

## Combine to operate Cai Mep – Thi Vai International Container Terminal

07:31 | 11/09/2013

On 10/9, a conference on gathering opinions for the scheme of combining to operate Cai Mep International Container Terminal (CMICT) and Cai Mep International Terminal (CMIT) was held in Ha Noi, with the participation of numerous experts, scientists and managers in the maritime sector.



### Economic advantages from combined operation

At the conference, Mr. Robert Hambleton, CEO of CMIT, presented the scheme for combined operation of CMICT and CMIT. Accordingly, the scheme has highlighted the present advantages of the geographical location of CMIT when combined in operation with CMICT to create a world-class port, with the scale needed to meet growing demands to develop into an international and domestic transshipment center of Vietnam and Southeast Asia.

According to Mr. Robert Hambleton, the economic advantages from combined operation of the above ports are great; investment effectiveness and net worth calculated in the economic model for the 2 ports combined is more than 40 million USD. Specifically, the combination of CMICT and CMIT port will form a port with the total length of 1,200m, giving great advantages for trade and operation, as well as taking part in increasing productivity, annual revenue; at the same time, able to take advantage of available resources, save investment and operating costs compared to operating the 2 ports individually.

Therefore, in the background in which most major deepwater ports with large investments and have been modernized are still facing difficulties in finding business opportunities and improving cash flow to be able to recover capital investment, Mr. Robert Hambleton stressed that the economic benefits from the combined operation of the 2 ports is very significant and very practical.

### In-depth research for the best solution

According to the Ministry of Transport (MOT), the proposed scheme by A. P Moller Maersk Group to develop Cai Mep – Thi Vai port into an international transshipment center, the MOT has assigned the Vietnam Maritime Administration to contact the group for research and evaluation, at the same time, has requested Portcoast Consultant to research and comment on the proposal. Results from the research group for the above proposal has shown that the combination of the 2 ports into a unified port is a “necessary condition” but not a “sufficient condition”, because in order to unify the ports into an international transshipment center requires many factors, aside from external factors such as geographical location, natural conditions, good infrastructures and good policies, the most important factor is the auspices of the carriers on the main transport routes. However, at present or in the near future, this factor has no basis to be realized.

Moreover, according to the MOT, the combination of the 2 ports into a unified port is a good operation solution and it's still possible for implementation even when CMICT and CMIT isn't a unit. Therefore, consideration on the feasibility of the combined operation scheme by A. P Moller Maersk Group should be researched in-depth with the opinions of the ministries and experts in the maritime sector.

At the conference, the majority of participants were supportive towards the combined operation scheme of the 2 ports because it would enhance the capacity of the port, but the scheme should be very logical in order to bring into play the advantages of the combination, and to avoid cost increases in transport and transit services of goods through the port, as well as to avoid operation monopoly.