

THE PRIME MINISTER

SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom - Happiness

No. 355/QĐ-TTg

Hanoi, February 25th 2013

DECISION

APPROVING THE ADJUSTED STRATEGY FOR VIETNAM'S TRANSPORT DEVELOPMENT TOWARDS 2020, AND THE ORIENTATION TOWARDS 2030

THE PRIME MINISTER

Pursuant to the Law on Government organization dated December 25th 2001;

At the request of the Ministry of Transport,

DECIDES;

Article 1. Approving the adjusted strategy for Vietnam's transport development towards 2020, and the orientation towards 2030, in particular:

I. VIEWPOINTS ON DEVELOPMENT

1. Transport is a crucial component in the socio-economic infrastructure, one of the three breakthroughs, of which the investments needs prioritizing in order to develop rapidly and sustainably, for the purpose of creating a foundation for socio-economic development, ensuring National defense and security, and serving the industrialization and modernization of the country.
2. Utilize the geographical advantage and natural resources, especially the marine potential, to develop the transport system reasonably and reduce social costs.
3. Develop comprehensive and focused transport infrastructure, take careful steps and drastic steps in modernization in order to create a complete and continuous network to connect the means of transport, the areas, between rural areas and urban areas nationwide. Emphasize the maintenance and application of developed technologies, improve the productivity, and ensure the efficiency and sustainability when developing the existing transport infrastructure.
4. Develop a modern, safe, and economical transport systems with higher and higher quality, reduce environmental pollution and save energy; apply advanced transport technologies, especially multimodal transport and logistics.
5. Integrate new investment with improvement, upgrade, and in-depth investment in order to increase the efficiency of existing transport facilities, quickly innovate and approach modern technologies, especially in shipbuilding, car manufacture, locomotive and carriage manufacture for domestic use and export.

6. Develop a diplomatic transport system which tightly connect with the domestic transport system in order to take the initiative in regional and international cooperation and integration.
7. Quickly develop the fast and massive means of transport in major cities (Hanoi and Ho Chi Minh city in the short term); develop urban transport towards public transport, ensure the modernity, safety, and convenience; develop the static traffic system; control the increase in number of private vehicles, relieve traffic congestion and ensure urban traffic safety and order.
8. Develop and connect local transport systems with the national transport system, create the continuity and efficiency.
9. Enhance the private participation in the development of transport infrastructure. Mobilize all resources to investing in the development of transport infrastructure. The users of transport infrastructure are responsible for paying fees for the maintenance of and reinvestment in the transport infrastructure.
10. Allocate land for developing transport infrastructure and ensuring traffic safety corridors. The land planning for transport infrastructure must have consistency and tight cooperation among the Ministries, agencies, and local governments.

II. TARGETS OF VIETNAM'S TRAFFIC DEVELOPMENT TOWARDS 2020, AND THE ORIENTATION TOWARDS 2030

1. Development target by 2020

By 2020, the Vietnam's transport system would basically satisfy the demand for transport of the society, ensure the higher and higher quality and reasonable pricing; traffic accidents are controlled and reduced, environmental pollution is minimized; establish a reasonable transport system in general among the means of transport, gradually modernize and develop it in order to make Vietnam a modern industrialized country by 2020.

a) Transport

- Harmoniously and reasonably develop the means of transport:

+ The primary objectives of road transport are goods collection, short-distance or medium-distance freight transport, and passenger transport.

+ The primary objectives of rail transport are long-distance or medium-distance freight transport; long-distance passenger transport in bulk, inter-provincial passenger transports, and public passenger transport in major cities.

+ The primary objectives of sea transport include trans-oceanic freight transport, coastal routes, especially North – South transport, coal transport serving thermoelectric plants, and transport of crude oil serving oil refineries. Increase the market share of export and import transport to 25 – 30%. Develop coastal and island passenger transport routes.

+ Primary objectives of inland water transport are domestic freight transport in bulk (coal, cement, fertilizers, building materials, etc.), and oversize and overweight cargo transport

+ Primary objectives of air transport are long-distance and international passenger and freight transport which have high economic value. Develop air transport into a safe and convenient mean of transport towards the open market, which connects with the regional and international air transport markets.

- The proportion of means of transport by 2020:

The total volume of passenger transport in 6,240 million passengers, 86% - 90% of which is road transport, 1% - 2% is rail transport, 4.5% - 7.5% is inland water transport, and 1% - 1.7% is air transport. The total volume of freight transport in 2,090 million tonnes, 65% - 70% of which is road transport, 1% - 3% is rail transport, 17% - 20% is inland water transport, 9% - 14% is sea transport, and 0.1% - 0.2% is air transport.

- Develop the means of transport to suit the transport infrastructure, the types of freight, and the passengers, satisfy the technical standards of safety and environment.

b) Transport infrastructure development

* The North - South axis

- Prioritize the investment in the completion, upgrade, and expansion of Highway 1 with 4 lanes. Concentrate on the investment in building some segments of freeways along the North - South route within an appropriate period of time, with due account taken of the general efficiency of the segments parallel to Highway 1. Invest in and clear the Ho Chi Minh road, and upgrade the segment that cross Tay Nguyen. Invest in the important segments along the coastal routes associated with sea dykes.

- Focus on upgrading and modernizing the existing North - South railway. Keep considering the potential solutions to make suitable plans for investment in high-speed trains.

- Develop the air network according to fan-shaped models with high frequency of use and good transit services in Hanoi and Ho Chi Minh city.

* In the North

Develop the transport infrastructure in the North, with the epicenter being the Northern key economic region, and focus on the following objectives:

- Finish upgrading and expanding the local segments along Highway 1 with 4 lanes. Build new segments along the North - South freeway, and the freeway segments belonging two corridors and one economic belt Vietnam - China, the convergent freeways and ring roads of Hanoi. Finish upgrading and classifying the remaining highways, clear and upgrade the highways belonging to the Northern ring road system, finish investing in the border patrol road system according to the approved planning.

- Finish upgrading and modernizing the local railroad segments belonging to the North - South railroad, and classify the existing railroads. Consider building new Build new high-speed railroads belonging two corridors and one economic belt Vietnam - China, the routes to harbors and major economic zones.

- Prioritize the investment in building Lach Huyen International Harbor to receive ships up to 100,000 DWT (8,000 TEU); keep developing harbors, container terminals, and specialized ports to satisfy demands in each period; build passenger terminals in Hai Phong and Quang Ninh.

- Complete the classification and ensure the 24/24 operation of important inland water routes. Upgrade and build some new major harbors and freight terminals such as Ninh Phuc, Da Phuc, Viet Tri, Hoa Binh, and Phu Dong Container Terminal. Upgrade and build some new ports and passenger terminals in Hanoi, Hai Phong, and Quang Ninh.

- Prioritize the investments in upgrading and Cat Bi and Noi Bai International Air Ports; Noi Bai Airport is the gateway of the North. Safely and efficiently develop Dien Bien airport; restore Gia Lam, Na San, and Tho Xuan airports to satisfy the demands of socio-economic development. Consider building Quang Ninh and Lao Cai airports.

* In the Middle and Tay Nguyen

Develop the transport infrastructure in the Middle and Tay Nguyen, with the epicenter being the Central key economic region, and focus on the following objectives:

- Finish upgrading and expanding the local segments along Highway 1 with 4 lanes. Build the segments belonging to the North – South freeway. Upgrade and build the roads belonging to the East – West economic corridor, and the horizontal roads that connect the coast to provinces in Tay Nguyen, connect Vietnam’s harbors to neighboring countries such as Laos, Thailand, and Cambodia; classify the remaining highways. Build the bordering corridor and the border patrol system according to the approved planning.

- Upgrade and modernize the existing railroad segments belonging to the North – South railroad in order to increase the efficiency. Consider building some new railways: Vung Ang – Cha Lo (Mu Gia), which connects the Tay Nguyen provinces, serve the extraction and production of aluminum in Tay Nguyen, and connects Tay Nguyen with harbors.

- Keep building, upgrading, and expanding Nghi Son, Cua Lo, Vung Ang, Da Nang, Dung Quat, and Quy Nhon harbors in order to satisfy the demands in each period. Build specialized harbors serving thermoelectric plants and alumina export. Select and build international passenger terminals in Hue, Da Nang, and Nha Trang. Encourage foreign investor to invest in Van Phong International Transit port.

- Improve and upgrade some important river routes, focus on lengthening the usable river segments.

- Focus on the investments in upgrading, modernizing, and efficiently using Da Nang and Cam Ranh International Airports. Keep upgrading Chu Lai airport to an international freight transit airport of the region. Upgrade Vinh, Phu Bai, Tuy Hoa, Pleiku, and Buon Ma Thuot airports to satisfy demands in each period. Consider developing Lien Khuong Airport into an international airport.

* In the South

Develop the transport infrastructure in the South, with the epicenter being the Southern key economic region, and focus on the following objectives:

- Finish upgrading and expanding the Southern segments along Highway 1 with 4 lanes. Build the freeway segments belonging to the North – South freeway, and the freeways that connect Ho Chi Minh city with the gateways, important junctions, and ring roads of Ho Chi Minh city; clear the South West bordering road; finish upgrading and put into use the remaining highways in accordance with their classifications.
- Upgrade and modernize the existing railroad segments belonging to the North – South railroad in order to increase the efficiency. Consider investing in the new railroad using a gauge of 1.435 m that connects Ho Chi Minh city and Vung Tau, and Ho Chi Minh city with Can Tho; consider building Di An – Loc Ninh railroad to connect with Trans-Asian Railway
- Focus on the investments in building Cai Mep – Thi Vai International Harbor to receive ships up to 100,000 DWT (8,000TEU). Keep investing in the development and efficiently developing the local harbors and terminals in accordance with the approved planning. Build new ship channels into Hau River through Quan Chanh Bo channel for ships up to 100,000 DWT, together with expanding and upgrading Can Tho – Cai Cui harbor to a major harbor in the South West.
- Finish classifying the ships, and ensure the 24/24 operation of the primary water routes from Ho Chi Minh city to South West provinces, the routes along Tien river and Hau river. Build and upgrade the inland freight and passenger terminals. Increase the capacity of water transport to 70% - 75% of transport proportion in the South West.
- Focus on the investments in upgrading and modernizing Tan Son Nhat International Airport. Keep upgrading Ca Mau, Rach Gia, and Con Dao airports to satisfy demands; ensure the efficient development of Can Tho and Phu Quoc International Airports. Consider building Vung Tau airport. Encourage private – public cooperation to boost the investment in building Long Thanh International Transit Airport.

c) Urban transport development.

- Reasonably develop urban transport and public transport infrastructure, allocate 16% - 26% of land for urban transport. Rapidly develop bus systems in major cities, quickly invest in bulk public routes such as elevated railway and subway in order to undertake 25% - 30% of public passenger transport. Control the development of private motorbikes and cars, especially in Hanoi and Ho Chi Minh city.
- Focus on the investments in upgrading, expanding, and building new convergent routes, big intersections, bypasses, and ring roads. Boost the progress of some urban railway projects and suburban railway of Hanoi and Ho Chi Minh city.
- Scientifically organize urban transport using modern technologies and instruments such as signals, control stations, camera systems, and Intelligent Transportation System (ITS). Upgrade two traffic control centers in Hanoi and Ho Chi Minh city; invest in similar centers in other cities where necessary.

d) Rural transport development.

- Maintain, strengthen, and upgrade the existing transport system in accordance with the technical standards of rural roads, satisfying the demands of industrialization and modernization of agriculture and rural areas. The proportion of hard roads, asphalted roads or concrete roads in is 100% for district roads, 70% for commune roads, and 50% for village roads.

- Finish building new roads to centers of communes without roads, to agricultural plantations, forestry plantations, and industrial points. Step by step build the system of tunnels and overbridges at the intersections along freeways, highways, and local roads, in order to ensure traffic safety. Emphasize the development of water transport in Mekong Delta.

- Consider using local materials, select road structures suitable for the local conditions and climate, prioritize cement when building and upgrading rural roads.

- Reasonably use traditional means of transport; develop small motor vehicles that suit the rural infrastructure and living standards of the majority of people

dd) Transport industry development.

- Shipbuilding industry: focus on the demanded and competitive products to satisfy domestic demands and export. Build ships of 100,000 DWT or lower; repair ships of 150,000 DWT or lower.

- Car and construction vehicle industry: focus on the assembly and manufacture of buses, heavy trucks, agricultural trucks, and some types of construction vehicles to satisfy domestic demands and export.

- Railway industry: focus on building new passenger and freight cars that are modern, convenient, and diverse to serve domestic use and export. Manufacture some parts, components, and assemble modern locomotives.

- Aviation industry: improve the capability of repairing and maintaining aircrafts, aircraft engines, and specialized equipment; ensure the autonomy when providing aircraft maintenance and repair services for domestic airlines, aiming for providing services for foreign airlines.

2. The orientation towards 2030

Basically complete the nationwide transport system by 2030, ensure the connection and reasonable development among the means of transport. The transport and service quality is raised; ensure the fast, safe, and convenient services.

Basically complete the freeways; start building some segments along the North – South high-speed railway. The technical standards of Vietnam’s road and railway system is consistent and convenient for connecting with the road systems of ASEAN, Greater Mekong Subregion, and Trans-Asian Railway.

The harbor system is able to satisfy the demand for goods circulation, export and import. The international gateway harbors in key economic regions associated with goods distribution

centers and the transport systems are able to create a modern and effective logistics network comparable to that of other developed countries in the region.

Finish classifying, and ensure the 24/24 operation of the ships along inland water routes. Mechanize loading in harbors and inland ports. Rapidly develop water routes to islands.

Basically complete the nationwide system of modern airports; the role and scale of Noi Bai and Long Thanh International Airports are comparable to that of major international airports in the region. The air control system is modern, the communication, navigation, and surveillance devices are able to cover the whole flight information region (FIR) of Vietnam in accordance with the aviation plan of ICAO.

Develop a modern and civilized urban transport system. Step by step develop the bulk passenger transport routes in cities type I. Keep developing the urban railway system in Hanoi and Ho Chi Minh city to reach 40% - 50% of public transport.

III. PRIMARY SOLUTIONS AND POLICIES

1. The solutions and policies to generate capital for transport infrastructure development.

- Increase the annual investments in transport infrastructure from the State budget and Government bonds to reach 3.5% - 4.5% of GDP; prioritize crucial works. Issue bonds guaranteed by the Government to invest in some urgent works.

- Mobilize all resources, keep completing the policies and mechanism for attracting all economic sectors, including foreign investors, to invest in transport infrastructure development in various forms such as BOT, BT, BTO, PPP. Amend the regulations on the financial incentives for taxation, pricing, fees and charges, franchise, etc. in order to increase the commerciality of traffic projects and contributing responsibility of users.

- Strongly attract and efficiently use capital from ODA. Encourage sponsors to provide ODA for transport infrastructure development, especially for major works that are widespread and could make breakthroughs. Consider taking appropriate steps to improve the efficiency of PPP model between foreign investors with ODA from other countries and international organizations.

- Quickly establish the Road Maintenance Fund. Consider establishing the Transport Infrastructure Development Fund

2. Solutions for improving the efficiency of investments, the consistency and connection of transport infrastructure development.

- Make focused investments, avoid unfocused investments; make significant change in distributing investments in traffic sectors.

- Focus on the investments in the widespread works that connect the means of transports and the works in the same system in key economic regions and international gateways.

3. Solutions and policies on transport development

- Consider restructuring the entire transport discipline to harmoniously and reasonably develop the means of transport, ensure the socio-economic efficiency, traffic safety, environment protection, and sustainable development.
- Encourage all economic sectors to participate in providing transport services and their ancillary services. Establish some transport enterprises funded by the State to serve the demanded routes such as the North – South route, urban public transport, transport in remote areas, on islands, and other irregular objectives where necessary.
- Support the enterprises that provide public transport services and transport services in remote areas and difficult areas. Encourage the use of vehicles manufactured or assembled at home.
- Establish a system of fees and charges as an instrument for macro-regulation to orient the reasonable development of means of transport.
- Diversify transport services and their ancillary services, ensure the quality, safety, convenience, and reduction of social cost. Rapidly develop multimodal transport and logistics services in freight transport.
- Intensify the management and periodic inspection of quality of vehicles and transport services, especially those of passenger transport. Develop the associations to protect customers' interests.

4. Solutions and policies on transport industry development

- Encourage and enable transport industry enterprises to expand their cooperation at home and with foreign partners for raising capital, technology transfers, exchanging management experience, and localization. Focus on the production of competitive products.
- Provide policies to enable enterprises to approach and apply new technologies and instruments.

5. Solutions and policies on traffic safety

- Rapidly implement the National Strategy for Road Traffic Safety by 2020, and the orientation towards 2030.
- Boost the investment in comprehensively improving and upgrading the transport infrastructure, ensure the safety corridor, and eliminate the accident black spots for the purpose of reducing traffic accidents and road casualties.
- Complete the legislative system, strengthen the traffic safety management from central to local government, aiming for the sustainable traffic safety; improve the efficiency of propagation and education, together with intensifying the enforcement of laws on traffic safety.
- Improve the quality of training, testing, and managing vehicle operators; and the quality of vehicle inspection.

- Enhance the rescue works to minimize the damage caused by road accidents.

6. Solutions for environment protection and sustainable transport development

- Step by step control and prevent the increase of environmental pollution due to transport activities.

- Improve the efficiency of energy use in transport on the basis of reasonable transport organization, and take advantage of water and railway transport; rapidly develop public transport in cities, and apply multimodal transport.

- Improve the adaptability to climate change and sea level rise of transport infrastructure.

- Boost the application of technologies and the use of vehicles that effectively consume energy; use clean energy, renewable energy, and other alternative energy in transport.

7. Solutions and policies on international integration and competition

- Comprehensively develop the diplomatic transport infrastructure, vehicles, and loading instruments that conform with the technical standards of developed countries in the region and in the world. Improve the quality of services to ensure the international competitiveness.

- Keep amending and supplementing the legislative system, the institution, and policies to suit the regulations of WTO the international cooperation organizations to which Vietnam is a signatory.

8. Solutions and policies on innovating management and restructuring state-owned enterprises engaged in the transport industry

- Rearrange the management units according to the function models, specify the State management functions of State agencies with business management functions of enterprises.

- Boost the restructuring of state-owned enterprise engaged in the transport industry in order to focus resources on primary activities and products, and improve the competitiveness. Focus on corporations and general companies in the short term.

- Innovate the administrative management of transport by applying IT and international standards (ISO).

9. Solutions and policies on the application of new technologies

- Formulate and complete the standards, regulations, processes, economic and technical norms applicable to the consultancy, management, construction, maintenance of the transport industry. Encourage the application of new technologies and new materials.

- Modernize vehicles and loading instruments; apply advanced transport technologies, especially multimodal transport and logistics services. Apply information technology to the management, operation, and development of the transport system.

- Put into use the communication, navigation, surveillance, and air control system that suit the transformation plan within the Asia-Pacific area by directly approaching digital technologies using satellites.

- Improve the capability of research centers of the transport industry.

10. Solutions and policies on human resources development

- Diversify the training; encourage the private participation in training to improve the competence of managers, officials and employees; apply the open enrolment via testing and probation.

- Invest on improving the capability and equipment of training centers, especially training pilots, officers, and crewmembers, to improve the competence of human resources. Enhance the cooperation among the employers and training centers to satisfy the practical demand and efficiently use the trained human resources.

- Provide policies on salary and incentives for workers working in special conditions of the transport industry, especially ones in charge of the maintenance of the transport infrastructure in remote areas, and ones doing hard and dangerous works, etc.

Article 2. Implementation organization

1. The Ministry of Transport shall preside and cooperate with other Ministries, agencies, and People's Committees of central-affiliated cities and provinces in implementing the "Strategy for Transport Development by 2020 and the Orientation towards 2030"; periodically update and suggest adjustments to suit the demands of development.

2. Other Ministries, agencies, and People's Committees of central-affiliated cities and provinces are responsible for cooperating with the Ministry of Transport in accomplishing the objective and reaching the targets of the Strategy for Transport Development by 2020, ensure the consistency with the implementation of the local socio-economic development plans.

Article 3. This Decision takes effect on the date on which it is signed, and supersedes the Decision No. 35/2009/QĐ-TTg dated March 03rd 2009, approving the Strategy for Transport development by 2020 and the Orientation towards 2030.

Article 4. The Ministers, Heads of ministerial-level agencies, Heads of Governmental agencies, the Presidents of People's Committees of central-affiliated cities and provinces are responsible for the implementation of this Decision./.

THE PRIME MINISTER

Nguyen Tan Dung

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