



VIETNAM SNAPSHOT, MINERAL WEALTH & EV

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TERRA
STUDIO

SUMMARY

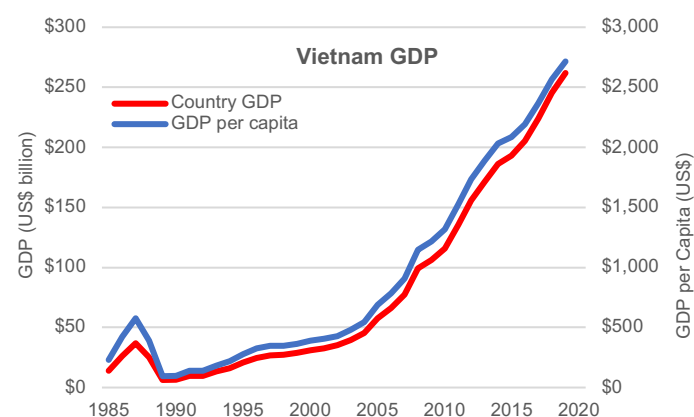
With an estimated 96.2 million inhabitants as of 2019, it is the 15th most populous country in the world. Vietnam shares its land borders with China to the north, and Laos and Cambodia to the west. It shares its maritime borders with Thailand through the Gulf of Thailand, and the Philippines, Indonesia and Malaysia through the South China Sea. Its capital city is Hanoi, and its most populous city is Ho Chi Minh City, also known by its former name of Saigon.

After North and South Vietnam were reunified as a communist state under a unitary socialist government in 1976, the country became economically and politically isolated until 1986.

At the Sixth National Congress of the Communist Party of Vietnam (CPV) in December 1986, reformist politicians replaced the "old guard" government with new leadership. The reformers were led by 71-year-old Nguyễn Văn Linh, who became the party's new general secretary. He and the reformers implemented a series of free-market reforms known as Đổi Mới ("Renovation") that carefully managed the transition from a planned economy to a "socialist-oriented market economy". These economic and political reforms also facilitated Vietnamese integration into world politics and the global economy. As a result of the successful reforms, Vietnam has enjoyed a high GDP growth rate, consistently ranked among the fastest-growing countries in the world.

ECONOMICAL GROWTH

As a result of the "Renovation" reforms, Vietnam achieved approximately 8% annual gross domestic product (GDP) growth between 1990 and 1997. The United States ended its economic embargo against Vietnam in early 1994. Despite the 1997 Asian financial crisis affecting Vietnam by causing an economic slowdown to 4–5% growth per annum, its economy began to recover in 1999, with growth at an annual rate of around 7% from 2000 to 2005 making it one of the world's fastest growing economies. In recent years, Vietnam economic growth continues to be strong averaging in excess of 7% per annum over the last five years.



Source: World Bank

LOCATION AND GEOGRAPHY

The long-stretched country covers an area of 331,689 km², it is about half the size of France, or slightly larger than the U.S. state of New Mexico.

Vietnam has a population of 96.5 million people (est. 2019), the national capital is Hanoi, the largest city is Ho Chi Minh City (Saigon). Spoken language is Vietnamese. Ethnic groups include: 85.7% Kinh and 53 minorities. Currency: đồng (VND)



COVID-19

The country of 96 million people has reported only 35 coronavirus-related deaths and as at 28th January 2021 had just 1,560 confirmed cases, despite its long border with China and the millions of Chinese visitors it receives each year.

MINERAL WEALTH

Vietnam is endowed with a wide variety of mineral with over 5,000 deposits of more than 60 types of minerals being discovered, including bauxite (7% of the world's reserves), rare earths, tungsten, titanium, phosphate, coal and iron-ore, mineral construction materials.

Vietnam is the third largest mineral producer in SE Asia. The country has a wide variety of mineral deposits however it is dominated by its coal production with 200 coal mines and total reserves of almost 8 billion tons.

Vietnam currently produces zinc, nickel, bauxite, coal and manganese, and with the exception of coal, the majority of current mining projects in the country are small or medium in scope.

The Vietnamese mining industry is dominated by the state-owned Vietnam Coal and Minerals Industries Corporation (Vinacomin) and has been preparing for a number of major new underground coal mine projects.

The new Mining Law has been effective since 2012 including the Directive No 02/CT-TTg and Decree No 15/2012/ND-CP detailing the implementation of the mining law. The law requires mining companies to include downstream processing and higher value production in the mining licence application, whilst providing a more transparent business and operational environment.

The country has world class reserves of bauxite, titanium, iron ore and chromite. It also has various other minerals; copper, gold, phosphate rocks, rare earths, limestone and tungsten.

Vietnam is in the top 40% of economies globally when considering the importance of mining to the economy.

Vietnam's power plan it aims to build more than 70 new coal-fired power stations by 2030 and it is therefore anticipated that economy will move from being a net exporter of coal to a net importer.

Over the last several years Vietnam has witnessed an increase in foreign investments, resulting in increased exploration and the expansion and commissioning of new bauxite, copper and gold projects. Blackstone Minerals Ltd is working closely with the government to develop the Ta Khoa project as well as explore other nickel mineral properties.

Vietnam wishes to 1. improve the geological information available by carrying out surveys, 2. promote a mineral processing industry within the economy 3. ban the export of ore in order to create more economic value for the Vietnamese economy.

ELECTRIC VEHICLE SECTOR NEWS

August 2019 - Vietnam's VinFast Manufacturing & Trading Co., Ltd. announced a cooperation agreement with Austria's Kreisel Electric for the development of a battery pack solution for electric cars and buses that will be manufactured at the VinFast factory in Vietnam. VinFast is working with leading European design, engineering and component businesses to create products that meet international standards and customer expectations in terms of premium design, quality, dynamics, in-car features and ownership experience.

Deliveries of the first VinFast cars - a large saloon and a large SUV, both designed by Pininfarina - will commence in Vietnam from September 2019. These will be followed by a city car and a battery electric vehicle, as well as an electric

bus, with exports to selected markets worldwide planned in the coming years.

All VinFast cars will be manufactured at a purpose-built, 335-hectare plant in Hai Phong, northern Vietnam, which represents an initial US\$1.5 billion investment.

June 2020 - LG Chem said it will power Vietnam's first-ever electric vehicle, which can travel up to 500 km on a single charge. According to LG Chem and local media, Vietnam's first domestic carmaker VinFast will load its first EV models with lithium-ion batteries manufactured by LG Chem.

"Though LG Chem can't reveal the exact battery type VinFast will use, it mainly sells NCM (nickel cobalt manganese) 523 and NCM 622 batteries," a company official said.

October 2020 - Samsung Electronics vice chairman Lee Jae-yong met with Vietnamese Prime Minister Nguyen Xuan Phuc in Vietnam. According to local news outlets, they discussed an increase in investment related to battery and smartphone manufacturing and Samsung SDI may announce a plan to build an electric vehicle battery manufacturing plant in Vietnam. At present, Samsung SDI has no battery production lines in Vietnam although it has local assembly lines for mobile phone battery assembly and supply to Samsung Electronics Vietnam.

According to those in the industry, Samsung SDI needs to build a new plant to increase its market share. Samsung SDI is currently the fourth-largest electric vehicle battery supplier in the world behind LG Chem, CATL and Panasonic.

REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP

The Regional Comprehensive Economic Partnership (RCEP) is a free trade agreement between the Asia-Pacific nations of Australia, Brunei, Cambodia, China, Indonesia, Japan, Laos, Malaysia, Myanmar, New Zealand, the Philippines, Singapore, South Korea, Thailand, and Vietnam. The 15 member countries account for about 30% of the world's population (2.2 billion people) and 30% of global GDP (\$26.2 trillion) as of 2020, making it the biggest trade bloc in history. Unifying the pre-existing bilateral agreements between the 10-member ASEAN and five of its major trade partners, the RCEP was signed on 15 November 2020 at a virtual ASEAN Summit hosted by Vietnam.

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