

Huge potential for Vietnam's green energy transition

2021 will mark half a century of diplomatic relations between Denmark and Vietnam. This is a significant milestone, and from the Danish side, we look forward to celebrating the results of our strong partnership and friendship.



PHOTO: LUKAS HANZEN

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Personally, I look forward to continuing our excellent cooperation on climate and energy issues. A sustainable energy sector is key in order to achieve the goals of the Paris Agreement, and the cooperation between Vietnam and Denmark shows that an ambitious green energy transition is indeed possible.

Vietnam holds the potential to make a cost-effective and sustainable green transition while addressing its rising energy de-

mands and maintaining its prosperous economic growth.

Denmark and Vietnam's cooperation on green transition has been ongoing in different forms for many years. In 2013, the current Danish-Vietnamese Energy Partnership Programme was established. According to the 2019 Vietnam Energy Outlook Report, conducted under the programme, Vietnam could save up to 370 million tonnes of CO₂ emissions annually by 2050 compared to existing climate plans. This corresponds to removing the annual CO₂ emissions of 52 Vietnamese coal power plants.

GREEN TRANSITION IS BIG BUSINESS

Denmark is a living proof that the green transition can be a lucrative and sustainable business. Our green sector currently accounts for 6 per cent of all private jobs, and revenues in the green sector have increased by 31 per cent since 2012. We have more people employed in renewables than

in fossil fuels, and renewable power is fully price competitive with fossil fuel-based alternatives including offshore wind.

As for Vietnam, studies conducted under the Danish-Vietnamese Energy Partnership Programme and by the World Bank show that developing offshore wind to the tune of around 11GW by 2035 comes with attractive industrial, economic, and environmental potential.

Such capacity of offshore wind could result in 190,000 full-time jobs and would reduce carbon emissions by 102 million tonnes. Further, the studies show that an ambitious vision for offshore wind in Vietnam would lead to rapid price reductions in offshore wind, which subsequently could become cost-competitive to new fossil-based generation capacity around 2030. In comparison, Denmark has spent almost 25 years to make offshore wind price competitive with fossil fuels. Vietnam could achieve the same in only 10 years.

This would be a significant and global milestone that would not only deliver energy security and jobs but also allow Vietnam to step-up its climate ambitions in the lead up to COP26 in Glasgow in 2021.

Denmark will continue to support Vietnam on its journey towards a green transition. As our partnership has shown, the offshore wind sector, and green transition in general, hold huge economic potential.

I believe that the long-standing partnership between our governments shows great promise and I look forward to working together for a green and sustainable future.