

VIETNAM DEVELOPS PLAN TO INCREASE ENERGY RESERVES

The National Petroleum and Gas Reserve Infrastructure Plan targets expanding crude oil and petroleum product reserves to 75-80 days of net imports by 2030 and 90 days by 2050, meeting the criteria of the International Energy Agency.



According to a report of the Ministry of Industry and Trade (MoIT), there is currently no national warehouse system for petroleum reserves, with total petroleum reserves amounting to roughly 65 days of net imports. Existing facilities fail to meet current standards and need repair to ensure safety.

In addition, the country's liquefied petroleum gas (LPG) storage infrastructure is limited, with only ten 10,000 cu.m or larger warehouses, and no operational liquefied natural gas (LNG) warehouses nationwide.

The development of new gas pipelines connecting warehouses to consumers has also encountered challenges due to a lack of designated corridors for gas pipelines. According to the plan's consulting unit, a total investment of around VND270 trillion will be required to construct the national petroleum and gas reserve infrastructure system by 2030, mostly from non-state capital sources.

The draft plan targets increasing crude oil and petroleum product reserves to 75-80

days of net imports by 2030 and 90 days of net imports by 2050. Gas reserves are also expected to be sufficient for at least 15 days of consumption.

At the meeting of the Appraisal Council for the plan, Dr. Bui Ngoc Bao, Chair of the Vietnam Petroleum Association, said that the petroleum and gas markets are volatile due to variables such as foreign supply and demand. Therefore, the plan needs appropriate adjustments in line with the country's energy restructuring in the near future.

Deputy Minister of Science and Technology Le Xuan Dinh also said that attention should be paid to changes in storage technologies, as well as the growing shift to green, renewable energy.

Deputy Prime Minister Tran Hong Ha also emphasized the relevance of the infrastructure plan as critical for ensuring energy circulation. The Deputy PM stressed the importance of the plan in addressing issues such as the reserve network's insufficient operating, monitoring, management, and coordination mechanisms; limitations in storage technologies; and technical standards on environmental safety.

Ha asked the MoIT to report on the levels in the petroleum and gas supply and storage system, including private, corporate, and national systems, and to supply an operating mechanism capable of dealing with volatile market situations without relying solely on the state or specific businesses.

“The system of private reserves for commercial purposes or national reserves for emergency situations must be clearly defined in terms of management, administration, and coordination mechanisms to ensure consistency, and harmonization of the interests of enterprises, the state, localities and consumers,” he said./ (Source: Vietnam Economy News)