

## To become a sea power: A blue existence

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Cargo handling operation in Sai Gon port.  
Photo: Mai Vong

Despite the fact there is one port only located in the outer SouthEast Asia and at a very far distance from the Centers named Tham Quyen, Hong Kong, Taipei, Shanghai, South Korea and Japan, Singapore's container terminal has become a top transit hub in the world. On the contrary, Vietnam is still not yet ranked to be a regional logistics hub though there are hundreds of ports shaped in Vietnam with its central sea route.

As said by an officer, foreign sea port experts are unbelievably wowed by the polished imposing figure of more than 100 ports located in Vietnam. In reality, the scale of 100 ports in total is, however, incomparable to that of one existing port only in Singapore.

### Hard to compete with major sea port agents

estuary. The area of coastal basins and bays accounts for 60% of that of seashore, of which there are 12 big basins and bays.

Up to end 2009, it has taken Vietnam nearly 10 years to implement the master Planning of Vietnam's up-to 2020 and 2030-bound sea port system development approved by the Prime Minister in 1999. According the assessment of the Ministry of Transport, Vietnam's sea port system has, over the past 10 years, basically satisfied the development objective in accordance with the approved Planning. Practically, there is, however, not even an international port. Such blue reality has made Vietnam feel it impossible to compete with major shipping agents whose international container ports can accommodate vessels with a capacity of 12.500 TEUs on average. Meanwhile, Cai Mep – Thi Vai port can shoulder vessels with a capacity of 8.000 TEUs only and Hai Phong port can receive vessels with a capacity of about 6.000 TEUs only.

**Sea port system should be developed in Vietnam. Ex-sea port system should be transformed into vehicle stations and logistics as to serve fresh-born ports.**

Mr. **Cao Tien Thu**, former General Director of Hai Phong port.

The redundancy of small-scaled ports, lack of large-scaled ports and absence of international ports are the gloomy existence of Vietnam's sea port system. Statistically, the number of jetties and berths which can handle more than 50.000 DWT vessels makes up 1.37% only (general cargos mainly); 21.43% (with 15.9% of general cargos) for 20.000 – 50.000 DWT vessels; 39.72% (with 24.31% of general cargos) for 10.000 – 20.000 DWT vessels; and 38.46% (with 24.85% of general cargos) for less than 10.000 DWT vessels.

According to Mr. Tran Doan Tho, the Deputy Minister of Ministry of Transport, the partitioning of sea ports is currently a historic stagnant existence which has not been removed thoroughly. As based upon the statistics provided by Vietnam SeaPort Association (VPA), the total cargo throughput via the whole sea port system belonging to VPA (49 sea ports) won 144 million tons only in 2008 year, increasing 7% only as compared to 2007 year whilst the cargo throughput via the sea ports in the Center which is potential in sea ports is still frozen.

Due to lack of sea ports as to be in service of heavy-weight vessels, Vietnam finds it not only impossible to compete with other major sea port agents but also difficult to export cargos to the regional countries and the world. According to the report of the World Bank in 2007, the costs and expenses for exporting one 20 – foot container from Vietnam are US \$701, including expenses for procedures, administrative costs, handling expenses and inland transport expenses. Meanwhile, these costs and expenses are US \$35 only in China and US \$382 in Singapore.

## **Speed up**

In relevance to Vietnam's sea port Planning, there are, as commented by Doctor Vu Thanh Tu Anh, the Manager of Fulbright, presently very many redundant imposing sea port projects which have been approved or are being implemented in the Central provinces, namely Binh Dinh, Quang Ngai, Da Nang and Thua Thien Hue. Yet, these sea port projects are economically baseless. As with the existing sea port scale, there should be 03 deep-water ports only for 03 regions in Vietnam. Even in the Western US with a length of 1.900km shapes 03 international sea ports only. The uneconomical decision of sea port infrastructure should only be taken into action based upon having a thorough grasp of international trading channels.

As said by Mr. Tu Anh, the Eastern South area is in urgent need of deep-water sea ports as to uphold the current growth. This area lays in a position deeply advantageous to the operation of international crucial marine shipping routes and has been mapped by major sea port agents for their marine routes. Some foreign sea port project owners are very interested in Cai Mep – Thi Vai new port complex Project in Ba Ria – Vung Tau. Correspondingly, the new sea port development for the Eastern South area and the mustering of all sources for the construction of large-scaled sea ports are the national priorities.

According to Mr. Cao Tien Thu, the Former General Director of Hai Phong port, there should be a deep-water sea port in each region in order for heavy-weight vessels' navigation.

The Deputy Minister Tran Doan Tho highlights that the Ministry lays down as a policy the development of international transit ports in the Central area, of which Van Phong port is to be a hub port and the others are to be functioned as satellite ports.

For the existing shortcomings of sea port system, it is of necessity to pay strict attention to poverty in technology and weakness in post-port infrastructure and to attach special importance to the planning and operation of deep-water sea ports in 03 regions in purpose of pushing Vietnam towards the open sea.

As analyzed by an economic expert in Ho Chi Minh city, the designing of a big sea port in the North will help economically speed up the export operation of the Western China. Also, the shaping of Hai Phong deep-water port can give assistance to shorten 800km of cargo transport distance to the Western China, encouraging foreign bodies to choose Vietnam as the second destination so as to lessen the cost and risk of investment in China. The deep-water ports in the Center will accommodate cargos from North Thailand, Laos and Myanmar, further reinforcing the international transit location and facilitating petroleum export/import of Vietnam. As estimated that coming out the deep-water ports in the Center will help economize US \$1.5 billion in petroleum export/import of Vietnam. The deep-water ports in the South can become hub ports for transporting cargos of Cambodia, South Thailand and Southeast Asia. "In addition to Singapore and Hong Kong, Vietnam is also in very need of the construction of the third major regional transport center which helps enhance the competitiveness in price and call for services in certain transport routes. Speed up or the chance will go by" says the expert.

Besides making the most of potential in sea port, geological advantages and available planning, Vietnam needs to synchronously better and speed up in order for its large-scaled deep-water port to be mapped as a cargo transit hub of the regional countries and the world.

At the seminar on EWEC development in end April 2005 in Thailand, Mr. Utis Kaothien, the Senior Advisor of Economic – Social Committee of Thailand Government. According to Mr. Utis, Da Nang city port's higher competitiveness than Bangkok port can, in one more decade, leave Bangkok port and other city ports of Thailand behind itself as to become the biggest economic hub in Mekong subregion. Thanks to its natural advantage of connecting with the countries in East – West, Da Nang deep-water port with the natural advantage of connecting with the countries in the East – West will economically greatly challenge foreign shipping agents as well as call for more foreign investment from Thailand project owner even.

However, the warning is, up to now, still not yet taking into effect. The number of forest and mineral product containers transported from Laos via O2 Bo Y and Lao Bao borders to Da Nang in 2009 is much lower than expected. "Vietnam has not taken its numeral potential advantage of Da Nang port" Mr. Nguyen Huu Sia, the Deputy Manager of Da Nang Port says

### **T.Đ.Thắng**

Upon Vietnam's up-to 2020 and 2030-bound sea port system development Planning submitted by the Ministry of Transport to the Prime Minister for approval, sea port system and access channels to ports are to be synchronously invested with modern equipment and technology such as Van Phong international transit port for large and very large vessels of 9.000 – 15.000 TEUs); international gateway ports in Hai Phong, Ba Ria – Vung Tau and the Central focal industrial zone as necessary for 80.000 – 100.000 DWT vessels, 4.000 – 8.000 TEU container vessels; dedicated hub ports for accommodating bulk and fluid cargos as to be in service of industrial zones for 70.000 – 200.000 DWT vessels (berth for bulk cargos) and for 150.000 – 300.000 DWT vessels (berth for fluid cargos); tourism passenger berth with its international standard modern station in service of international tourism passenger vessels of up-to 100.000 GRT in major travel centers; and existing ports to be improved as to surmount the weakness in quality and poverty in technology.

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(Translated by Portcoast)