

THE PRIME MINISTER

No. 1997/2015/QĐ-TTg

THE SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Hanoi, November 13, 2015

DECISION

Approving the master plan on exploration, exploitation, processing and use of lead and zinc ores through 2020, with orientations toward 2030^(*)

THE PRIME MINISTER

Pursuant to the December 25, 2001 Law on Organization of the Government;

Pursuant to the November 17, 2010 Law on Minerals;

Pursuant to the Prime Minister's Decision No. 2427/QĐ-TTg of December 22, 2011, approving the mineral strategy through 2020, with a vision toward 2030;

At the proposal of the Minister of Industry and Trade,

DECIDES:

Article 1. To approve the master plan on exploration, exploitation, processing and use of lead and zinc ores through 2020 with orientations toward 2030, with the following principal contents:

1. Development viewpoints

- To explore, exploit, process and use lead and zinc ores in line with Vietnam's industrial development strategy, mineral strategy and local socio-economic development master plans, ensuring the requirements of sustainable development, strengthening of national security and defense, and the harmony between national interests and interests of localities, enterprises and residents of areas where lead and zinc ores are exploited and processed.

- To explore, exploit, process and use lead and zinc ores to ensure socio-economic-environmental efficiency, environmental protection, natural landscape and other natural resources.

- Lead and zinc ore exploitation and processing projects must apply environment-friendly advanced technologies, use natural resources in an integrated and economical manner, and shall be closely combined with lead and zinc metallurgical establishments and projects.

- To restrict and terminate small lead and zinc ore exploitation, sorting and intensive processing projects that use outdated technologies, resulting in losses of natural resources, consuming more energies and polluting the environment, to form large enterprises that apply modern technologies, meeting environmental requirements, and own many mines for stable and long-term intensive processing of lead and zinc ores.

2. Development objectives

a/ General objectives: To develop the exploration, exploitation and processing of lead and zinc ores in a sustainable manner to fully satisfy the economy's mineral resource demand

^(*) *Công Báo Nos 1155-1156 (29/11/2015)*

and in association with existing plants and lead and zinc metallurgical projects; to refrain from exporting crude and pure lead and zinc ores and zinc oxide powder.

b/ Specific objectives

- Exploration:

+ The period up to 2020: To strive for around 1,161,000 tons of lead and zinc reserves of 121 and 122 grades.

+ The 2021-2030 period: To strive for around 520,000-620,000 tons of lead and zinc reserves of 121 and 122 grades.

- Exploitation and processing (sorting):

+ The period up to 2020: To exploit and sort around 16,600 tons of lead and 24,500 tons of zinc (converted from pure lead and zinc ores). To maintain an annual output of around 1,500 tons of crude oxide ores containing at least 15 percent of zinc.

+ The 2021-2030 period: To increase or maintain the exploitation and sorting output of around 24,000 tons of lead and 30,000-32,000 tons of zinc.

- Manufacture of zinc oxide powder: To strive to maintain an annual output of around 1,900 tons of zinc oxide powder containing 60.2 percent of zinc.

3. Development orientations

- To step up baseline survey, assessment and exploration of prospective lead and zinc ore areas in Ha Giang, Cao Bang, Bac Kan, Yen Bai, Tuyen Quang and Dien Bien provinces, especially in Cho Dien, Bac Kan, and Lang Hit, Thai Nguyen.

- To further research and apply advanced technologies in lead and zinc ore sorting and purification of zinc oxide powder in order to use all types of lead and zinc ores, particularly oxide ore containing around 10 percent of zinc, in an economic, integrated and efficient manner.

- To study the world market to import zinc-enriched oxide ore in particular and crude and pure lead and zinc ores in general for domestic purification of zinc oxide powder and lead and zinc metallurgy after 2020.

4. Projected demand for lead and zinc ores

Demand for domestic lead and zinc ores and pure lead and zinc ores will be as follows:

No	Content	2020	2025	2030
1	Demand for purification of zinc oxide powder (tons of zinc)	6,446	6,942	7,438
	Converted into zinc-rich oxide ore (tons of crude ore)	42,976	46,282	49,588
2	Demand for lead purification (tons of Pb)	23,920	29,926	31,765
	Converted into 50 percent pure lead ore (tons of pure ores)	47,840	59,852	63,531

3	Demand for zinc purification (tons of Zn)	27,398	44,720	44,720
	Converted into 50 percent pure zinc ore (tons of pure ores)	33,511	52,872	52,872
	And 60.2 percent zinc oxide powder (tons of powder)	17,678	30,372	30,372

5. Development planning

a/ Lead and zinc ore reserves and resources

The country's total surveyed, assessed and explored lead and zinc ore reserves and resources in 130 mines are now around 7,461,000 tons of Pb and Zn in forms of actual and accompanying lead and zinc ores in which sulfide ore accounts for 83.2 percent of total actual lead and zinc ore reserves and resources.

Reserves to be mobilized during the planning period is 962,759 tons of lead and zinc.

The total lead and zinc ore reserves and resources are provided in Appendix I to this Decision.

b/ Planning on development of lead and zinc ore exploration

- The period up to 2020:

To complete 27 exploration schemes in nine provinces and cities, including:

+ Completing five exploration schemes already licensed and implemented from 2012 to now in Ha Giang, Bac Kan, Tuyen Quang and Yen Bai provinces;

+ Granting exploration permits for five schemes in exploiting mines but exploration has not been conducted in Lao Cai, Bac Kan and Yen Bai provinces;

+ Granting permits for 17 new exploration schemes in Cao Bang, Bac Kan, Tuyen Quang, Dien Bien, Yen Bai and Quang Binh provinces.

- The 2021-2030 period:

Based on the lead and zinc mineral potential assessment result under the Prime Minister's Decision No. 1388/QD-TTg of August 13, 2013, provinces and cities shall select from 13 to 16 lead and zinc ore sites for exploration, including:

+ The 2021-2025 period: 6 schemes in Bac Kan and Tuyen Quang provinces;

+ The 2026-2030 period: 7-10 schemes in Ha Giang, Lao Cai, Lai Chau, Bac Kan, Tuyen Quang, Dien Bien and Nghe An provinces and a number of northwestern, northeastern, northern central and central highland localities.

The list of lead and zinc ore exploration schemes is provided in Appendix II to this Decision.

c/ Planning on development of lead and zinc ore exploitation and processing (sorting)

- The period up to 2020:

To complete 29 new investment projects, upgrade and expand the exploitation and processing (sorting) of lead and zinc ores in nine provinces and centrally run cities, including:

+ Seven exploration and processing projects already licensed in 2013 and 2014 in Bac Kan, Tuyen Quang and Thai Nguyen provinces;

+ Six projects to upgrade and expand exploitation and processing in Cao Bang, Lao Cai, Bac Kan and Yen Bai provinces;

+ Sixteen exploitation and processing projects in Ha Giang, Cao Bang, Bac Kan, Tuyen Quang, Dien Bien, Yen Bai and Quang Binh provinces.

- The 2021-2030 period:

+ The 2021-2025 period: To complete nine lead and zinc ore exploitation and processing projects in Bac Kan and Tuyen Quang provinces.

+ The 2026-2030 period: To step up investment in the exploitation and processing of lead and zinc ores in Ha Giang, Lao Cai, Lai Chau, Bac Kan, Tuyen Quang, Dien Bien and Nghe An provinces and a number of other northwestern, northeastern, northern central and central highland localities.

The list of lead and zinc ore exploitation and processing (sorting) investment projects is provided in Appendix III to this Decision.

d/ Planning on manufacturing (purification) of zinc oxide powder and lead and zinc metals

- The period up to 2020: To maintain existing zinc oxide powder and lead and zinc metal processing plants and invest in three new lead and zinc purification projects; to complete the closure and dismantlement of workshops and restore the environment in zinc oxide powder purification establishments using outdated reactive kiln technologies in Trang Da, Tuyen Quang province, and Luu Xa, Thai Nguyen province.

- The 2021-2030 period: To maintain invested projects and add three lead and zinc purification projects in Ha Giang, Tuyen Quang and Thai Nguyen provinces.

The list of lead and zinc metallurgical projects is provided in Appendix IV to this Decision.

dd/ Planning on lead and zinc ore use

- Crude and pure lead and zinc ores and material zinc oxide powder (containing 60.2-64.2 percent of zinc) will not be exported.

- Lead and zinc ore exploitation and processing investment projects shall be associated with specific (lead and zinc metallurgy) establishments according to the master plan.

The planning on lead and zinc use is provided in Appendix III to this Decision.

6. Investment capital

The total investment capital for exploration, exploitation and processing (sorting) of lead and zinc ores through 2030 is estimated at VND 3,730-3,755 billion, including around VND 530-555 billion for exploration and around VND 3,200 billion for exploitation and processing.

Expected capital sources:

- Capital for formulation and adjustment of the lead and zinc ore master plan; investment in infrastructure outside the fences of lead and zinc ore exploitation and processing projects will be sourced from the state budget and other lawful sources.

- Capital for lead and zinc ore exploration, exploitation and processing will come from enterprises, domestic and foreign commercial loans, capital raised via the stock exchange, issuance of project bonds and other lawful capital sources.

Details of investment capital demands for lead and zinc ore exploration, exploitation and processing through 2020, with orientations toward 2030, are provided in Appendix V to this Decision.

7. Solutions, mechanisms and policies

a/ Solutions

- Management of natural resources:

+ To improve quality of lead and zinc ore survey, assessment and exploration. To properly make statistical reports and publish natural resource exploitation, processing and loss figures.

+ To build a lead and zinc ore database serving the planning and management of natural resources.

+ To prioritize the grant of exploitation permits to supply sufficient materials for ongoing and new lead and zinc ore intensive processing projects.

- Science and technology and international cooperation: To invest in renewing technologies and equipment in ore exploitation and processing and processing of zinc oxide powder so as to minimize loss of natural resources, ensure occupational safety and protect the environment. To develop scientific and technological research and international cooperation in the transfer of advanced technologies in exploitation and processing of poor and unfinished oxygen lead and zinc ores; to recover lead and zinc in other metals that contain lead and zinc.

- Investment capital raising: To bring into play domestic resources, diversify investment capital sources via the contribution of investment capital, share holding and joint venture and other credit capital sources.

- State management:

+ To promote coordination among the Ministry of Natural Resources and Environment, the Ministry of Industry and Trade and provincial-level People's Committees in granting mineral activity permits and providing information on licensed exploitation and processing activities.

+ To continue to complete, supplement and revise regulations and policies on minerals to effectively combine exploration and exploitation projects with intensive processing ones (lead and zinc metallurgy). To strictly control exploration and exploitation activities to ensure compliance with regulations and policies on minerals, occupational safety and environment.

+ To enhance inspection and protection of the boundaries of unexploited lead and zinc ore sites.

+ To reorganize small enterprises using limited natural resources, outdated technologies causing high loss of resources and environmental pollution or carrying out exploitation activities without identified use addresses in order to form large enterprises engaged in concentrated exploitation and processing using environment-friendly advanced technologies, ensuring occupational safety, through merger, joint venture, association, and transfer of lead and zinc activity permits.

b/ Mechanisms and policies

- Lead and zinc ore exploitation and processing: To encourage merger of small mines into large projects that use modern technologies.

- Finance: To review and timely and rationally adjust taxes, charges and fees, ensuring the harmony between national interests, enterprise interests and interests of residents in localities where lead and zinc ores are exploited;

- Science and technology: To prioritize science and technology funding sources for the

effective research and application of processing technology of sulfur ores and poor oxide ores and unfinished oxide ores.

- To adopt policies to support enterprises when implementing enterprise restructuring policy.

Article 2. Organization of implementation

1. The Ministry of Industry and Trade shall

- Assume the prime responsibility for, and coordinate with related ministries and localities in, making public the master plan and guiding and examining the implementation of the master plan;

- Propose solutions to strictly control the circulation and consumption of lead and zinc ores; coordinate with ministries and localities in devising specific mechanisms and policies to encourage and promote rational and efficient use of lead and zinc ores and protect the environment;

- Assume the prime responsibility for, and coordinate with localities in, investing in lead and zinc ore exploitation and processing projects according to the master plan;

- Periodically review and evaluate the implementation results of the master plan; update information and propose necessary modifications and adjustments to the master plan.

2. The Ministry of Natural Resources and Environment shall

- Accelerate basic geological survey of lead and zinc in potential northwestern, northeastern, northern central and central highland areas, especially in Cho Dien, Bac Kan province, and Lang Hit, Thai Nguyen province. Review and instruct project owners to promptly assess and explore lead and zinc ore mines that have been licensed to exploit but have not been explored, and to comply with the law on minerals. Zone off and add lead and zinc ore sites that have not been mobilized by the master plan to the national mineral reserve area and submit them to the Prime Minister for approval.

- Closely coordinate with the Ministry of Industry and Trade and related provincial-level People's Committees in granting lead and zinc mineral activity permits to raise the efficiency of planning management; ensuring exploiting and processing (sorting) projects using advanced technologies, occupational safety, environmental protection and socio-economic efficiency, and ensuring stable and long-term materials for processing projects (lead and zinc metallurgy).

- Closely coordinate with the Ministries of Industry and Trade; Finance; and Planning and Investment in managing lead and zinc mineral activities and sharing information on such activities to enterprises after mineral activity permits are granted.

- Assume the prime responsibility for, and coordinate with the Ministry of Industry and Trade and localities in, examining and inspecting lead and zinc ore exploitation and processing projects and handling those failing to comply with the law on minerals.

- Assume the prime responsibility for, and coordinate with local authorities in, examining and inspecting lead and zinc ore exploitation and processing projects in applying environmental solutions and handling projects failing to comply with the law on environmental protection.

- Develop and update the lead and zinc ore reserve and resource database, and other relevant activities.

3. The Ministry of Science and Technology shall assume the prime responsibility for, and coordinate with the Ministry of Industry and Trade in, managing technology transfer activities and the manufacture of equipment for sulfur, poor oxide and unfinished oxide ore processing (sorting); apply advanced technologies, mechanized and synchronous equipment to increase lead and zinc ore exploitation and processing productivity and quality.

4. The Ministry of Finance shall

- Assume the prime responsibility for, and coordinate with the Ministry of Industry and Trade and the Ministry of Natural Resources and Environment in, reviewing and adjusting tax and charge policies in conformity with the exploitation, processing and use of lead and zinc ores; enhance the management of financial income sources, ensure accurate and adequate revenues from mineral activities in general and lead and zinc minerals in particular.

- Assume the prime responsibility for, and coordinate with the Ministry of Industry and Trade in, studying policies supporting enterprises in implementing the enterprise restructuring policy.

5. Other related ministries and sectors shall coordinate with the Ministry of Industry and Trade and the Ministry of Natural Resources and Environment in effectively implementing planned projects.

6. The People's Committees of provinces and centrally run cities with lead and zinc mineral activities shall

- Closely coordinate with the Ministry of Industry and Trade in implementing and managing the lead and zinc ore master plan.

- Assume the prime responsibility for, and coordinate with the Ministry of Industry and Trade and the Ministry of Natural Resources and Environment in, reviewing and re-evaluating lead and zinc ore exploitation and processing enterprises in localities to promote efficient investment in lead and zinc intensive processing projects on schedule and protect the environment.

- Enhance the examination and supervision of lead and zinc ore mineral activities in localities; effectively prevent illegal mining activities and illegal mineral exports. Strictly handle lead and zinc ore exploitation and processing establishments that fail to meet technical safety requirements and pollute the environment.

- Promote the dissemination of guidelines, policies and law on minerals when implementing the local lead and zinc ore master plan in localities. Mobilize small enterprises to implement the enterprise restructuring policy.

Article 3. This Decision replaces Decision No. 176/2006/QD-TTg of June 1, 2006, and takes effect on the date of its signing.

Article 4. Ministers, heads of ministerial-level agencies, heads of government-attached agencies, chairpersons of provincial-level People's Committees, and related enterprises shall implement this Decision.-

Prime Minister
NGUYEN TAN DUNG

** All appendices to this Decision are not translated.*