New Regulations Threaten Vietnam’s Remaining Coal Pipeline
Foreign Investors Will Need Special Treatment To Avoid New PPP Law

Executive Summary

Vietnam has announced plans to cancel or postpone nearly half of its coal power capacity currently in the pipeline, until after 2030.

The government’s draft Power Development Master Plan for 2021-2030 (PDP 8), which carries a vision to 2045, is due to be finalized early next year. It currently states that Vietnam will only continue with the development of 15 coal-fired power projects with a combined capacity of 18 gigawatts (GW) between now and 2026.

While ongoing innovation in renewable energy technologies will likely make discussion of new coal power obsolete by the end of this decade, shifting socio-economic and regulatory trends in Vietnam suggest that the fate of some of these remaining projects might also be at risk.

Figure 1: Vietnam’s Coal Power Capacity (MW)

<table>
<thead>
<tr>
<th>Postponed until after 2030</th>
<th>Cancelled</th>
<th>Pipeline (2020-2026)</th>
<th>Existing capacity (2019)</th>
</tr>
</thead>
<tbody>
<tr>
<td>7,600</td>
<td>9,520</td>
<td>18,060</td>
<td>20,267</td>
</tr>
</tbody>
</table>

Source: MOIT Draft PDP 8 (July 2020).

Vietnamese regulators are taking stock of lessons learned from more than a decade’s experience of negotiating the terms of independent coal-fired power projects (IPPs) with foreign investors. Balancing the need to attract overseas financing with the country’s limited fiscal space has turned Vietnamese officials into tough negotiators. It also meant that the many negotiations that must take place at
the local and central government level can take as long as 8-10 years before construction can begin.

That means there is often a gap between the pipeline of proposed projects and what is actually built. According to the Ministry of Industry and Trade (MOIT), during the 2016-2020 period, only 58% of planned coal-fired capacity was actually realized, compared to 118% in hydropower and 205% in non-hydro renewables. Acknowledging that completion risks can be unmanageable, the Vice Minister of MOIT recently noted: “If we carry on like this, we will never be able to meet [the growing] power demand.”

But times are changing. The need for more generation capacity remains a top priority, but new strategies for power sector development are emerging. The availability of new renewable technologies as well as a more diversified pool of investors and innovative financing solutions are paving the way for the Vietnamese government to adopt more modular system solutions.

MOIT has already made clear that it will retreat from build-operate-transfer (BOT) power project models, a type of IPP accompanied by generous concessions which have been a magnet for foreign investors this past decade. Government guarantees will also be minimized in the future as the regulators evaluate other more targeted measures to support the bankability of IPP projects.

There are some significant new barriers to project completion for the remaining BOT coal power projects in the pipeline that have not yet concluded negotiations. The socio-economic realities triggered by COVID-19 have encouraged senior planning officials to take a more cautious approach to large scale power projects and the aggressive claims by potential IPP sponsors. Just as important, the newly enacted Law on Public-Private Partnership (PPP Law) coming into force on 1 January 2021 will create new hurdles for foreign IPP sponsors that fail to conclude BOT, and government guarantee and undertaking (GGU) agreements, before the yearend.

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New Regulations Threaten
Vietnam’s Remaining Coal Pipeline

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The Coal BOT Pipeline Is Closing

Sovereign Guarantees Cut Back and Other Bankability Uncertainties

BOT (build-operate-transfer) coal power projects in Vietnam have generally been regarded as having well accepted contract terms, the most important of which are a sovereign guarantee in the event of a default by the state utility Vietnam Electricity (EVN), or risks associated with mining company Vinacomin’s domestic fuel supply, and foreign exchange convertibility. The guarantee has been crucial for international lenders given EVN’s limited creditworthiness. The utility is currently rated by Fitch at non-investment grade “BB”, and the absence of a clear, multiyear tariff growth trajectory makes it challenging to predict EVN’s future profitability and hence solvency.

The sovereign guarantees have been enabled so far by the current legal framework but that will change with the implementation of the new Law on Public-Private Partnership (PPP Law) from next year. While not banning such practices, the new law fails to provide for the option of having government guarantees to cover the performance of state-owned enterprises such as EVN (the sole electricity offtaker) or Vinacomin and Dong Bac Corporation (domestic coal suppliers). As a result, it remains unclear whether or not the practice will be carried forward.

Some of this uncertainty stems from the nature of collective decision-making at the top of the Vietnamese government. In the case of BOT coal power projects, different state agencies such as the Ministry of Finance, Ministry of Justice, and the State Bank of Vietnam, in addition to the lead negotiator, the Ministry of Industry and Trade, all have veto power. Reaching a consensus, especially on matters unsupported by any specific legal basis, will be no easy feat and should be expected to add to further delays to contracts prior to sign off and overall project completion risk.

Another bankability issue created by the new PPP Law stems from the decision to make Vietnamese law mandatory as the governing law in BOT contracts. This marks an end to the practice thus far of using English or Singaporean contract laws which are commonly accepted by international lenders. This change adds to the burden of Japanese and South Korean sponsors who are already pushing hard to close deals, as their governments and global financial institutions are signalling an accelerated departure from fossil fuel investments. Projects such as Vung Ang 2 – a planned ultra-supercritical 2 x 600 megawatt (MW) coal-fired power station for Ha Tinh province - already saw several backers such as Standard Chartered and OCBC Bank...
pull out in 2019. Financial advisor HSBC also decided to exit the Vinh Tan 3 project - part of a huge coal power complex in Binh Thuan province - in January this year.

The new PPP Law also seeks to standardize BOT contracts by mandating the government to stipulate the contract template. While this could be perceived as an effort to enhance the transparency and predictability of BOT contracts in general, it certainly poses risks to foreign sponsors of fossil fuel power projects who have so far enjoyed a less restrained regime that gave way to more concessions. It remains to be seen how detailed the BOT contract template would be, as well as the permitted room for negotiation, but this adds uncertainty to the already unpredictable future of those BOT coal power projects which will be governed by the new law.

**The Retail Electricity Market Roadmap**

IPP investors will also need to pay more attention to the fact that Vietnam is taking seriously its commitment to have a retail electricity market from 2024. This means that EVN will no longer be the sole offtaker. While many doubt the feasibility of this plan, EVN and MOIT are already taking steps to prepare the roadmap—a move which has the effect of cutting back the state utility’s offtake obligations for new IPPs. Historically, EVN’s offtake has generally been guaranteed in the 80-85% range for coal IPPs and could go as high as 100% in the case of BOT projects.

Furthermore, as Vietnam’s power system brings more renewables into the mix, mobilization of dispatch from thermal power plants is also expected to change. In the draft PDP 8, the Institute of Energy denoted that the capacity of coal power plants might be reduced to 5,000-6,000 hours/year from the current 6,500 hours/year, and suggested that new plants should be equipped with technologies that can accommodate flexibility. These changes align well with the policies used in markets transitioning to more reliance on renewables. Nonetheless, they are not compatible with the firm offtake commitments that IPP investors rely on to minimize market risk.

**EVN’s COVID-induced Financial Constraints**

Commissioning BOT coal power projects with fixed capacity payments made sense when Vietnam’s economy grew steadily as it did in the past decade. But the outbreak of COVID-19 has disrupted this trajectory. We have conservatively forecast full year unit sales growth at only 2.2% in 2020\(^2\), less than a quarter of the pace evident in previous years. This, together with its inability to hike official retail tariffs, has compromised the financial health of EVN. In a recent report\(^3\), IEEFA estimated that EVN would report a net loss in 2020, a situation that will persist should the average retail tariff increase at below 2% next year.

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\(^3\) IEEFA. *Vietnam’s EVN Faces the Future: Time to Get Renewables Right - The Key to Success for PDP 8 Will Be Investment in New Renewables Technology and the Grid*. September 2020.
Vietnam has proven more resilient than the rest of the world in withstanding the COVID-19 pandemic – the economy grew at 2.1% in the first nine months, according to government data – but its export-dependent economy remains vulnerable to external shocks. Uncertainties around the shape of economic recovery and future electricity demand are new parameters that MOIT officials have to deal with when evaluating the mix of new power projects. For the planning work that must go into PDP 8, slowing demand is no doubt giving MOIT a window of opportunity to reassess the cost-effectiveness of additional large-scale fee-heavy coal power projects.

**Competition From Alternative Technologies and Renewable Energy**

Vietnam’s power market landscape today is not the same as it was 5-10 years ago when coal and hydro power were the only economically viable sources.

Ongoing innovation in renewable and storage technology along with new system management strategies have made renewables increasingly cost-competitive. Global renewable energy project developers, equipment suppliers and financiers are becoming increasingly invested in the Vietnamese market, attracted by the country’s excellent wind and solar resources and a healthy long-term economic growth outlook. Vietnam was able to develop nearly 5GW of utility-scale solar power between 2017-2019 alone. Meanwhile, by June 2020, nearly 12GW of wind power projects had been proposed by private investors and approved into the pipeline.

World leading turbine manufacturer Vestas announced in August that its intake order from Vietnam had exceeded the 1GW capacity threshold, with most projects on track to come online before November 2021. Germany’s Enercon reported similar performance, citing Vietnam as a “fast growing core market” for the

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company. Current discussions on international energy forums such as the Global Wind Energy Council (GWEC) suggest that foreign investors could flock to the market as soon as the government finalizes a clear, ambitious and longer-term development target for Vietnam’s offshore wind power, covering at least the next two decades.

Such strong interest has given MOIT officials a boost of confidence, showing that with the right policies in place, Vietnam is capable of attracting international investment that can bring cleaner power generation assets online much more quickly and efficiently than large-scale fossil fuel plants. Just as important, these projects will add to Vietnam’s energy security profile because they are not reliant on imported fuels that could be subject to supply chain risks or price volatility.

At the same time, the socio-environmental impact of coal-fired power stations has become increasingly noticeable, creating a situation where it’s common for provincial authorities and communities to push back against any plans for new coal power development. This has been the case for provinces such as Long An, Tien Giang, Bac Lieu, Thua Thien Hue and Quang Ninh which are now quickly pivoting towards alternatives such as gas-fired power plants that are perceived as cleaner.

Despite the global industry supply glut and downturn and the increasing risk to the climate from gas/LNG methane emissions, interest in LNG-fired power capacity in Vietnam is growing rapidly. Multibillion-dollar integrated LNG-to-power projects are being proposed across the country at a record pace. According to MOIT’s Institute of Energy, up to 125GW worth of LNG-fired capacity is now under consideration. Among them, ExxonMobil is currently pursuing a USD 5.1 billion project in the northern coastal city of Hai Phong where it proposes to develop a 4.5GW power plant and an LNG import terminal expected to be ready after 2026.

The political and market considerations that are driving support for LNG in Vietnam should not be underestimated. Countries like the U.S. are pushing hard to support beleaguered energy companies and have portrayed purchases of U.S. gas as a way of ‘chipping away’ at the growing trade deficit. According to the U.S. Census Bureau, the U.S. trade deficit with Vietnam grew a whopping 19% year-on-year between January and August, widening to USD 42.4 billion, which triggered the Trump

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6 VnExpress. ExxonMobil’s $5-billion LNG power plant gets green light. 3 October 2020.
administration to launch a currency manipulation probe into the country in October.\(^7\)

Nonetheless, EVN’s ability to absorb high cost gas-fired power has yet to be fully evaluated. On balance, the pivot to LNG is expected to progress, but it remains difficult to know which of the many projects currently on the drawing board will have the financial resources to navigate a complex project approval process.

What seems clear is that some of these projects might actually see the light of day sooner than their coal competitors. Emerging competition from renewable energy and gas-fired power are new challenges that coal power project sponsors did not have to face in earlier years.

**A Review of Pending Coal BOTs**

Of the 15 coal-fired power projects left in Vietnam’s pipeline, four BOT projects are yet to reach commissioning phase:

- Vinh Tan 3
- Vung Ang 2
- Nam Dinh 1
- Song Hau 2

Given the current context, there is now scope for doubt about the ability of these projects to progress.

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\(^7\) USTR. *[USTR Initiates Vietnam Section 301 Investigation]*. 2 October 2020.
Table 1: Vietnam’s Last BOT Coal Power Projects

<table>
<thead>
<tr>
<th></th>
<th>VINH TAN 3</th>
<th>VUNG ANG 2</th>
<th>NAM DINH 1</th>
<th>SONG HAU 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity</td>
<td>1,980 MW</td>
<td>1,200 MW</td>
<td>1,200 MW</td>
<td>2,000 MW</td>
</tr>
<tr>
<td>Province</td>
<td>Binh Thuan</td>
<td>Ha Tinh</td>
<td>Nam Dinh</td>
<td>Hau Giang</td>
</tr>
<tr>
<td>Estimated cost</td>
<td>USD 2.2 billion</td>
<td>USD 2.4 billion</td>
<td>USD 2.5 billion</td>
<td></td>
</tr>
<tr>
<td>Sponsors</td>
<td>One Energy Limited (CLP Holdings 50%, Diamond Generating Asia 50%, a subsidiary of Mitsubishi) - 49%, Electricity of Vietnam - 29%, Thai Binh Duong Group (Vietnam) - 22%</td>
<td>One Energy Asia (Mitsubishi 40%, KEPCO 40%, Chugoku Electric Power 20%)</td>
<td>ACWA Power (Saudi Arabia) Taekwang Power (South Korea)</td>
<td>Toyo Ink Group Bhd (Malaysia)</td>
</tr>
<tr>
<td>EPC contractors</td>
<td>Harbin Electric Energy China Engineering Group Guangdong Power Engineering Co</td>
<td>Samsung C&amp;T Doosan Heavy</td>
<td>China Ghochua Group International Engineering NOMAC (ACWA subsidiary) KEPCO E&amp;C Fichtner GmbH &amp; Co. KG Doosan Group</td>
<td>N/A</td>
</tr>
<tr>
<td>Coal sourcing</td>
<td>Imported</td>
<td>Imported</td>
<td>Mixed</td>
<td>Imported</td>
</tr>
<tr>
<td>Expected COD</td>
<td>2025</td>
<td>2025</td>
<td>2026</td>
<td>2026</td>
</tr>
<tr>
<td>Negotiation status</td>
<td>PPA initiated in Dec 2018. BOT, GGU initiated in Jan 2020 but there are pending issues with foreign exchange conversion guarantee, early termination clause, SPV conversion into limited liability company.</td>
<td>PPA finalized and awaiting official signing. BOT, GGU under legal review.</td>
<td>PPA initiated, but there are concerns over the readiness of 500KV transmission line. BOT, GGU nearly finalized, there are pending issues with Vinacomin’s coal supply guarantee.</td>
<td>PPA initiated. BOT, GGU nearly finalized, there are pending issues with foreign exchange conversion guarantee, and early termination clause.</td>
</tr>
</tbody>
</table>

Sources: Market Forces, Vietnam Energy Magazine.

While the four projects share common bankability risks as presented in the previous section, each of the projects are also facing distinct challenges on the ground. Table 2 highlights case-specific political, socio-economic and infrastructural factors that can influence project viability.
New Regulations Threaten Vietnam’s Remaining Coal Pipeline

Table 2: A Review of Vietnam’s Last BOT Coal Power Projects

| Source: IEEFA. |
| --- | --- | --- | --- |
| **VINH TAN 3** | **VUNG ANG 2** | **NAM DINH 1** | **SONG HAU 2** |
| **Provincial government support** | Low-Medium | Low-Medium | Strong |
| - Provincial government unhappy with handling of coal ashes of Vinh Tan 1, 2 in 2015, 2018. | - Provincial government very keen on the project as in need of new revenue sources, noted that having the power plant is the only way to give a significant boost to the local budget. |
| - Recently focused on renewable energy project licensing and development as Binh Thuan has become a hotspot for solar and wind power development. Province said to focus on renewables and gas-fired power from now on, retreating from new coal projects. | - Local community unaware of potential impact as no coal plant in the province so far. |
| **Community pushback** | Strong | Strong | Weak |
| - Track record of community protests and complaints over improper handling of coal ashes and worsening air quality due to Vinh Tan 1, 2 and 4, since 2015 and ongoing. | - Local community unaware of potential impact as no coal plant in the province so far. |
| **Interconnection capacity** | Existing | Existing | None |
| - Plant adjacent to Vinh Tan 1, 2, 4. | - EVN will need to develop a 500kV 123km transmission line connecting Nam Dinh 1 to the main grid, at an estimated cost of USD 267 million. | - Plant adjacent to Song Hau 1. |
| **Renewable energy potential** | Strong | Medium | Weak |
| - Binh Thuan is a renewable energy hotspot with one of the strongest solar and wind (onshore and offshore) power potentials in the country. | - Nam Dinh is a landlocked northern province with weak solar irradiation. | - Gia Lai is a landlocked southern province with solar and wind power potential. |
| **State capital** | Yes | No | No | No |
| - EVN is one shareholder (29%), and thus, will require approval from Commission for the Management of State Capital at Enterprises (CMSIC) for capital contribution. | - No |
| **Sponsor economic footprint in Vietnam** | Yes | Yes | Yes | No |

Vinh Tan 3

This power plant of nearly 2GW is part of a larger power complex in which three other coal-fired power plants have gradually come online since 2015. Vinh Tan 3 is to be located in a province where the local government and community have been harbouring a strong sense of frustration towards coal-fired power stations. Protests
and complaints have erupted through the years over Vinh Tan 1, 2 and 4 due to the improper handling of coal ashes and worsening air quality in the area.\textsuperscript{8}

At the same time, the 192km coastal Binh Thuan province where the Vinh Tan power complex resides is home to arguably Vietnam’s most well-endowed region in terms of solar and both onshore and offshore wind power potential. Binh Thuan has been a hotspot for renewable energy investments in the past two years and will continue to remain so as Vietnam and the province in particular pivot to more renewable capacity in the coming years.

As of December 2019, investors proposed 98 solar power projects worth a combined 5,133MW in the province, of which 903MW achieved commercial operation by June 2019.\textsuperscript{9} In parallel, 21 wind power projects with a total capacity of 890MW had also been approved into the pipeline by April 2020.\textsuperscript{10} Most notably, a USD 12 billion megaproject involving a 3.4GW wind farm off the coast of Binh Thuan has been proposed by the Singapore-headquartered Enterprize Energy, making this Vietnam’s most ambitious offshore wind project to date.\textsuperscript{11} At the same time, a 1.2GW LNG-to-power project sponsored by a consortium of American and South Korean investors is also making its way into the picture.\textsuperscript{12}

It is clear that Binh Thuan provincial authorities now have better, cleaner alternatives than hosting coal-burning power stations. This may compromise the ability of Vinh Tan 3’s project sponsors to mobilize local government support.

Another unique characteristic of Vinh Tan 3 relative to its peers is the fact that EVN holds a 29% stake in the project company. While this might facilitate some aspects of project implementation, the downside is that EVN’s decisions will be subject to consultation with and approval from other state agencies. This is especially true when it comes to state capital contribution; EVN would need the greenlight of the Commission for the Management of State Capital at Enterprises (CMSC) before the capital can be disbursed. Such bureaucratic procedures can be a wild card in the completion risk assessment exercise.

\textsuperscript{8} Tuoi Tre News. Residents block vehicles on National Road 1 to protest polluting power plant. 14 April 2015.
\textsuperscript{9} Tin Tuc Viet Nam. Residents around Vinh Tan power plants miserable by ashes. 17 October 2019.
\textsuperscript{10} SGGP. Dust and noise near Vinh Tan Power Complex exceed limit. 5 July 2020.
\textsuperscript{11} Nang Luong Viet Nam. Addressing the overlap in renewable energy and titan planning areas in Binh Thuan. 6 December 2019.
\textsuperscript{12} MOIT Official Letter 2491/BCT-DL to Prime Minister dated 9 April 2020.
\textsuperscript{11} The Leader. Enterprize Energy gets greenlight for USD 12 billion offshore wind farm. 18 June 2019.
\textsuperscript{12} Vietnam Investment Review. Energy Capital Vietnam’s LNG project added to Vietnam power planning. 22 August 2020.
**Vung Ang 2**

Similar to Vinh Tan 3, Vung Ang 2 will also be part of an established power complex and a local community that has endured degraded air and water quality, the rising prevalence of non-communicable diseases, and the loss of jobs. Residents of Ha Tinh province know more than the average Vietnamese about the cost of polluting industrial activities. In 2016, Ha Tinh was hit by the most serious environmental disaster Vietnam has ever faced when the Taiwanese steel plant Formosa Ha Tinh illegally discharged toxic industrial waste into the ocean, costing the livelihood of fishermen in four coastal provinces.

As a coastal province, Ha Tinh has potential with solar and wind power, and an existing transmission network to support such development. Around 1,432MWp of solar power are currently under research by private investors. Meanwhile, Ha Tinh’s first wind power project, HBRE Ha Tinh with a capacity of 120MW, received the central government greenlight in June, and several other projects such as Ky Anh MK at 430MW are currently awaiting final approval from the Prime Minister.

With investments in the province’s renewable energy resources significantly picking up in recent years, it could potentially discourage the local government from approving new fossil fuel power projects.

**Nam Dinh 1**

This proposed 1.2GW power plant would be the first coal power plant of Nam Dinh province. While community opposition is not yet an issue, the Nam Dinh government remains one of the few localities still keen on pursuing the project for future tax revenue streams. According to a senior party official, at more than USD 2 billion in investment, Nam Dinh 1 would be the largest ever project of the province and would give a boost to the province’s annual

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budget receipts which have been very modest so far.\textsuperscript{15}

The key challenge for Nam Dinh 1, however, is the substantial investment that will be needed for the accompanying grid. EVN’s transmission arm, EVNNPT, will need to build a 123km 500kV transmission line specifically to serve the plant, at an estimated price tag of USD 207 million.\textsuperscript{16} Securing funding for such a project will not be easy given the more pressing yet “green” grid investment needs in the southern area. The completion timeline for the grid has also been acknowledged as uncertain by EVN.

**Song Hau 2**

This 2GW power plant will be the second coal power plant in Hau Giang province, the first of which is Song Hau 1 backed by state-owned PetroVietnam which is expected to come online in 2021. Similar to Nam Dinh 1, there is limited risk of community opposition to Song Hau 2 given the absence of coal-fired power stations in the province that could have raised issues about pollution. Unlike Nam Dinh province, however, Hau Giang is a southern province with both solar and wind power potential that are beginning to attract investments.

**Watch List**

While Vietnamese negotiators may not be in a hurry to conclude the pending BOT coal power projects, their Japanese and South Korean counterparts are under pressure to secure next year’s plan before the year’s financial close in the next 3-6 months.

This is where geo-strategic factors might come into play. It is telling that the first statesperson to visit Vietnam after the initial COVID-19 lockdown was South Korea’s foreign minister Kang Kyung-wha, asking for a simplified entry process for Korean experts and managers to resume business activities in Vietnam. Similarly, Japan’s new prime minister Yoshihide Suga also chose Vietnam for his first official overseas trip.

South Korea and Japan are no ordinary investors in Vietnam. They are long term business partners that prioritized Vietnam as a strategic investment destination long before western countries realized the “China + 1” potential here.

\textsuperscript{15} Enternews. *Nam Dinh prepares to welcome over USD 2 billion power plant.* 19 September 2020.

\textsuperscript{16} Bao Dau Thau. *E VN proposes investment in 500 kV transmission line worth over VND 4,800 billion.* 14 July 2020.
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Figure 1: South Korea and Japan Top Investors List In Vietnam
Accumulated Registered Capital as of September 2020

Source: Ministry of Planning and Investment.

South Korea's socio-economic footprint in Vietnam is unrivalled. It is by far the largest source of foreign direct investment (FDI) with an accumulated registered capital of over USD 70 billion as of September 2020. Conglomerates such as Samsung and LG are the force behind Vietnam's strong export base of smartphones and electronics.

In Vietnam since 1995, Samsung has been by far Vietnam's largest foreign investor with over USD 17.3 billion committed through the years. More than half of Samsung's smartphones are produced and shipped from Vietnam, contributing to 18% of Vietnam's annual export turnover. Around 160,000 jobs have been created by Samsung's two smartphones manufacturing factories in the north (Thai Nguyen and Bac Ninh province) and electronics plant in Ho Chi Minh City, and throughout its ecosystem of local suppliers.

South Korea’s Taekwang Group, currently one of the two sponsors in Nam Dinh 1, has also been an investor in Vietnam since 1994. Initially focused on shoe manufacturing with facilities in the three southern provinces of Dong Nai, Tay Ninh and Can Tho, the group has recently expanded its footprint to include a fertilizing business and the coal power plant project, Nam Dinh 1.17

Similarly, Japan has been a long time, trusted partner of Vietnam. Japan is the largest official development assistance (ODA) donor and the second largest investor with nearly USD 60 billion in committed capital. Mitsubishi, a key sponsor in Vinh Tan 3 and Vung Ang 2, has a portfolio of industrial and real estate investments in Vietnam. Besides an automobile assembly plant in Binh Duong, the company is reported to be eyeing Binh Dinh province as the home for its second automobile plant.\textsuperscript{18}

It should not come as a surprise if in the coming months the sponsors and their governments try to leverage their investments in the industrial ecosystem to accelerate the completion of Vinh Tan 3, Vung Ang 2 or Nam Dinh 1. It will then be up to senior Vietnamese government officials to strike a careful balance, even though the final choice might come at the expense of EVN as a business entity and Vietnamese ratepayers.

\textsuperscript{18}Vietnambiz. Mitsubishi plans to build automobile plant in Vietnam. 8 June 2020.
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