

Ba Ria Vung Tau: Enhancement in seaport exploitation and management capability efficiency

By CAO, 30 Sep 2011

On 29-9-2011, the Vietnam Maritime Bureau (Vinamarine) and People's Committee of Ba Ria -Vung Tau province in coordination with Portcoast Consultant Corporation (Portcoast) organized the Conference "Efficiency enhancement in seaport exploitation and management capability in Ba Ria Vung Tau province". The conference aimed to review the planning, management and exploitation of international seaports in recent years and the sustainable development orientation going along with Vietnam's marine strategy until 2020.

Vung tau seaports ahead of many opportunities

Mr Nguyen Ngoc Hue, Vinamarine's director said that strategic changes in the Master plan of Vietnam seaports system approved by the Prime Minister brings us new opportunities for developing seaports to international standard level and fosters the rapid development of the country. Ba Ria - Vung Tau with its special geographical position in the southeastern port group (Port group No. 5 comprising of HCMC, Dong Nai, Ba Ria - Vung Tau, Long An, Tien Giang on the Soai Rap River, Binh Duong and Con Dao) is seen as a most potential area for seaport development.



Mr. Nguyen Ngoc Hue, Vinamarine's director at the Conference

Firstly, geographical and natural conditions of Vung Tau - Cai Mep - Thi Vai area are much favorable for port development. Moreover, this area is close to international transshipment routes as well as on direct and frequent routes of mother vessels travelling among major economic centers around the world. A lots of world top ten seaports such as Hong Kong ports in Hong Kong, Singapore ports in Singapore, Shang Hai port in China, Pusan port in Korea, Kaosiung port in Taiwan, ports in Japan etc are located around.

Secondly, this area with favorable climate condition and less being affected by storm allow ports to be operated in most of days in a year. Furthermore, this area is under dredging for accommodating full loaded vessels up to 80,000 DWT and has successfully received partial loaded vessels up to 131,000 DWT. To date, among 52 ports existing in the area, 24 ports are in operation and 27 ports are under construction. One large scaled port project called as Low Cai Mep port and a logistic center are being invested. As soon as equipped with advanced equipment, port systems in Vung Tau - Cai Mep - Thi Vai area are able to handle transshipment cargoes of not only Vietnam but also of neighboring countries.

Along with operation of modern and international standard ports which receives mother ships with carriage capacity to over 10,000 TEUs, shipping lines also open ocean voyages directly from Cai Mep-Thi Vai area to US and Europe.

Currently, the world top 20 shipping lines such as APL-Maersk (No. 1), CMA-CGM(No. 3), Hanjin Shipping (No. 9), and Yang Ming Marine Transport Corp. (No. 15) have participated in operation and exploitation of ports at Cai Mep - Thi Vai area. By the fact that shipping lines have sent their mother ships to the area, the intention of forming the area as a transit station on long haul ocean voyage becomes a reality.

For the time to come, shipping lines shall bring more business and services from Europe, Africa, and Asia to the area. So, it can be forecasted that these container ports in this area become busiest ones in Vietnam in a very near future. The cargo throughout is expected to about 800,000 TEUs in 2011 and to be increased more in coming year when some ports are in operation such as SSIT terminal in 12/2011, ODA funded port in 2012 and Gemalink port – a biggest port in the area which is able to receive simultaneously two mother ships with capacity of 8,500 TEUs each in 2013.

Mr. Pham Anh Tuan, Deputy General Director of Portcoast assessed that “The acceptance of big shipping lines on sending mother ships to call at ports in the area and on considering the area as a transit station on their long haul ocean voyage are the most important factors ensuring a success of an international transshipment port ”

Mr Nguyen Ngoc Hue, Director of Vinamarine added that " We are in the progress to built a port system which enables to meet international standards as well as is competitive with other ports around the world in the context of global economic integration. In the next few years, port system in Ba Ria-Vung Tau will become the world's modern ports which can receive vessels up to 10,000 TEUs and ship cargoes directly from Vietnam to the United States and the EU. With a capacity of a ten millions of TEUs per year, it is possible for Ba Ria - Vung Tau to be named in the list of the world's leading port. Grasping opportunities quickly to develop the country to be an international transshipment hub and much more important, to be a country strong in maritime industry is an urgent need”.

Many hindrances existed.

Apart from many development opportunities fro Vung Tau – Cai Mep – Thi Vai, many participants at the conference also pointed out several existing hindrances in the port operation and exploitation.

Infrastructure and logistic services that connect to the port system remains one of the biggest hindrances. Mr. Tran Minh Sanh, Chairman of Ba Ria - Vung Tau Province People Committee admits that the province is currently facing many difficulties in mobilising fund to invest in connecting infrastructure to port. Some existing roads in Cai Mep - Thi Vai the area are now overloaded and downgraded seriously. National highway 51, an important road connecting the port system to the southern focus economic zone (SFEZ) is under upgraded. However, the progress is very slow, which effects traffic stream at this area. The inter-port roads are not really got through. Typically, the 21.36 km long inter-port road located behind fences of 33 ports along the Thi Vai River, starting from Low Cai Mep area up to Nhon Trach area in Dong Nai province and connecting to the Southern inter regional highway are facing many difficulties in implementation due to lack of funds. The external strategic traffic routes have not been invested as the approved plans. Specifically, the Ho Chi Minh City ring road No. 4 which crosses Bien Hoa - Vung Tau highway at Long Thanh international airport in Dong Nai province and connect seaport systems in Cai Mep Thi Bap area to source of good and urban centers within SFEZ, Bien Hoa – Vung Tau highway and Bien Hoa - Vung Tau express railway which play strategic role to discharge good/cargoes of ports and industrial zones have not been invested Port logistic services are still behind the need. Also from Mr. Sanh, logistics plays important role in improving efficiency of port operational. Logistic centers must be located right behind port to handle concerning to the goods such as loading/uploading, delivery, distribution, warehousing etc. , Therefore, it is right to say that logistics business will be developed at places where ports are developed and it is seen as supporting business. However, enterprises operating logistics are not focused and lack of cooperation in organizing and managing logistics services. So far, there is no enterprise that is capable to organize and manage the entire process of logistics operations.

The issue of maritime safety also receives a lot of concerns. Mr. Pham Van Quang, Deputy General Director of the Southern Maritime Safety Company said that in recent year, due to more and more large vessels entering to this area, potential dangerous/risks are expected. There are still many local water means transporting in this area. There are still many cases which small boats cross over mother ship's maneuvering itinerary to cause dangerous to ships and marine facilities loading/uploading at ports. Many fishing means operating on the Thi Vai River do not follow maritime regulations strictly such as leasing fishing nets on the channel, crossing over other vessels' lines, anchoring at undesignated area etc.

The technical and management issues of the channel remain inappropriate. Mr. Tran Khanh Sinh, director of Tan Cang -

Cai Mep Joint Stock Company raise the fact that even though navigational buoy system installed is very modern, international standard and highly preferable by captains, the proposal to install Racon on Buoy 0 to support vessels entering the channel faster and more precise have been made quite long time ago but yet being accepted to date. Maritime safety observation is still out of date.

Port management is one of major limitation. Mr Nguyen Ngoc Hue, Director of VINAMARINE admits that: "At present, as compared to most of other countries around the world, port management in Vietnam is different". As management models applied around the world, there will be a port management unit who is responsible for whole process starting from planning work to construction investment , rental of yard and land, dredging maintenance, maritime services such as pilot, towage etc. Many ideas come up that the need for applying a "Port Authority" management model should be quickly met. If so, synchronization in the construction and exploitation can be maximized, and inconsistency in ports and transportation systems outside port resulting in traffic congestion, cargo stagnation at port is hard to happen.

Need for incentives on attracting international transshipment cargoes

Seaports in Ba Ria - Vung Tau are planned as an international sea gateway in the southern region of Vietnam with the planning level 1A. Its main function is to handle imported-exported cargoes on long haul ocean voyage of the whole South area. However, with the current capacity, it is possible for the port system to handle a certain throughput of international transshipment cargoes. Also as per Mr. Pham Anh Tuan, Deputy General Director of Portcoast , to encourage and attract more cargoes, it is required for the area to issue incentives to enhance attractiveness of ports to consignors and ship owners, and then to be able to compete with other transshipment ports in the region.

Specifically, to ship owners and consignors , it should be available incentive policies on taxes and other taxes applicable to projects in investment incentive sectors category stipulated Investment Law and other tax incentives under international treaties which Vietnam commits while joining WTO ; to foreign ships, import-export custom clearance should not be required for goods, but ships themselves in accordance to Maritime Law. Simultaneously, the development of logistics services including the establishment of logistics centers, an open economic zones or free trade area behind the Cai Mep - Thi Vai port system should be studied. "As such, operational functions of an international transshipment port can be fully developed "according to Mr. Tuan.

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