

SOUTHEAST ASIA



Vietnam

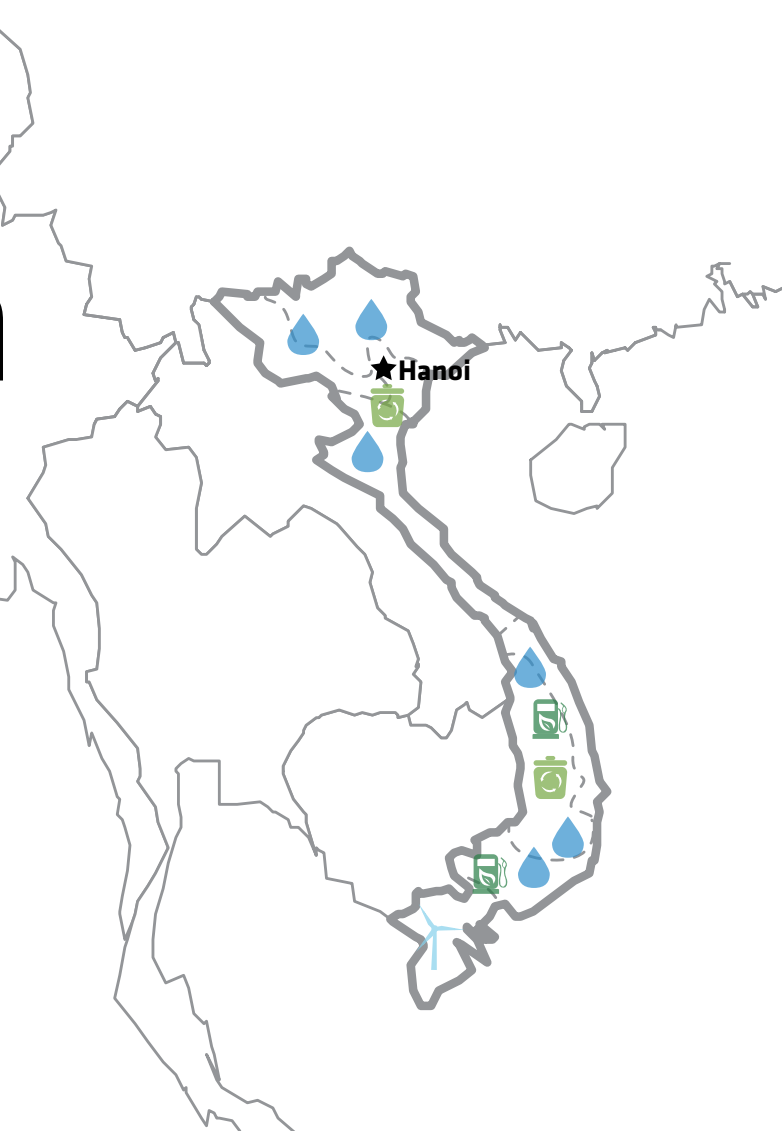
GDP: **\$171.4bn**
 Five-year economic growth rate: **10%**
 Population: **89.7m**
 Total clean energy investments, 2006-2013: **\$3.8bn**
 Installed power capacity: **26.3GW**
 Renewable share: **16.3%**
 Total clean energy generation: **142GWh**
 Top energy authority:
Ministry of Industry and Trade

OVERALL RANKING
2014

13

OVERALL SCORE
2014

1.41



PARAMETER	RANKING	SCORE
I. Enabling Framework	15	1.33
II. Clean Energy Investment & Climate Financing	33	0.45
III. Low-Carbon Business & Clean Energy Value Chains	13	2.99
IV. Greenhouse Gas Management Activities	13	2.00

SUMMARY

Vietnam scored 1.41 to finish 13th among all *Climatescope* 2014 nations. Its best performance came on Low-Carbon Business and Clean Energy Value Chain Parameter III thanks to its clean energy service providers.

Vietnam's 2013 GDP was \$170b and its population of 90m enjoys near complete access to electricity. The country received a total of \$147m in clean energy investment in 2013, out of a cumulative \$3.8bn from 2006 – 2013. Wind energy received 79% of total investment from 2006-2013.

Large hydropower and thermal power are almost the entirety of Vietnam's power generation, amounting to 99.8% of 69.4TWh in 2013. Viet Nam Electricity (EVN) is the monopoly power supplier, and its rates are highly subsidized. While some independent power producers do operate in the country most generation is by EVN subsidiaries.

Vietnam has set clean energy production targets of 4.5% by 2020 and 6% by 2030. The country has a feed-in tariff for wind energy development (due to be revised in 2015) and it allows for accelerated depreciation in renewable energy projects.

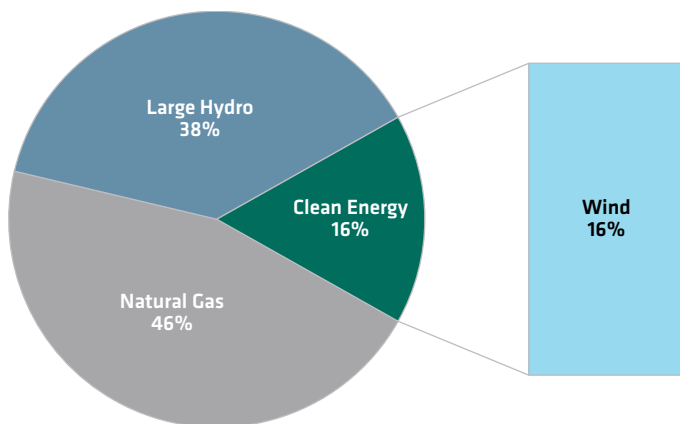
For further information, access www.global-climatescope.org/vietnam

PARAMETERS AT A GLANCE

In 2011, Vietnam released its National Master Plan for Power Development 2011-2020, advising on feed-in tariffs for wind and biomass and waste projects to promote renewable energy development. A revision of this policy is due by 2015 as the Master Plan on Renewable Energy Development for 2030 with a vision to 2050.

INSTALLED POWER CAPACITY BY SOURCE, 2013 (%)

26.3GW total installed capacity



Source: Bloomberg New Energy Finance, Electricity Viet Nam, Electricity Regulatory Authority of Vietnam, Institute of Vietnam, Ministry of Industry and Trade, Ministry of Natural Resources and Environment.

Vietnam scored comparatively well on Enabling Framework Parameter I due to its policies supporting renewable energy development. Of its 26.3GW total installed capacity, natural gas accounted for 45.6%, large hydropower 38.1%, and wind 16.3%. Wind and biomass and waste together contributed 142GWh to the 69.4TWh generated in 2013.

KEY POLICIES

Biofuel Blending Mandate	A mandate of 5 million tons of E5 (ethanol 5%) and B5 (bio-diesel 5%), satisfying 1% of its gasoline and oil (diesel, kerosene and other oil derivatives) demand by 2015.
Energy Targets	It is targeting 4.5% of electricity production from renewable energy by 2020 and 6% by 2030; 5.6% of installed capacity by 2020, and 9.4% by 2030.
Feed-in-Tariffs	There is a wind feed-in-tariff comprising \$0.07/kWh from the wind power purchasers and \$0.01/kWh from the Vietnam Fund for Environment Protection.
Tax Incentives	These include accelerated depreciation in power generation, import duty exemption for CDM project-related goods, an incentive tax rate of 10% for 15 years, and tax reduction of 50% with a tax exemption of 4 years for new power projects; and tax incentives for biofuels.

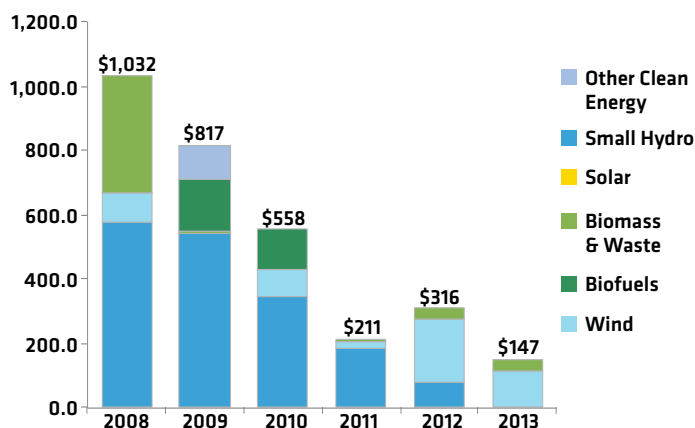
Source: Bloomberg New Energy Finance Policy Library

Vietnam performance on Clean Energy Investment Parameter II was less impressive. Despite strong potential for wind power and abundant biomass resources, it has attracted relatively little capital. Vietnam does have a low average cost of debt, however, which benefits project developers.

The country's best performance came on Low-Carbon Business and Clean Energy Value Chain Parameter III due to the substantial local presence of equipment makers in the solar, biomass and waste, and wind value chains. It also has various clean energy service providers and financial institutions involved with clean energy. Vietnam does not, however, have meaningful presences in other services value chains.

ANNUAL INVESTMENT IN CLEAN ENERGY, 2006-2013 (\$m)

\$3.1bn total cumulative investment



Source: Bloomberg New Energy Finance

Notes: Total investment includes: Asset Finance, Corporate Finance and Venture Capital / Private Equity Commitments.

Vietnam scored quite well on Greenhouse Gas Management Parameter IV, due to carbon offsets from its various CDM projects. It also has a voluntary emissions reduction target of 8-10% by 2020, though it does not have voluntary corporate GHG reporting.