



BSR®

The Business of a Better World

Vision 2020

Energy Efficiency in Vietnam

November 15, 2010

Today is November 15, 2020.

Overall Achievements

- The manufacturing industry is one of the driving forces for the development of the national economy, contributing 30% to total value-added
- Energy utilization in Vietnam has **low losses and high efficiency** due to
 - comprehensive national programs on EE&C with clearly defined strategies and scheduled targets
 - improved data and energy management practice
 - advanced technologies and equipment use in the manufacturing sector
 - access to financial resources
 - enhanced public awareness

Overall Achievements

- Energy efficiency and conservation measures have been adopted by the majority of energy consumers
 - Enterprises recognize that reducing energy consumption is a simple and effective way to save costs and protect profit margins
 - Many have already achieved significant energy savings
- Public and private procurement incorporates energy efficiency as a key criteria in business decisions

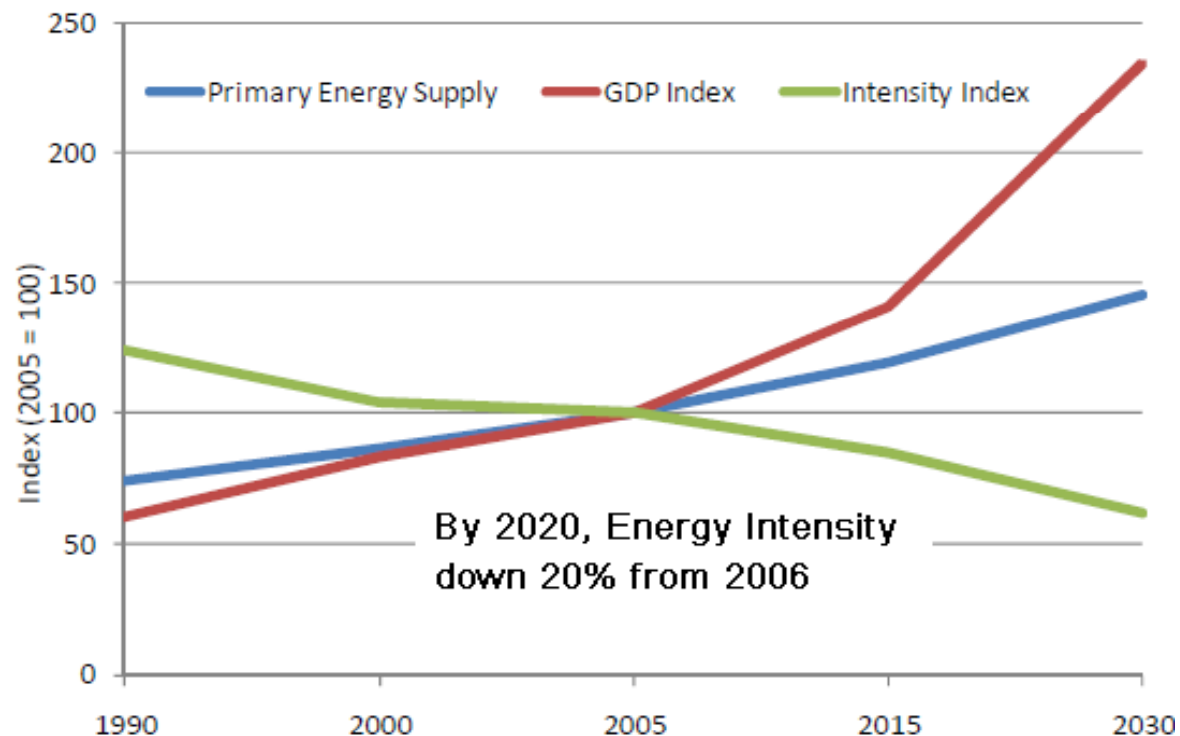
Investment into EE&C

- Vietnam has invested 10.5 billion USD over the past decade into energy efficiency and conservation

Year	Real GDP in billion USD	Investment in EE&C in billion USD (1% of GDP)
2011	79.6	0.80
2012	85.1	0.85
2013	91.1	0.91
2014	97.7	0.98
2015	103.4	1.03
2016	108.6	1.09
2017	113.4	1.13
2018	118.0	1.18
2019	122.5	1.23
2020	126.9	1.27

Energy Efficiency Improvement

- Energy efficiency has increased by 20% resulting in a change in efficiency from 92 toe/million USD to 74 toe/million USD in 2020

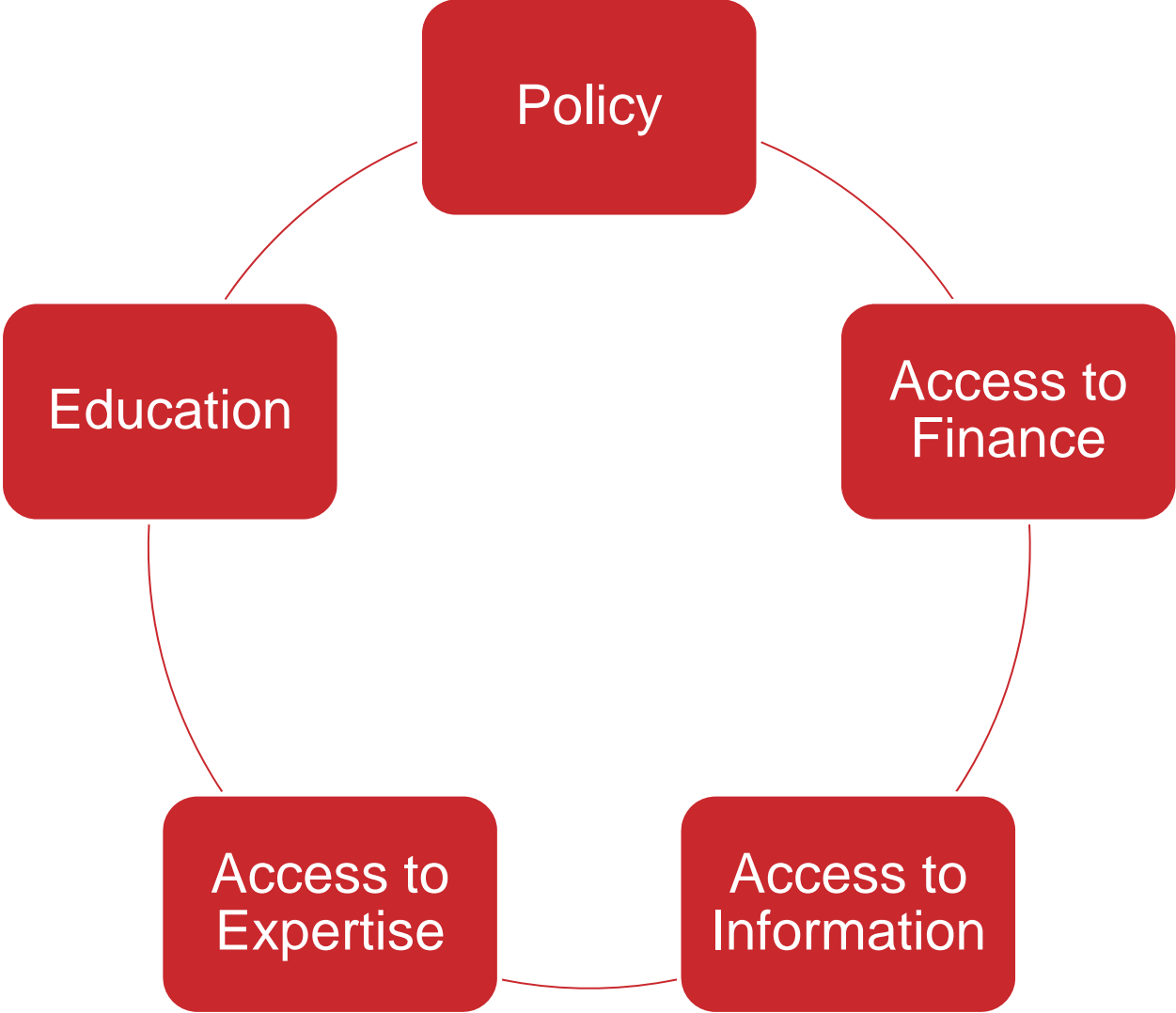


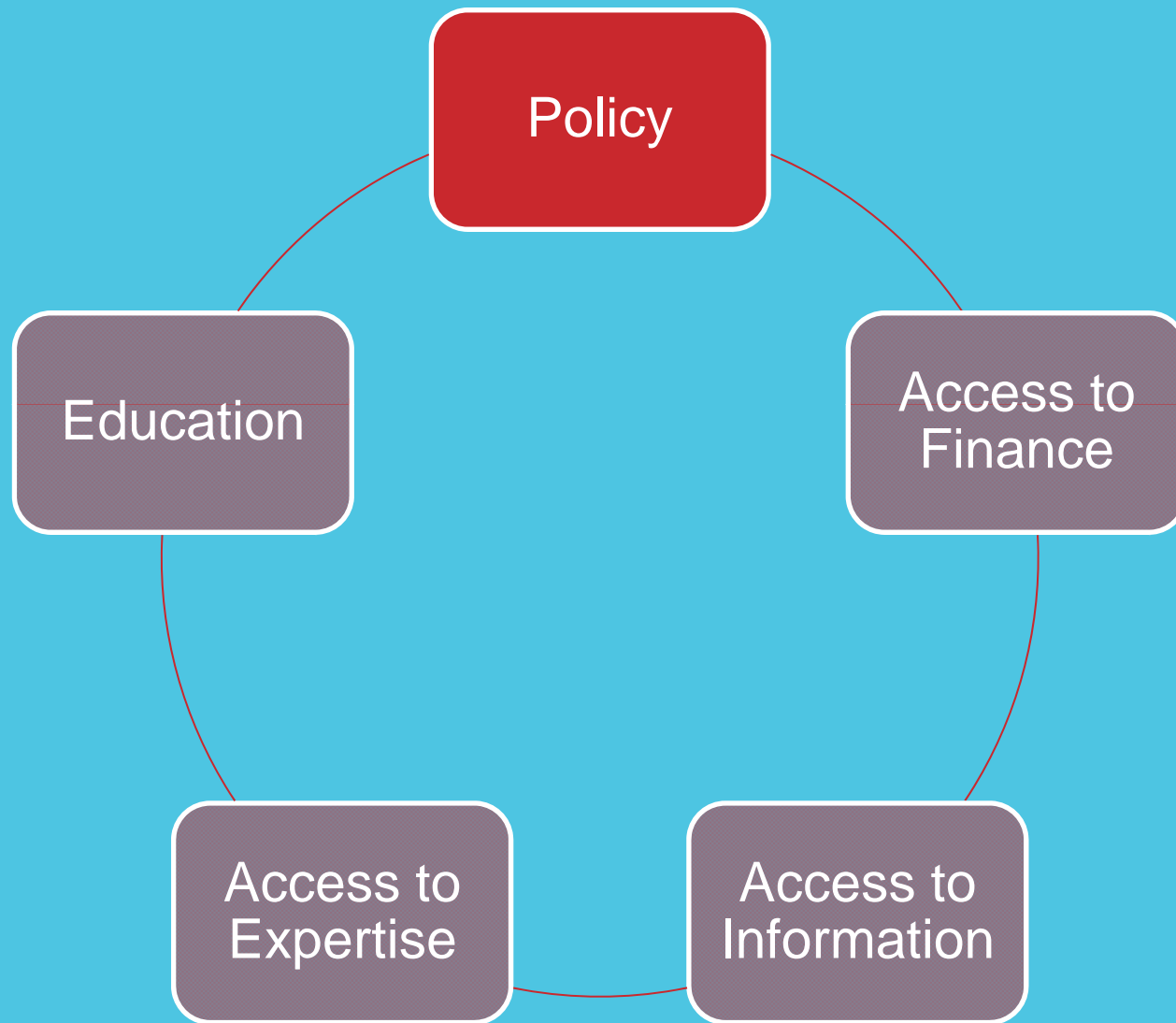
Energy Savings

- Vietnam has saved 5 Mtoe of final energy from the industry sector as compared with the business-as-usual scenario

Energy Mix	Total Final Energy Saved
Coal	1.8 Mtoe
Oil	1.7 Mtoe
Gas	0.5 Mtoe
Electricity	0.9 Mtoe
Other	0.1 Mtoe

Supporting pieces



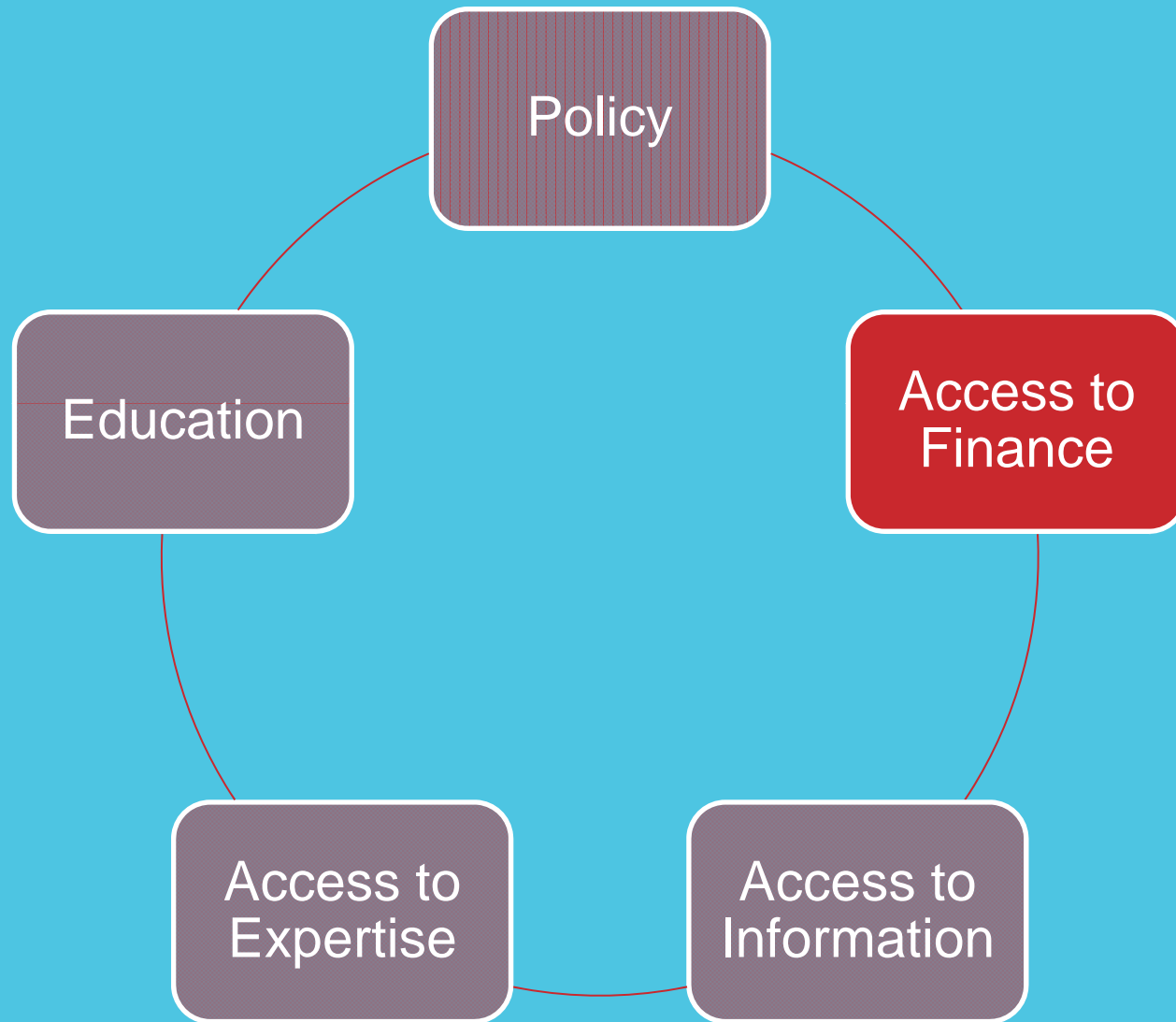


Policy Framework

- Effective support that provides both regulatory standards and incentives for large industrial enterprises as well as small and medium
 - Existing energy efficiency and conservation laws and regulations have been fully enforced in the manufacturing sector
 - The 1st National Energy Efficiency Program (VNEEP) has been completed successfully and the 2nd National EEP released in 2015 is being implemented

Institutional Reform

- Enhanced inter-ministry energy efficiency and conservation policy coordination
 - A EE&C policy coordination mechanism has been established at the Ministerial level
 - The Ministries in the Central government, People's Committees of provinces and cities, and organizations relevant to EE&C policies are more closely exchanging data and analysis on EE&C policy implementation as well as EE&C policy proposals

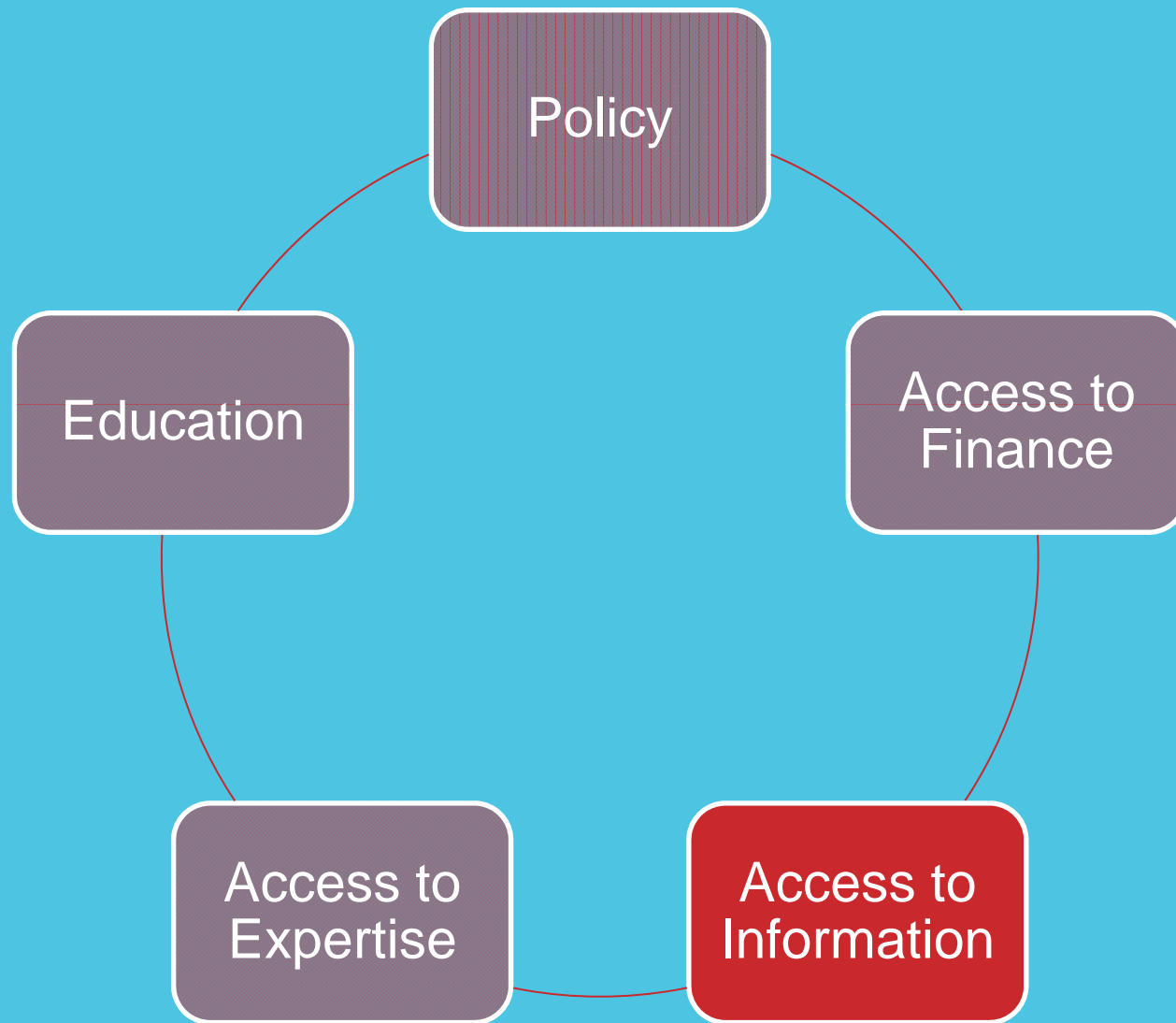


Financial Incentives

- Adoption of effective financial incentives and energy pricing scheme to accelerate EE improvement process
 - Created income tax policies that reduce or waive the tax burden of businesses that can document energy savings, and support phase out of old technology and equipment, as well as contracting for energy management
 - Price energy appropriately according to market principles to make sure waste and overuse of energy are minimized

Access to Financial Resources

- Subsidies for low-cost financing to implement EE&C measures recommended by energy audits
- Banking sector offers financing opportunities tailored to small and medium enterprises (SMEs) and enterprises providing energy efficiency solutions (ESCOs, etc.)

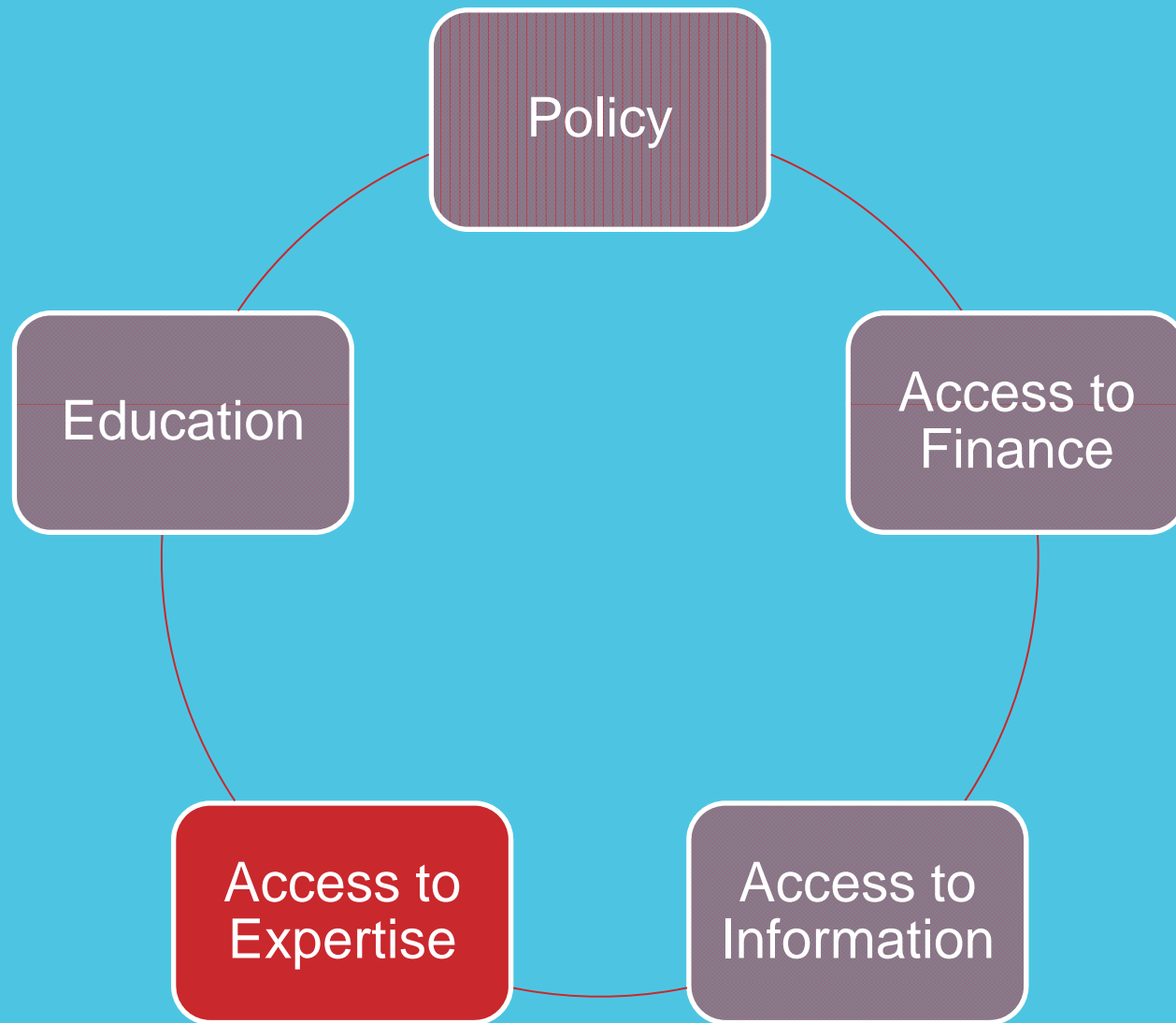


Access to Information

- Energy Data Centers have been established by governments/industrial associations to establish an effective monitoring and evaluation system for the energy efficiency improvement strategy and programs

Access to Information

- Energy users in the manufacturing sector are aware of the potential energy savings and their financial benefit through **reliable and comparable information** on types of retrofit projects that could save them on energy costs, and more efficient technologies that they can readily see and properly consider

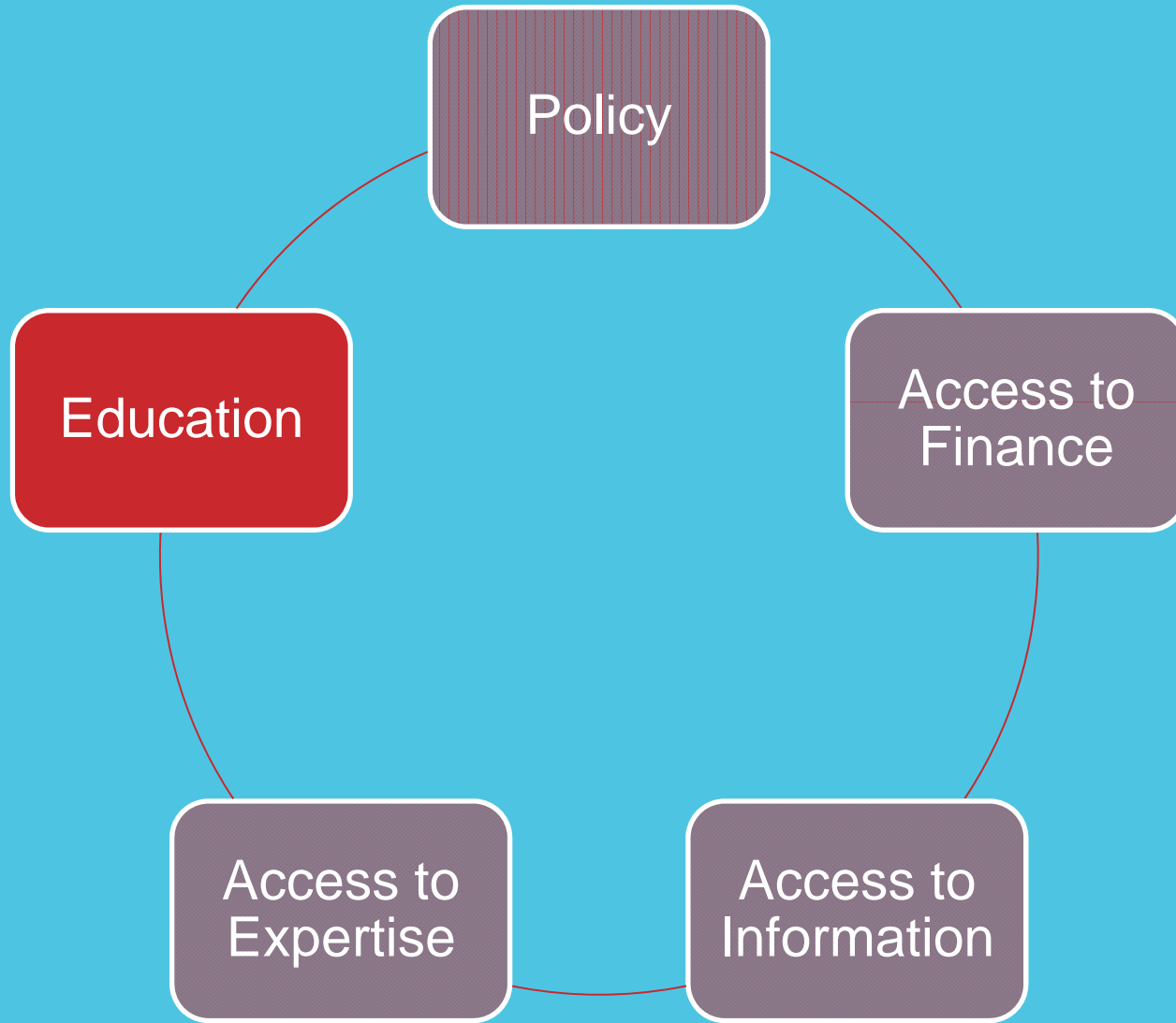


Access to Expertise

- Energy users are able to tap appropriate expertise with established track records to
 - advise on energy savings options
 - complete customized energy-use audits on site
 - identify projects and sources of financing
 - assist in developing and implementing complex projects

EE&C Professional Network

- An energy efficiency and conservation professional network has been established for sharing experience and questions
- A well developed local industry of ESCOs that understand the technology and cost-saving potential are ready to help manufacturers identify opportunities, complete feasibility studies, and assist in project implementation



Education and Awareness Raising

- Energy efficiency and conservation has been integrated into the national education system
 - An EE&C educational program has been developed for primary through college level
 - Programs to raise public awareness on the community benefits of energy conservation
- A national communications strategy has been developed to share EE&C goals with the public and private enterprise

ROI

Return on Investment

- Short-term
 - By 2020. 3.2 billion USD energy costs are saved through investment in EE&C, with a around 30% ROI each year, total payback completed by 2023



Rising Energy Prices

Return on Investment

- Medium to long-term
 - Investment in EE&S spurs energy efficiency upgrades, boosting competitiveness for manufacturers in Vietnam
 - Cost savings from energy use allow the industry to invest into innovative technologies in EE and renewable energy, which further enhances the energy intensity and overall competitiveness

Thank You !