

**THE PRIME MINISTER****DECISION No. 89/2008/QĐ-TTg OF JULY 7, 2008, APPROVING THE STRATEGY ON DEVELOPMENT OF VIETNAM'S COAL INDUSTRY UP TO 2015 AND ORIENTATIONS TOWARDS 2025****THE PRIME MINISTER**

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

*At the proposal of the Minister of Industry and Trade,*

**DECIDES:**

*Article 1.-* To approve the Strategy on development of Vietnam's coal industry up to 2015 and orientations towards 2025 with the following principal contents:

**1. Development viewpoints**

a/ To develop the coal industry on the basis of mining, processing and using in an efficient and economical manner domestic coal resources; to make substantial contributions to assuring national energy security and best satisfying coal demands of national socio-economic development; to ensure rational coal import and export in the direction of gradually reducing coal export through plan-based management measures and other regulating measures suitable to the State-controlled market mechanism and Vietnam's international commitments.

b/ To develop the coal industry in a sustainable,

effective and comprehensive manner to keep pace with the development of other industries. To bring into full play internal resources (capital, domestic capacity to design and manufacture equipment, etc.) in combination with expanding international cooperation, firstly in the research, implementation and application of advanced technologies in coal exploration, mining, processing and use; to properly invest in environmental protection, labor safety, natural resource management and risk control in coal mining.

c/ To step up the survey, exploration and assessment of coal reserves in order to prepare a firm natural resource basis for the coal industry's stable and sustainable development, in combination with increasing offshore investment in coal exploration and mining in order to additionally supply coal for domestic consumption.

d/ To form as soon as possible a competitive coal market which is integrated into the region and the world and diversify modes of investment and trading in the coal industry.

e/ To develop the coal industry in association with protecting and improving the environment and landscape of coal regions; making substantial contributions to socio-economic development and security and defense consolidation in localities, especially Quang Ninh coal region; to ensure production safety.

## 2. Development strategy

To develop Vietnam's coal industry into a developed and highly competitive industry with advanced technological level compared to the regional level in all stages of coal exploration, mining, sieving, sorting, processing and use, which will be capable of basically meeting the

domestic demand and ensuring national energy security.

## 3. Development objectives

a/ Coal exploration: To strive to completely explore and assess the northeastern coal basin's natural resources below the -300m level and thoroughly explore part of natural resources of the Red River delta's coal basin by 2010; to completely explore and assess natural resources of the Red River delta's coal basin by 2015. To step up exploration for increasing verified coal reserves and upgrading existing reserves in order to ensure sufficient reliable coal reserves to be mined during 2008-2025.

b/ Coal mining: To strive for the target that the output of clean coal of the northeastern coal basin and other coal mines (other than the Red River delta's coal basin) will reach 48-50 million tons by 2010; 60-65 million tons by 2015; 70-75 million tons by 2020; and over 80 million tons by 2025. From now to 2010, to invest on a pilot basis in some projects in the Red River delta's coal basin with traditional mining technologies such as pit mining, coal gasification and liquefaction, serving as a basis for post-2010 development investment.

c/ Coal sieving, sorting and processing: From now to 2015, to strive to develop coal processing in the direction of diversifying products (instant fuel, coal used for metallurgy, gasified coal, liquid fuel from coal, raw materials for the chemical industry, etc.).

d/ Environmental protection: To strive to basically prevent environmental and water source pollution by 2010; by 2015, principal environmental indicators must basically be improved in sensitive areas (urban centers,

residential areas, tourist sites, etc.), and mines must satisfy environmental standards; by 2020, environmental standards must be fully satisfied in the entire mine region.

*e/ Coal market:* The coal industry will switch to operate under the State-controlled market mechanism integrated into regional and international markets.

#### 4. Development orientations

##### *a/ Domestic coal exploration and mining:*

- To further step up technological renewal in exploration and mining activities in a centralized and coordinated manner. To promote exploration for increasing verified coal reserves and upgrading existing coal reserves. For coal in the continental shelf, to make full use of geological documents in the course of petrol and oil prospecting and exploration in order to synthesize and preliminarily assess coal potential and plan for subsequent stages. The exploration licensing and mining must comply with the Law on Minerals;

- To invest in coal exploration, mining, processing and trading under planning. To put an end to the illegal coal mining, processing and trading;

- To encourage localities having coal spots with small reserves to invest in coal exploration and mining to meet local demands; to attach importance to the exploration and mining of peat for use as fuel and fertilizer.

##### *b/ Overseas coal exploration and mining:*

To increase investment in overseas coal exploration and mining; to select areas with reserve potential and favorable mining conditions in Laos, Cambodia, Africa, etc., in order to explore,

exploit, and import coal into Vietnam, or build overseas coal-power or coal-cement complexes in the form of self-investment or investment cooperation with local companies and other foreign companies in accordance with host countries' regulations.

##### *c/ Coal mining technologies:*

###### - Pit mining:

+ To plan, design and build new mines or renovate and expand existing mines towards consolidation, large capacity and complete and modern technological chains; to optimize the output to ensure stable and sustainable mining;

+ To use pit-props of new materials and hydraulic supports in replacement of wood and metal ones; anchors, anchors in combination with concrete spraying, etc., to prop and protect pit tunnels under possible mining geological conditions;

+ To further improve mechanized mining technological processes for slightly sloping seams. To study and select suitable technologies for raising the effectiveness of mining at steeply sloping and vertical thick seams; to study and apply appropriate mining technologies for coal reserves below -300m of the Quang Ninh coal basin and the Red River delta's coal basin.

###### - Opencast mining:

+ To expand existing opencast mines by increasing limited baring coefficients; to maximize the mining capacity in line with the planning on discharging, transportation, water drainage and environmental protection;

+ To renew and modernize mining chain equipment by using mobile high-capacity equipment, suitable to the conditions and size of

each mine;

+ To optimize technical parameters of the currently applicable mining system; to study and apply vertical layering mining technologies, selective and thin-seam mining technologies, and technologies to discharge wastes into temporary and internal landfills.

For any technology, it is necessary to apply the most advanced technical and managerial solutions for minimizing wastage in mining and reducing energy consumption.

**d/ Coal sieving, sorting and processing:**

To invest in technological renewal for raising the efficiency of existing coal sorting factories; to build new coal sorting factories applying modern technologies to best meet the domestic market demand in a stable manner, raise the utility of coal resources and enhance environmental protection. To promote the research and application of coal processing technologies such as processing coal for metallurgy, coal gasification, coal liquefaction, etc., in order to diversify coal products.

**e/ Infrastructure development for the coal industry:**

- To divide coal transportation routes based on areas by associating coal mines and regions with large consumers in the region in line with plannings on socio-economic, urban and infrastructure development in areas where coal mining activities are carried out;

- To promote to the utmost the capacity of existing transportation system; to increase modes of transportation by railways, conveyor belts or combined automobile-conveyor belts; to minimize car transportation in order to reduce

adverse impacts on the surrounding environment;

- To renovate or build large port clusters of modern coaling equipment in order to step by step eliminate small coaling stations using backward technologies; to expand harbors and dredge channels for increasing the coaling capacity of major ports.

**f/ Safety and environmental protection:**

- To enhance propagation, education and dissemination of knowledge about labor safety and environmental protection among all officials, workers and employees;

- To attract capital sources at home, abroad and from international organizations and other financing sources for environmental protection; to coordinate with local administrations in rapidly tackling environmental pollution caused by coal mining over the past years, with special attention paid to Ha Long bay's environment and landscape;

- To formulate long-term plans and roadmaps as well as coordinated solutions in order to overcome environmental pollution and step by step properly address environmental issues in coal mining activities to ensure Vietnam, regional and world environmental standards;

- To closely control the implementation of safety and environment-related technical processes and standards in coal exploration, mining, transportation, processing and use. In the course of executing specific projects, investors shall formulate environmental impact assessment reports and submit them to competent authorities for approval according to current regulations;

- To attach importance to investing in modern and high-automation equipment and technologies in order to prevent and eliminate mine incidents. To modernize and militarize professional mine emergency centers, furnish adequate personal emergency equipment for workers, especially pit miners, in order to minimize labor accidents.

**g/ Coal use:**

- To encourage investment and international cooperation in the research and application of advanced coal processing and use technologies in order to raise the use value of coal, conserve natural resources and protect the environment, such as technologies to use clean coal and suspensoid wet coal, process coal for metallurgy, gasify and liquefy coal, etc.;

- To prioritize the development of projects involving technologies to use coal in an economical and efficient manner; and projects using high quality lump coal and breeze and low-quality coal.

**h/ Coal prices:**

Coal prices should be set according to the market mechanism for the purpose of integration into regional and world markets. Coal prices shall be regulated by the State through tax policies and other management instruments.

**5. Solutions for implementing the Strategy**

**a/ Organizational solutions:**

- To promulgate, amend, supplement or improve legal documents in order to create a favorable legal framework for coal management, mining, processing and trading, and develop the coal industry under the State-controlled market mechanism;

- To further step up the equitization of coal production companies, proceeding to form a coal market with diversified forms of ownership and modes of coal production and trading.

**b/ Financial solutions:**

- To step up the raising of capital from domestic and foreign economic sectors through cooperation, joint venture, linking, and equitization of enterprises, etc. To encourage coal enterprises to raise capital through the securities market (by issuing bonds, share certificates, international bonds) and get commercial loans to invest in the development of coal projects;

- To allocate state budget capital and preferential capital of other sources for surveying and seeking coal resources and formulating a planning on the coal industry development;

- The State provides partial support from the state budget for efficient research programs and job-training schools in the coal industry to develop human resources for the coal industry; facilitates coal enterprises to get access to state credit capital, ODA capital, capital of the Vietnam Environmental Protection Fund and raise capital of other sources for executing environmental treatment projects.

**c/ Investment solutions:**

- To intensify investment in coal mine projects through diversifying forms of investment in order to promote all resources and raise investment efficiency. To further improve policies to attract foreign investment in exploring and mining the Red River delta's coal basin and areas below - 300m of Quang Ninh coal basin;

- To increase investment in the development of overseas coal exploration and mining projects.

d/ Human resource development solutions:

- To train existing technicians and technical workers for improving their qualifications; to train more officials and workers for jobs which lack capable ones; to build a contingent of the coal industry's officials and workers who are qualitatively and quantitatively strong to master advanced technologies and equipment;

- To develop coal industry schools and strive to build some of them up to international standards. To ensure transferability between educational levels: university, college, secondary training, and technical worker training; to formulate the coal industry's standard uniform training programs on specialized areas. To select and send capable engineers to attend overseas training courses to meet the coal industry's development requirements;

- To promulgate preferential and incentive policies to attract highly skilled technical and professional laborers to work in the coal industry.

e/ Scientific and technological solutions:

- To promote internal resources in combination with expanding international cooperation on scientific research and application of advanced technologies in coal exploration, mining, transportation, processing and use; to study and receive transferred advanced technologies from around the world in order to increasingly improve safety, reduce coal wastage and minimize environmental pollution;

- To step up the application of information technology to modernizing the management of coal resources, the environment and technical

safety, and administering production. To apply automation control technologies to some technological chains, and mine safety and environment control;

- To study rational technological solutions for efficiently mining coal seams and regions in which geological conditions are complicated; to study solutions for stabilizing mine edges, overall solutions on the planning on waste discharge, transportation and water drainage for opencast mines, and solutions for increasing safety at pit mines; to study and apply technologies to use clean coal, high-quality lump coal and breeze and low-quality coal.

**Article 2.- Organization of implementation**

**1. The Ministry of Industry and Trade shall:**

a/ Assume the prime responsibility for, and coordinate with concerned ministries, branches and localities in, implementing this Strategy. Direct the formulation and organize the implementation of a planning on the coal industry development up to 2025;

b/ Assume the prime responsibility for, and coordinate with concerned ministries and branches in, studying and improving mechanisms and policies related to the coal industry's activities and taking specific measures to closely manage coal resources and accelerate coal mine investment projects;

c/ Assume the prime responsibility for, and coordinate with concerned ministries and branches in, directing coal production, import and export; approve coal production, import and export plans and guide and inspect their implementation.

2. The Ministry of Natural Resources and Environment shall assume the prime responsibility for, and coordinate with concerned ministries, branches and localities in, directing the survey, exploration and prospecting of coal resources and reserves nationwide, ensuring the adequate supply of natural resources for the achievement of the Strategy's objectives; direct, inspect, supervise, and take specific measures to properly protect the environment in coal-mining zones.

3. The Ministry of Science and Technology shall assume the prime responsibility for, and coordinate with the Ministry of Industry and Trade and concerned ministries and branches in, directing the implementation of scientific-technological programs in coal survey, exploration, prospecting, mining, sieving, sorting, processing and use so as to receive and apply advanced and environmentally friendly technologies and reduce coal wastage.

4. The Ministry of Finance shall assume the prime responsibility for, and coordinate with the Ministry of Planning and Investment and the State Bank of Vietnam in, further studying, improving and promulgating mechanisms to raise capital and control the use of capital for efficient investment in the coal industry development.

5. The Ministry of Education and Training shall assume the prime responsibility for, and coordinate with the Ministry of Industry and Trade and the Ministry of Labor, War Invalids and Social Affairs in, directing the formulation of training programs and organizing the training of technicians, managers and skilled workers to meet the coal industry's development

requirements.

6. Provincial/municipal People's Committees shall direct the performance of the following tasks:

a/ To enhance propagation and dissemination of and education in the law on minerals; to take measures to protect coal resources and minerals being and having not yet been mined in localities;

b/ To enhance examination and inspection of organizations and individuals engaged in coal mining activities in localities in the observance of the law on minerals.

7. The Vietnam National Coal and Mineral Industries Group shall take the main responsibility for the coal industry development and domestic coal supply and coordinate with large coal consumers in importing coal to meet national socio-economic development requirements, contributing to assuring national energy security.

8. Concerned ministries, branches, localities, enterprises, organizations and individuals shall, within the ambit of their functions and tasks, organize the implementation of, or implement, this Strategy.

**Article 3.-** This Decision takes effect 15 days after its publication in "CONG BAO."

**Article 4.-** Ministers, heads of ministerial-level agencies, heads of government-attached agencies, presidents of provincial/municipal People's Committees, and concerned organizations and individuals shall implement this Decision.

**Prime Minister**  
**NGUYEN TAN DUNG**