

Electricity regulation in Vietnam: overview

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A Q&A guide to Electricity regulation in Vietnam.

The Q&A gives a high level overview of the domestic electricity market, including domestic electricity companies, electricity generation and renewable energy, transmission, distribution, supply and tax issues. It covers the regulatory structure; foreign ownership; import of electricity; authorisation and operating requirements; trading between generators and suppliers; rates and conditions of sale and proposals for reform.

To compare answers across multiple jurisdictions, visit the energy and natural resources [Electricity regulation Country Q&A tool](#).

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Electricity market

1. What is the role of the electricity market in your jurisdiction?

Overview

Vietnam Electricity (EVN) generated and purchased 212.9 billion kWh of electricity in 2018, and plans to supply 232.5 billion kWh in 2019, according to statistics released at EVN's planning conference in Hanoi on 3 January 2019, available at the EVN website (www.evn.com.vn/d6/news/EVN-phai-tap-trung-moi-nguon-luc-de-dam-bao-du-dien--6-12-22951.aspx).

On 18 March 2016, the Prime Minister issued Decision No. 428/QĐ-TTg, which provided for the revised power development plan VII (PDP VII) for the period of 2011 to 2020. It predicts an overall power demand increase by a factor of about 2.4 in the next five years or 10% to 12% per year, reaching a demand of up to 245TWh in 2020 and 559TWh by 2030.

In order to change Vietnam's agriculture-based economy to a more industrial economy, Vietnam is transforming its electricity generation mix over the next two decades. To attain this goal and to ensure energy security, it is increasing its electricity generating capacity. Vietnam plans to add substantial coal-fired capacity and to promote renewable energy. Under PDP VII, coal power plants will be the main contributors to the expansion of capacity, surpassing hydropower as the primary resource of electricity generation.

Recent trends

The role of the private sector and foreign investment in particular is increasing in the Vietnamese electricity market. Most foreign investment takes the form of build-operate-transfer projects (BOT), where a foreign investor builds a power generation project, operates it for certain period of time to gain profits, and then transfers it to the Vietnamese Government. The following are examples of newly licensed BOTs:

- Nam Dinh 1.
- Nghi Son 2.
- Van Phong 1.

A number of BOT projects are currently being negotiated, including Quang Tri 1, Song Hau 2, Long Phu 2, Quang Trach 2, and Vung Ang 2.

The total capacity of foreign-invested power producers accounted for 2,800 megawatts in 2015 and is increasing.

Regulatory structure

2. What is the regulatory framework for the electricity sector?

The electricity sector is regulated by the:

- Electricity Law of 2004 (amended in 2012 and 2018).
- Guiding decrees, decisions, and circulars issued by governmental authorities (together, Electricity Laws).

The Electricity Laws formalise the shift of the electricity sector to market mechanisms and diversify forms of ownership and management over electricity generation, wholesale and retail. They also provide the conditions and requirements for operating an electricity business. Vietnam's policies are to liberalise the electricity market and encourage foreign investors to invest in the market (see [Question 24](#)).

Regulatory framework

Currently, Vietnam's electricity market is dominated by Vietnam Electricity (*T#p đoàn Điện lực Việt Nam*) (EVN). EVN (via its subsidiaries) acts a single buyer of all electricity generated from on-grid independent power projects.

Power transmission, distribution and retailing systems are also exclusively operated by EVN subsidiaries. Private companies, including foreign-invested ones, are only independent power producers that sell their generated power to EVN's wholesaling subsidiaries.

To create a more competitive electricity market, the Vietnamese Government aims to divide EVN-owned power plants and generation companies to become independent generators, wholesalers, and retailers (except for power

plants of economic, security or defence importance). These plants and generation companies will not be involved in electricity transmission. However, this plan has yet to be implemented. EVN and its subsidiaries remain responsible for the transmission, distribution, and sale of electricity to end-consumers.

Electricity companies

Main companies

3. What are the main companies involved in electricity generation, transmission, distribution and supply?

The main companies involved in electricity generation are:

- EVN and its subsidiaries.
- Independent power producers (IPPs).
- Privatised or partly privatised generation companies.
- Build-operate-transfer (BOT) projects.

The Vietnam Oil and Gas Group (*T#p đoàn Dầu khí Quốc gia Việt Nam*) (PVN) and Vietnam National Coal-Mineral Industries Holding Corporation Limited (Vinacomin) are the biggest IPPs in Vietnam. EVN, PVN and Vinacomin account for 75% of the total electricity generation capacity.

Electricity transmission is exclusively vested in the National Power Transmission Corporation (NPTC). Electricity distribution and supply is exclusively operated by five subsidiaries of EVN (that is, North Power Corporation, Central Power Corporation, South Power Corporation, Hanoi Power Corporation, and Ho Chi Minh City Power Corporation).

Generation

Primary sources include fossil fuel, oil and water, which are put into generation power plants to generate the power. The produced power is then connected and transmitted through the National Load Dispatch Centre (NLDC) and the transmission systems (NPTC) (via 500kV, 220kV and 110kV lines) to Electricity Purchase and Trading Corporation (EPTC), which in turn sells electricity to the five power corporations (PCs) mentioned in the preceding paragraph. The PCs (or via their subsidiaries in localities) then sell electricity to end-consumers. NLDC, NPTC, EPTC, and the PCs are solely owned and controlled by EVN.

Transmission

NPTC is exclusively responsible for managing the national power transmission grid in the country.

According to EVN's 2017 Vietnam Electricity Annual Report (at the time of writing, the 2018 report was not available), the country's transmission grid has 7,446 km of 500kV transmission lines and 16,071 km of 220kV transmission lines. The capacity of 500kV and 220kV transformers is 26,100 and 41,538 megavolt amperes (MVA) respectively. 239 power network projects ranging from 110 to 500 kV have been completed with a total of 2,160 km of transmission lines and a capacity of over 15,500 MVA of substations.

Distribution

Currently, EPTC is the single buyer purchasing all generated electricity. EPTC in turn resells electricity through distribution grids to the five PCs to retail to end-consumers.

Supply

EVN's PCs purchase electricity from EPTC then sell it to end-consumers. According to statistics released at a planning conference in Hanoi on 3 January 2019, EVN's electricity production and purchase in 2018 reached 212.9 billion kWh (a 10.36% increase from 2017). By the end of 2018, EVN was supplying electricity to all communes and 99.37% of rural households nationwide. In the coming years, Vietnam's electricity growth is expected to be high, reaching over 10%.

Unbundling requirements

At present, transmission, distribution and supply is exclusively vested in EVN through its wholly owned subsidiaries.

Foreign ownership

4. Are there any restrictions concerning the foreign ownership of electricity companies or assets?

There is no restriction concerning the foreign ownership of electricity companies or assets that are involved in electricity generation in Vietnam. Currently, all foreign generation companies invest in the electricity sector in Vietnam via the form of build-operate-transfer (BOT) projects. Transmission and distribution of electricity is not yet open to foreign investors. Rather, Vietnam Electricity and its subsidiaries still play a monopolistic role in these areas.

Insolvency

5. Are there any special insolvency regimes that apply to companies operating in this sector?

There is no special insolvency regime applying to enterprises operating in the electricity generation sector. Generally, the legislation principally applicable to the insolvency of enterprises established in Vietnam (including foreign-invested enterprises) is the Bankruptcy Law of 2014. Article 207 of the Law on Enterprises of 2014 regulates the reorganisation and dissolution of enterprises outside of insolvency proceedings.

Import and export of electricity

6. To what extent is electricity imported and/or exported?

To ease power shortages in the north, Vietnam signed its first power import contract with China in October 2005, at a price of 4.5 US cents per kilowatt hour (kWh). The price was increased to 5.1 US cents per kWh on 1 January 2009 then 6.08 US cents per kWh in 2012. Electricity purchased from China served 13 provinces in the northern part of Vietnam. The volume of imported electricity from China has significantly dropped in recent years and Vietnam currently imports less than 3% of its electricity capacity from China.

Recently, the Ministry of Industry and Trade (MOIT) proposed increasing the amount of electricity imported from China. The MOIT is considering assigning EVN to:

- Negotiate with China Southern Grid Company (CSG) to increase Chinese electricity imports through existing 220 kV lines.
- Co-operate with CSG for investment in a "back to back" system to increase the purchase of electricity from 2022 without having to perform grid separation.

EVN has also been asked to research buying electricity through 550 kV lines from 2025.

Vietnam began considering buying electricity from Laos in 2016 to:

- Diversify supply sources.
- Avoid building more coal-burning power plants.
- Minimise the risks from over-relying on Chinese imports.

Power imported from Laos and China made up 2% of Vietnam's total power generation output as of 31 December 2016 (EVN's 2017 annual report). Vietnam is in the process of promoting electricity imports from Laos this year and in the years ahead, after it completed negotiations and signed a memorandum with Laos in early April 2018 on the co-operation in:

- The development of hydropower projects in Laos to generate electricity for Vietnam
- Connecting electrical systems.
- Electricity trading between two countries in the beginning of April 2018.

Electricity generation and renewable energy

Sources of electricity generation

7. What are the main sources of electricity generation?

According to Vietnam Electricity's (EVN) annual report, the main sources of electricity generation in 2017 included:

- Hydropower: more than 37% of total generation.
- Coal: more than 34% of total generation.
- Oil and gas: more than 21% of total generation.
- Other sources (including diesel, small hydropower and renewables): 6% of total generation.

Fossil fuels

Coal and natural gas rank as the second and third source of electricity generation in Vietnam, respectively. Due to Vietnam's limited domestic coal and oil resources, its fossil import will likely increase.

According to the United Nations Development Programme's 2012 Report (*Fossil Fuel Fiscal Policies and Greenhouse Gas Emissions in Vietnam*), coal is projected to cover over 56% of all electricity production capacities by 2030, and Vietnam is expected to import about 80 million tonnes of coal per year.

Coal imports have rapidly increased recently due to some coal thermal power plants being put into operation (the number of coal thermal power plants has reached 19). Several companies under EVN have proposed importing coal to save energy costs (as imported coal is cheaper than domestic coal). Coal imports hit 14,498 million tonnes (worth USD1.52 billion) in 2017. From the beginning of 2018 to 15 March, over 3 million tons were imported (with a total value of USD384 million).

Nuclear fission

Two nuclear power plants were scheduled to be built in Ninh Thuan in 2020 (that is, Ninh Thuan 1 and Ninh Thuan 2). However, the National Assembly of Vietnam decided to suspend the investment on these two plants in November 2016 for a variety of reasons, including:

- Safety concerns.
- Inadequate financial sources.
- Labour shortages.

Renewable energy

Except hydropower (which accounts for more than 37% of the electricity demand), other renewable sources (such as solar and wind) are in a very early stage. However, many projects are in development.

8. Are there any government policies, targets or incentives in place to encourage the use of renewable or low carbon energy?

Government policies/incentives

The Vietnamese Government offers various incentives to encourage the development of renewable energy. In particular, Decision No. 2068/QD-TTg dated 25 November 2015 (Decision 2068) provides incentives which include:

- Zero import duty for assets to form the fixed assets of a renewable energy project, and for materials and semi products which are unavailable in the domestic markets.
- Corporate income tax exemption or reduction.
- Land rental exemption or reduction.
- Government funding for research and technology of pilot projects.

Decision No. 11/2017/QD-TTg dated 4 November 2017, as amended by Decision No. 02/2019/QD-TTg dated 8 January 2019, also offers special incentives for solar energy projects, which are entitled to an import duty exemption for:

- Goods imported to form the fixed assets of the projects.
- Materials, semi-products and fuel that are not available locally.

Renewable energy targets

There are many renewable energy targets. In particular, Decision 2068 sets out the following non-binding targets:

- The ratio of renewable energy to total consumed primary energy will be 31% in 2020, 32.3% in 2030 and 44% in 2050.
- The volume of renewable energy will reach 101 billion kWh in 2020, 186 billion kWh in 2030 and 452 billion kWh in 2050.
- The ratio of renewable energy production capacity will reach 38% in 2020 and 43% in 2050.

See table, [Renewable energy sources](#).

9. What are the main obstacles to the development of renewable energy?

The main obstacles to the development of renewable energy include:

- Lack of capital funding.
- The price offered to renewable power producers is low, while investment costs for production of renewable energy are high, which is not attractive to investors. Vietnam Electricity, the sole buyer of electricity, has no motivation to purchase the electricity from the renewable energy generators at a higher price, as it is reportedly selling the generated electricity to consumers at a loss.
- Lack of human resources specialised in renewable energy.

10. Are there any plans to build new nuclear power stations?

Vietnam plans to build two nuclear power stations in Ninh Thuan province. The government has adopted various policies to encourage the development of nuclear power. Specifically, nuclear power stations have been included in the national power development strategy for the period 2012 to 2020, according to which five nuclear power stations will be put into operation from 2020 to 2030. A plan for a comprehensive development of infrastructure facilities for nuclear power until 2020 and a plan for the training of staff to serve the development of nuclear power have also been approved.

However, due to the Fukushima disaster in 2011, the commencement of the building of the nuclear power stations in Ninh Thuan province have been postponed until 2020 for safety reasons. Construction was initially intended to begin in 2014. The plans are projected to begin generation in 2028.

Authorisation and operating requirements

11. What are the authorisation requirements to construct electricity generation plants?

Depending on the scale of the plant, an electricity generation licence from the Ministry of Industry and Trade (MOIT) or the Electricity Regulatory Authority of Vietnam (ERAV) or relevant provincial People's Committee (where the plant is located) must be obtained.

Under the Electricity Laws, an investor who wishes to obtain an electricity generation licence must satisfy the following general conditions:

- Having feasible projects or schemes for electricity activities.
- Having valid application dossiers for the grant, amendment or supplementation of electricity activity licences.
- Having administrators or managers with managerial capability and professional qualifications that are suitable in the fields of electricity activities.
- Fulfilling other conditions provided for in [Question 13](#).
- Having paid the licence fee.

12. Are there any requirements to ensure new power stations are ready for carbon capture and storage (CCS) technology, or requiring a plant to retrofit CCS technology once this is ready?

No specific plan for the use of CCS has been formulated so far. In fact, the use of CCS is still being researched in Vietnam.

13. What are the authorisation and main ongoing requirements to operate electricity generation plants?

An investor who owns a power plant must satisfy the following key conditions:

- Having an investment project for construction of a power plant that conforms to the approved plan (currently, PDP VII) on the development of electricity in the country.
- Having the necessary technological equipment, facilities servicing the operation, workshops and architectural buildings whose technical design has been approved, and which have been constructed, installed, and verified in accordance with the applicable statutory requirements.
- Having the necessary IT infrastructure and a system on operating, supervising and collating data appropriate for the requirements of the power system and power market.

- Having an environmental impact assessment report for the electricity generation project which has been approved by the competent governmental authority.
- The power plant must have a system on fire fighting and prevention which has been checked and accepted.
- The person or persons directly managing technical aspects and operation must have a university degree or higher in the power sector or equivalent technical sector, and must have worked in the electricity generation sector for at least five years. The person(s) directly in charge of the operation must have been trained for his/her particular job, for safety requirements, and have been issued a certificate for operation of a power plant.

14. What requirements are there concerning connection of generation to the transmission grid?

In order to be connected to the transmission grid, a power plant must satisfy technical and safety requirements provided by law. In addition, it must sign an agreement with the National Power Transmission Corporation (NPTC), which runs the national transmission grid.

15. What requirements are there concerning the decommissioning of a generation plant at the end of its period of operation?

When a generation plant is to be decommissioned, it must satisfy specific regulatory conditions (which are regulated in the laws on construction, environmental protection and other relevant areas).

Accordingly, a generation plant proposed to be decommissioned must be treated in accordance with the Law on Environmental Protection (for example, hazardous and other chemical waste must be gathered and treated properly). In respect of constructional requirements:

- The power grid structure must be dismantled and removed.
- The land must be restored to its original state within six months after the power grid is separated from the power system.

The management, dismantling and treatment (*see above*) must be planned out and submitted to the competent authorities to obtain approval under the regulations of the governing laws.

Electricity transmission

Authorisation and operating requirements

16. What are the authorisation requirements to construct electricity transmission networks?

A licence to construct electricity transmission networks from the Ministry of Industry and Trade (MOIT) must be obtained. In addition to satisfying the requirements mentioned in [Question 11](#) (for the issuance of electricity general licences), the applicant must also satisfy the technical and personnel conditions required by the Electricity Laws (*see Question 13*). There is no specific legal requirement as to a notification to the MOIT before operating the electricity transmission network. However, before a network can be connected to the national grid, the electricity regulators will check if the network satisfies the technical and personnel conditions.

17. What are the authorisation and main ongoing requirements to operate electricity transmission networks?

See [Question 16](#).

Transmission charges

18. How are the charges and conditions for the transmission of electricity regulated?

In Vietnam, the charges for the transmission of electricity are regulated by the Vietnamese Government. The annual average transmission price is determined based on the National Power Transmission Corporation's (NPTC) total transmission revenue and the total electricity NPTC allocates to units at the delivery points.

The current transmission price is VND86.4/kWh (about 0.38 US cents) and is exclusive of value added tax of 10% (*Official Letter No. 2103/BCT-DTDL of the Ministry of Industry and Trade, dated 12 March 2015*).

System balancing

19. How is electricity supply and demand balanced?

At a conference on 3 January 2019, EVN expressed its belief that based on projections of power supply and demand in 2019, the electricity system will be able to maintain a sufficient supply for the economy and daily activities (if there are no abnormal situations). EVN set a goal to produce 232.5 billion kWh of electricity in 2019.

Electricity distribution

Authorisation and operating requirements

20. What are the authorisation requirements to construct electricity distribution systems?

An electricity distribution licence from the Electricity Regulatory Authority of Vietnam (ERAV) or provincial People's Committee must be obtained. In addition to satisfying the requirements mentioned in Question 11 (for the issuance of electricity general licences), the applicant must also satisfy the technical and personnel conditions as required by the Electricity Laws.

21. What are the authorisation and the main ongoing requirements to operate electricity distribution systems?

The organisation must have technological equipment, power lines and substations that are built, installed, tested, and commissioned in line with specific regulations, and have fire safety systems satisfying regulations (*see Question 13*). Technicians must have as a minimum a bachelor's degree in electrical engineering and at least three years' experience working in the field of electricity distribution. Operators must be trained in electrical engineering or have

certificates of training issued by vocational training centers, and their operating procedures and safety regulations must be tested.

Distribution charges

22. How are the charges and conditions for the distribution of electricity regulated?

The charges and conditions for the distribution of electricity are highly regulated by the Vietnamese Government. Power generators and the purchaser may agree upon the electricity generation prices and electricity wholesale prices. However, the agreed-upon prices must be within the brackets of electricity generation prices or electricity wholesale prices issued by the Minister of the Ministry of Industry and Trade.

Electricity retailers are required to formulate electricity selling prices on the basis of the brackets of average electricity retail prices, the mechanism of price adjustment, and the structure of the electricity retail price list as provided by the Prime Minister.

Electricity supply

Authorisation and operating requirements

23. What are the authorisation and the main ongoing requirements to supply electricity to end-consumers?

An electricity retail sale licence from the Electricity Regulatory Authority of Vietnam or the provincial People's Committee must be obtained. In addition to satisfying the requirements mentioned in [Question 11](#) (for the issuance of electricity general licences), the applicant must also satisfy the technical and personnel conditions as required by the Electricity Laws (for example, electricity retailers must have at least intermediate degrees in electrical engineering, economics, finance or equivalent majors and at least three years' experience working in the field of electricity sale and purchase).

Trading between generators and suppliers

24. How is electricity traded between generators and suppliers?

Under the Law on Electricity, electricity is traded between generators and suppliers in one of two ways:

- Purchasing and selling electricity under termed contracts. The contract must be in writing and include certain specified content, such as:
 - electricity prices;
 - payment modes and time
 - service standards and quality; and
 - other contents agreed by the two parties.
- Spot dealing using electricity market transaction-administering units. These units regulate, control and coordinate electricity transaction activities between subjects participating in the electricity market to ensure the legitimacy and consistency of the whole market.

25. How is electricity trading (between generators and suppliers) regulated?

In Vietnam, the Electricity Purchase and Trading Corporation (EPTC) under Vietnam Electricity negotiates and enters into power purchase agreements with all generators. EPTC then sells the electricity to the five power corporations for sale to end-consumers.

Electricity price and conditions of sale

26. How is the price for electricity and conditions of sale regulated at the consumer and wholesale level?

Consumer

The price for electricity at the consumer level is regulated by the Vietnamese Government. Periodically the Ministry of Industry and Trade (MOIT) promulgates the retail price of electricity to groups of electricity users and the electricity price for retailers. As of 20 March 2019, the average retail price was VND1,864.44/kWh, exclusive of VAT.

Under the Prime Minister's Decision No. 24/2017/QĐ-TTg (from June 2017), EVN can increase the average power retail price when input costs rise 3% (this threshold was previously set at 7%). Depending on the input cost increase, EVN can raise the retail price by 3% to up to 5%. For increases of 5% or more, EVN must receive approval from the government ministries.

Wholesale

Wholesale prices are offered by the five power corporations to retailers in provinces and cities to sell to end-consumers. However, the prices must be within the price brackets approved by either the Prime Minister (for remote areas) or by the MOIT.

Statutory powers

27. Do companies involved in the generation, transmission, distribution or supply of electricity have any statutory powers to undertake work (for example, compulsory purchase powers or street works powers) or street works powers)?

If a decision to invest is made by the National Assembly or if an investment in a power project is approved by the National Assembly, Prime Minister or the Provincial People's Council (depending on the importance and scale of the projects), the Provincial People's Committee can reclaim land for the implementation of the projects (*Article 63, Land Law 2013*). In these cases, the land can be reclaimed by the state (that is, the Provincial People's Committee) without the land owners' consent.

Companies involved in the generation, transmission, distribution or supply of electricity also have the right to street works powers subject to approval to carry out the work from the competent state authority (that is, the Ministry of Transportation, the Directorate for Roads of Vietnam, the Road Regional Bureaus or the provincial Department of Transportation, depending on the scale of the work) (*Circular No. 50/2015/TT-BGTVT of the Ministry of Transportation dated 23 September 2015, as amended by Circular No. 35/2017/TT-BGTVT dated 9 October 2017*).

Tax issues

28. What are the main tax issues arising on electricity generation, distribution, transmission and supply?

The primary taxes imposed on electricity include:

- Value added tax (VAT) of 10%.
- Corporate income tax of 20%.
- Environmental tax (depending on the sources of power such as coal or hydropower).

VAT is applied to end-consumers.

Insurance

29. Are there any insurance requirements from the regulatory authority?

The electricity laws do not provide for insurance requirements. Under the regulations on fire and explosion prevention and treatment, power plants with a capacity of 110 kV or more are required to buy fire and explosion insurance (*Appendix 2, Decree No. 79/2014/ND-CP of the Government dated 31 July 2014 and Decree No. 23/2018/ND-CP of the Government dated 23 February 2018 on compulsory fire and explosion insurance*). The insurance premiums range from 0.07% to 0.12% of the value of the insured project for projects valued at less than VND1,000 billion. For an insured project valued at VND1,000 billion or more, the insurance premiums are agreed by the parties.

Reform

30. What reform proposals are there for the regulation of the electricity sector?

Steps to formulate a competitive market

The Vietnam electricity generation market was only formed in 2006 with eight participating power plants. The Vietnamese Government has taken certain steps to develop a more competitive market. According to the roadmap provided under Decision No. 63/2013/QD-TTg of the Prime Minister dated 8 November 2013, the Vietnam electricity market will be liberalised following the grades as follows:

- **Grade 1: Competitive power generation market.** This stage has been put into operation. As of January 2017, 75 power plants were selling electricity directly to the market.
- **Grade 2: Competitive power wholesale market.** This will be developed from 2015 to 2017 (currently, the Ministry of Industry and Trade (MOIT) is formulating the legal framework for the operation of this market). In 2016 the first pilot phase of the competitive power wholesale market was completed.
- **Grade 3: Competitive retail market.** This will be developed from 2021 until 2023.

Gradual increase of the power price

The power retail price in Vietnam has gradually increased in the past ten years, (from VND 781/kWh (about 3.5 US cents) in 2005 to VND 1,622/ kWh (about 7.3 US cents) in 2015). This slow increase of power retail price is one of the reasons that discourages investors from pooling their capital into the sector. However, the power price is planned to increase from 2017 according to the power increase schedule of the Vietnamese Government, which aims to ensure capital recovery and reasonable profits for investors. Accordingly, the power retail price may increase to 8 or 9 US cents/kWh by 2020, equivalent to an increase by 18.4% within the next five years.

Privatisation of power plants

To mobilise funds, the Vietnamese Government has adopted a programme to restructure the power sector. The programme includes the privatisation of Vietnam Electricity's (EVN) main generating facilities and distribution subsidiaries. In fact, EVN has completed privatising several power plants and a distribution company.

According to the plans mentioned in Official Letter No. 7738/VPCP-DMDN of the Government's Office dated 10 March 2014, EVN's three generation companies (EVN Genco 1, EVN Genco 2, and EVN Genco 3) were to be privatised in the near future. In February 2018, EVN Genco 3 sold a part of its capital in an IPO, while EVN Genco 1 and Genco 2 have plans for an IPO in 2019.

Government ownership after privatisation of these companies is projected to be reduced from 100% to below 51% by 2020 (*Decision No. 852/QD-TTg of the Prime Minister on approval of general scheme to restructure affiliates of Vietnam Electricity during 2017-2020*).

Recently, the Prime Minister approved the equitisation plan of Petro Vietnam Power Corporation (PV Power) (an affiliate of Vietnam National Oil and Gas Group – Petro Vietnam (PVN), and the second biggest electricity generation corporation in Vietnam). Accordingly, PVN currently holds 51% of the charter capital of PV Power and will hold this percentage until the end of 2025. From 2019, however, if PVN and PV Power restructure their debts and can borrow money from credit institutions, PVN must reduce its shareholding in PV Power to under 50%. Decision 85/QD-TTg dated 19 January 2015 of the Prime Minister also sets a plan to privatise Vinacomin Power Holding Corporation. As a result, EVN will own strategic power plants and projects serving several purposes such as flood control or irrigation only.

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Recent transactions

- Acting for Shell in relation to a contamination and clean-up issue.
- Advising on greenhouse gas emission targets and carbon trading.

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- *Practical Law Doing Business in... Global Guide (Vietnam chapter).*
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- *Getting the Deal Through: Licensing (Vietnam chapter).*
- *Multilaw Media, Advertising, and Entertainment Law Throughout the World (Vietnam chapter).*
- *The International Comparative Legal Guide to: Telecoms, Media, and Internet Laws and Regulations (Vietnam chapter).*

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