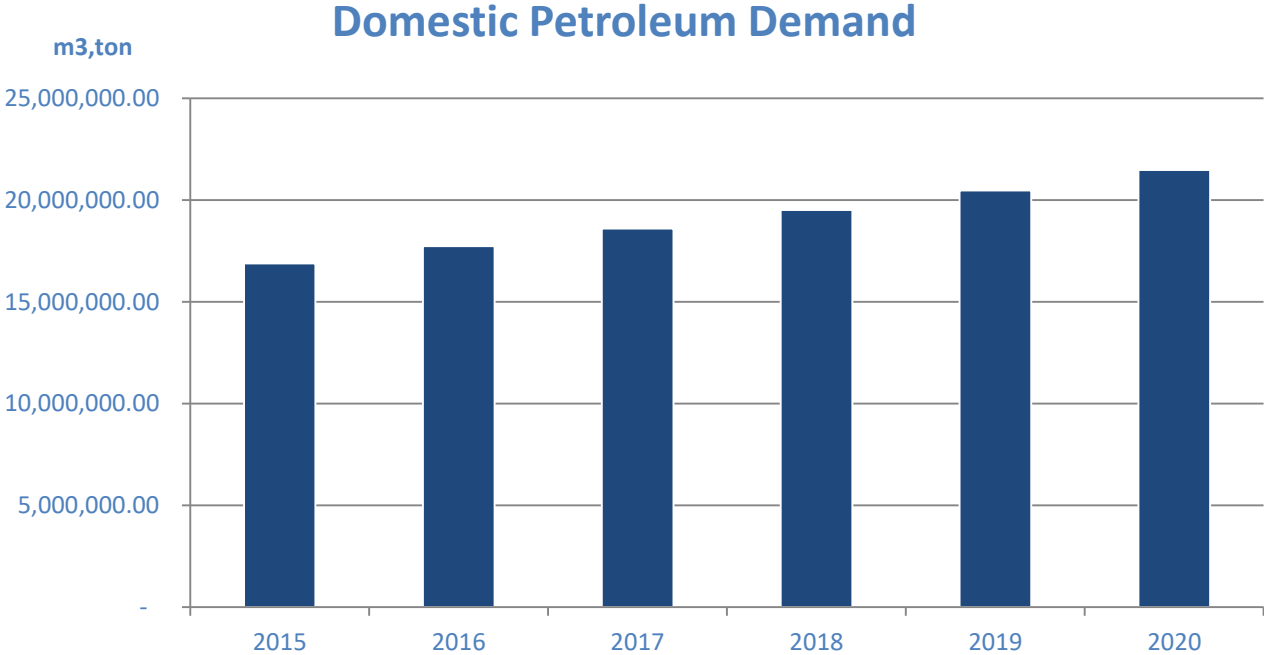


2. Business Environment

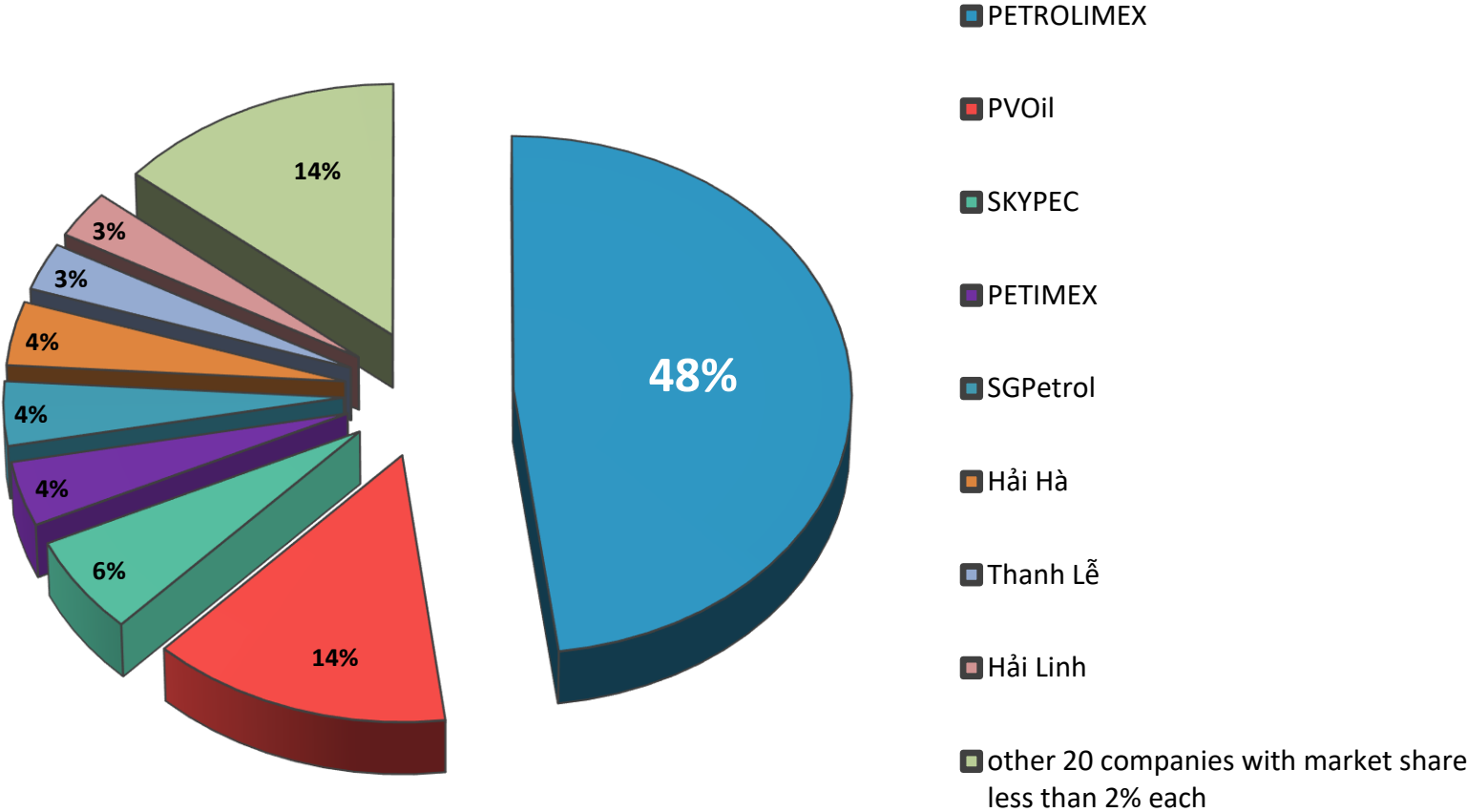
Vietnam population: 92 million (for 2015) and growth rate of 1%

GDP growth rate: around 6%

Domestic fuel demand increases



Vietnam Fuel Market share



Figures at 30 Sep 2016

Figures at 30 Sep 2016

Impact of Business Policy Changes & Trade Agreements

**Vietnam policy changes on
oil business**

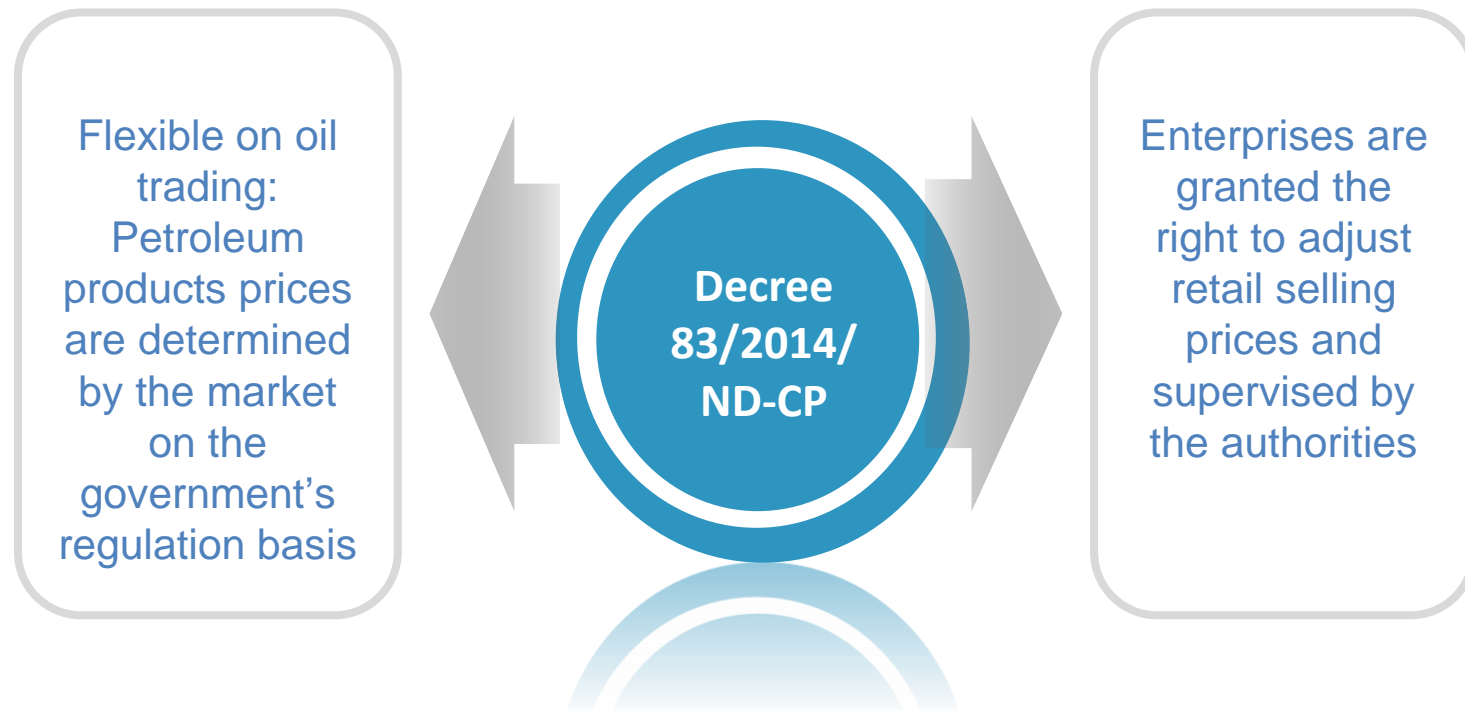
WTO

Free Trade Agreements

**Oil
Business?**

Impact of Business Policy Changes & Trade Agreements (cont.)

Vietnam policy on oil business

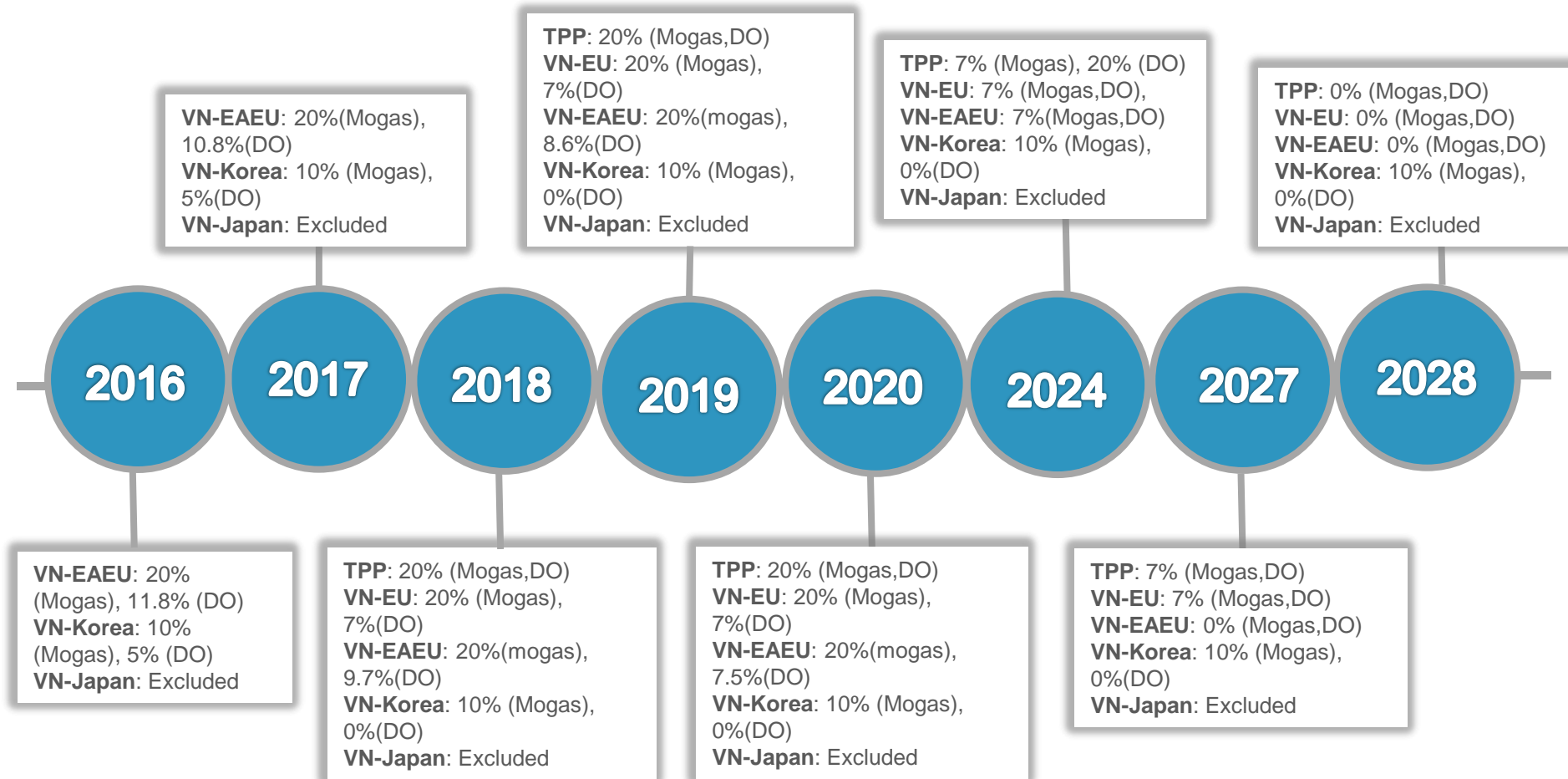


WORLD TRADE ORGANIZATION



- Vietnam close the domestic oil market to foreign enterprises. They are not allowed to do business regarding to trading, distributing, importing & exporting oil and petroleum products.
- *Exception:* Vietnam government allow foreign companies that invest in refineries in Vietnam can involve in oil domestic distribution market.
- Currently, MFN: 20% for gasoline and 7% for DO.

Impact of Business Policy Changes & Trade Agreements (cont.)



Free Trade Agreements Roadmap on petroleum products import tax cut

Group's Vision Toward 2020



Opportunities for Petrolimex

Biggest supplier in distributing petroleum products in Vietnam

Long history and prestigious brand name nationwide

Potential domestic market for fuel distribution

Petroleum demand grows speedily

Challenges to Petrolimex

Ensure the National Energy Security

Responsible for stable fuel national reserves whatever the oil market fluctuates

State owned company is governed by authorities.
Policy changes to adapt tax cut scheme in accordance with FTAs

Policy risks

Challenges to Petrolimex (cont.)

Depend on imports

Nearly 70% import from overseas
About 30% from only one domestic refinery

Petroleum domestically marketing is more competitive: Number of licensed petroleum importers has increased to 28.

Domestic competitors

Employees' working abilities

The need to increase high specialized workers and staff when Petrolimex improves technology, retail selling systems in context of international integration.

Actions of Petrolimex

Innovate oil depots and oil storages across Vietnam with total capacity of more than 2 million m³



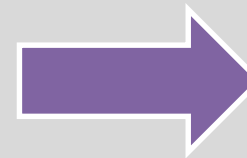
**Ensure
the
National
Energy
Security**

Contribute ideas to authorities in prior to the effectiveness of policies
Well-prepared on the threshold of international integration



**Reduce
Policy
risks**

Planning to construct a refinery to self – control petroleum products supply to the market (ongoing).

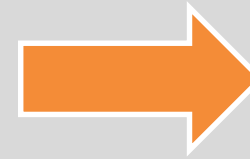


**Decrease
Dependence
on imports**

Actions of Petrolimex (cont.)

Innovate corporate governance: Establishment of Petrolimex Kaizen Department in order to value up the corporate through KPI, improving logistics, etc.

Reinforcing facilities, integration, new establishment or abolishment of facilities for the optimal operation



**Increase
Domestic
competition**

Continuously open training class for staff cross the country in order to adapt with new systems such as ERP-SAP training class.

Cooperate with JCCP for overseas training every year



**Improve
Employees'
working
abilities**



Thank You

phuvb@petrolimex.com.vn

www.petrolimex.com.vn

Headquarters

Vietnam National Petroleum Group
No.1 Khamthien street,
Hanoi,
Vietnam

Singapore

Petrolimex Singapore Pte Ltd
200 Cantonment Road
02-02 Southpoint
Singapore, 089163

Laos

Petrolimex Laos
13 Nort Street,
Sykhaithong
Sykhotabong District
Vientiane, Lao PDR

Cambodia

Petrolimex Cambodia
No.37, Sheet 240,
Chak Tomuk
DaunPenh,
Phnompenh, Cambodia