VIETNAM SEAPORTS ASOCIATION

**SECRETARIAT REPORT**

At the Annual Meeting 2016

September 22, 2016 – Ha Long City

Based on the Resolution of the 8th Congress 2015 in Can Tho City on orientation and activities of the Association in 2015-2016 and pursuant to the directives of the 8th Term Executing Committee, the Secretariat has conducted the last year activities of the Association with the results and evaluation given below. Further, based on the orientation and specific directives of the Executing Committee, the plan of activities and the budget for 2016-2017 have also been prepared for the opinions and decision of the Meeting.

1. ***Charter:*** As proposed by the 8th Congress in Can Tho and new regulations of the Ministry of Home Affairs, the Charter of the Association had been amended and promulgated by the Decision no. 132/QĐ-BNV of the Minister of Home Affairs on December 18, 2016. The new Charter has new provisions on the functions and rights of the Standing Committee, the Supervision Committee, allowing entry of new membership including associated members who are not sea ports but having relationship and willingness to cooperation on a mutually beneficial manner with the Association. The approval of new member shall rest with the Standing Committee instead of the Executing Committee as previously specified. One new provision in the new Charter is that the representative of the member shall be decided by the member itself and not necessary the legal representative of the member organization.
2. ***Organization, personnel:*** On the organization of the Association, the 8th Term Executing Committee elected by the 8th Congress has 17 persons (2 more members as compared to the 7th Term) including the Chairman and 4 Vice Chairmen (1 more members as compared to the 7th Term), 1 General Secretary. The VPA Secretariat became the internal organization of the Association and currently has 4 members from Saigon Port, Hai Phong Port ad Ben Nghe Port. Under the general management of the Chairman, the VPA Office is staffed with 2 permanent employees and 1 half-time employee working at the office space rented from Saigon Port which has been recently expanded to accommodate the working area of the Chairman of the Association.

Recently, the Standing Committee of the Association had voted unanimously to approve the adjustment of the remunerations for the Standing Committee members, Heads of Technical Committees following the permanent, half-time and ad-hoc working schemes, thus affecting change to the scheme of allowance of 1-2 million Dong/person/month being implemented for the past over 10 years.

1. ***Member***: Currently the Association has 70 members who are sea port enterprises; in which, 24 state-own enterprises had been equitized (38%), 10 JV enterprises having foreign investment capital, 3 private ports. Member ports who have terminated operations for relocation include Cat Lai Oil Terminal, Song Han 9 Terminal, Nguyen Van Troi Port. Member Ports who have asked for suspension of membership due to various reasons include Saigon Petro Port, Cai Lan (CICT) Port, Dinh Vu PTSC Port.

 There is one new member joining the Association in 2015-2016:

* Quang Ngai Oil & Gas (PTSC) Port (“Quảng Ngãi PTSC Port”)

 Actually, most of the main seaports of Vietnam are already members of the Association. Nevertheless, considering the number of river terminals capable of receiving sea-going vessels and other entities having activities and close relationship with sea ports, there are still a large number of potential new members, particularly associated members, to join the Association.

There are changes of the member port status and affecting new Executing Committee members being approved by the Standing Committee in 2015-2016, as follows:

* Qui Nhơn Port has been converted into equitized company and Mr. Lê Hồng Thái assumed the Director General position and Executing Committee member replacing Mr. Nguyễn Quý Hà
* Transvina Port: Mr. Hoàng Văn Dương assumed the Director General position and Executing Committee member replacing Mr. Lê Minh Chính
* Nha Be Oil Terminal: Mr. Hồ Văn Hồng assumed the Director General position and Executing Committee member replacing Mr. Ông Nguyễn Danh Hùng
* Đồng Nai Port: Mr. Nguyễn Ngọc Tuấn assumed the Director General position and Executing Committee member replacing Mrs. Nguyễn Thị Bạch Mai
* Cẩm Phả Port: Mr. Bùi Văn Tuấn assumed the Director General position and Executing Committee member replacing Mr. Nguyễn Văn Tứ
1. ***Membership fees***: There are 65/70 member ports contributed membership fee of 2016.

Through membership fee based on annual throughput volume and requirement on statistics in general, the VPA Office has compiled and maintained official statistical figures on cargo and container traffic for each period for use by member ports, for report to related agencies, and to meet the demand of other stakeholders on statistics of Vietnam sea ports activities.

1. Activities of the VPA affiliates: Shipping Times Magazine had maintained its operations despite limited manpower. In the past, the magazine has obtained regular support by many member ports. However, to have better condition for development, the magazine should be reinforced with additional support for more regular publication with more diversified and specialized articles to meet the demand on information and marketing, promotion by member enterprises and the maritime community at large.

 The VPA website is still operational but needs more updates due to lack of staffing. In addition, the website also need to be upgraded with more applications for users, including features accessible by mobile devices.

1. ***Consulting and recommendation to the sector and State***

In recent years, the Ministry of Transportation and the Maritime Administration have had great effort to resolve issues arising from the market relating to sea ports. The VPA Office, together with member ports, has had many opinions, recommendations on different maritime legislative issues as requested, including:

* Increase the efficiency and competitiveness of the CMTV deep water ports
* Customs legislation to attract transshipment cargo
* Resolution of overdue cargo stuck in ports
* Container weighing following SOLAS 74 Annexes
* Floor rates for port handling service and port charges
* Maritime fees and dues
* Master planning of ICD and logistics services
* Conditions for port operations, shipping, maritime services (agency, tugboat assistance0, domestic shipping
* My Thuy port project in Quang Tri ...

In addition, other agencies, in particular the Vietnam Chamber of Commerce (VCCI), Customs and HCMC agencies have requested our opinions on other legislative issues relating to ports, to trade facilitation, economic integration following the international trade agreements, conventions ratified or contemplated by Vietnam.

It can be said that never before had there been continuous and extended effort in amending the legislation system in general and maritime legislation in particular by related agencies in recent time, with the consultative role of the associations. However, till now, the VPA Office and member ports in particular have not had sufficient expertise and experience to meet the feedback demand in this respect to the State as prescribed by the Charter..

1. ***International Integration***.

 This year, following the plan as approved by the Party Central Committee for Foreign Affairs, VPA has plan to send delegates of Vietnam ports to participate in APA meetings such as:

* The 37th APA Working Committee Meeting in Phnom Penh, Cambodia, in August 2016 (3 delegates)
* The 42nd APA Main Meeting in the Philippines in Quarter 4, 2016

 Under the plan and program as agreed with APA, VPA with the key role of Saigon Port and Saigon New Port, has successfully hosted the APA Technical Committee Meeting in HCMC on June 9-11, 2015, and has together with the delegates from ASEAN ports, approved the program and details for the 12th APA Sports Meet to be hosted by Vietnam in May 2016.

On the hosting of the 12th APA Sports Meet on rotation obligation of the Association as the country member of the ASEAN Ports Association (APPA) which was the outstanding event within the past two years successfully conducted by VPA in May 2016. Beside the support of the central and local authorities, the success could be termed as beyond expectation and being highly appreciated by many parties, including APA members, and could be attributed to two main factors: firstly the consensus and decisive support by the Executing Committee and member ports through financing contribution at four times the amount of annual membership fees; and secondly the dedication, preparation, expertise and effective cooperation between the VPA Office and the two main port of Saigon Port and Saigon New Port in hosting the APA Sports Meet with best results for the value and prestige of the Vietnam ports.

 The VPA Office is happy to report to the Meeting that the actual cost of hosting the APA Sports Meet recently was not exceeding but below the total contribution of member ports by the amount of more than VND 700 million added to VPA budget, mainly due to the support of the HCMC agencies in applying favorable services prices to the Association and low costs for the contingent of nearly 80 participating VPA athletes and the strength of more than 120 support staff from Saigon Port and Saigon New Port and volunteers from the universities during the tournament period. Summary of the costs of hosting the 12th APA Sports Meet is presented in the Annex 1a following the Financial Report for the period 2015-2016 of the Association included in the Meeting document.

 On this occasion, the VPA Office wishes to express sincere thanks and appreciation for the precious support extended by the Executing Committee, the Management of member ports and particularly the Management and supporting personnel of Saigon Port and Saigon New Port, for the successful hosting the the 12th APA Sports Meet 2016 in HCMC.

1. ***Corporate social responsibility.***To date, corporate social responsibility of the Association has obtained full support from the ExCo and member ports and become the regular task included in the plan of activities and annual budget of the Association. Beside the program supporting shelter for the most needed household in the locality where the host port is located, this year, VPA is delighted to obtain the support from the traditional sponsor Stinis with a long term program and large initial contributing to VPA charity fund at USD55,000 together with commitment for additional funding based on the annual sales revenues in Vietnam market. The capacity to obtain charity contribution is hence greatly promoted. The ensuing responsibility is to ensure most effective charity contribution together with full transparency and consensus in execution. VPA expects to receive similar responses from the companying partners like Stinis, including from member ports, for this undertaking to make VPA and the Vietnam port community in general a typical channel for sustainable development at community level.
2. Financial Report from August 1, 2015 to July 31, 2016 is presented in Annex 1.
3. ***Report of the Controller.*** Based on the Charter and the organization of the Association, VPA Office has provided the complete set of documents including Charter, rules and regulations, financial report, explanations, list of supporting documents, accounts in custody at the Office to the Control Committee of the Association for its consideration, assessment and report to the Meeting. Report of the Controller is included in the Meeting document.
4. ***Budget for 2016-2017*** for the activities of the Association mentioned in the report of the Executing Committee is prepared as Annex 2 for the Meeting to consider and decide. Exceptionally, in the activities envisaged for the coming year, there is a budget item provided for the 43rd APA Main Meeting 2017 expected to be on the rotational turn of Vietnam to host. This decision could be made by the APA Main Meeting in the Philippines by the end of 2016 and the representative of VPA delegation should have the mandate to approve such decision.

In addition to the activities mentioned, we expect more participation of the Executing Committee and the member ports in the activities to be performed by VPA. It should be mentioned that until now, there have been many the functions, duties of the Association following the Charter are still pending due to lack of capacity and participation.

 In conclusion, with the above summarized presentation of the main activities to be conducted for next year together with the proposals by the Secretariat, we expect he Executing Committee and the Meeting to consider and give specific opinions and decisions. Member ports are also proposed to participate more actively in supporting the Secretariat to carry ouut successfully the plan of actions of the Association in the year to come with the objectives to meet the increasing demand and requirements of member ports.

On this occasion, the VPA Secretariat would like to thank the agencies, organizations and individuals within and outside the association for the trust and effective support extended to VPA Office to facilitate the execution of our duties and tasks in the past. We expect receiving the same in the future and together with more effective collaboration and cooperation.

Thank you and best wishes of good health to all and success to the Meeting./

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| **VPA** |  |  | **Annex 1** |
| **STATEMENT OF INCOME & EXPENDITURES 2015-2016** |
| **(01/08/2015 - 31/07/2016)** |
|  |  |  | Unit: VNĐ |
| **STT** |  |  |  |
| **1** | **BALANCE AS OF 01/08/2015** | **4,357,586,683** |  |
|  | *In which:* |  |  |
|  | *Contribution by member for APA Sports 2016 (+ fees 2014)* | 1,620,000,000 |  |
|  | *Contribution by member for APA Sports 2016 (+ fees 2015)* | 1,440,000,000 |  |
|  | *Expenses for APA Sports Technical Committee Meeting 2015* |  | 263,049,546 |
|  |  |  |  |
|  | **ITEM** | **REVVENUES** | **EXPENSES** |
|  |  |  |  |
| **2** | **REVENUES (01/08/2015 đến 31/07/2016)** | **3,825,629,139** |  |
|  | *Contribution by member for APA Sports 2016 (+ fees 2014/15)* | 850,000,000 |  |
|  | Membership fees 2015 | 281,275,000 |  |
|  | Membership fees 2016 | 1,110,000,000 |  |
|  | Sponsorship to 8th Congress, 2015 | 1,091,213,300 |  |
|  | Sponsorship HNTN VPA, 2016 (collected) | 111,053,367 |  |
|  | Other (Bank interest, other services...) | 382,087,472 |  |
| **3** | **EXPENSES (01/08/2015 đến 31/07/2016)** |  | **5,907,687,613** |
|  | VPA 8th Congress 2015 |  | 2,073,931,872 |
|  | **APA Sports Meet 2016 (5/2016)** |  | **2,893,791,021** |
|  | Annual Meeting 2016 (9/2016) |  |  |
|  | APA membership fees 2016 (5.000 USD) |  | 111,775,000 |
|  | Allowances for Standing members |  | 98,150,000 |
|  | Office employees (salary + bonus) |  | 295,652,480 |
|  | Office rental |  | 207,581,000 |
|  | Leased line, website operation |  | 83,347,200 |
|  | ExCo, Secretary activities, including travel |  | 50,122,440 |
|  | Activities of the Org Com for APA Sports Meet |  |  |
|  | Media dev support (website, magazine) |  | 23,586,600 |
|  | Studies |  |  |
|  | Promotional activities |  |  |
|  | Admin, communications etc. |  | 69,750,000 |
| **4** | **END BALANCE (31/07/2016)** | **2,275,528,209** |  |

**Annex 1a**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **SUMMARY OF EXPENSES / APA 2016 SPORTS MEET** | **CONTRIBUTION** | **EXPENSES** |
|  | *- Time 09-14/5/2016; Venue: Tp. HCM* |   |   |
|  | *- Participants: about 410 APA Athletes, officials* |   |   |
|  | *- Compete in 6 games w many categories (for 99 sets of medals)* |   |   |
| **A** | **Contribution be member ports as member fees in 2014, 2015** | **3,910,000,000**  |  |
| **B** | **Expenses** |   | **3,186,990,567**  |
| 1 | - Program, design, documents, ceremonies |   | 228,357,000  |
| 2 | - Tournament venues for 6 games |   | 404,683,000  |
| 3 | - Conduct of competition in 6 games (5 Sports Fed of HCMC) |   | 473,388,500  |
| 4 | - Hotels, restaurants (meeting, receptions, ceremonies) |   | 564,200,000  |
| 5 | - Transportation  |   | 182,708,000  |
| 6 | - Foods for athletes + personnel |   | 157,086,000  |
| 7 | - Materials, uniform, brochure, cups, medals, gifts. |   | 153,243,222  |
| 8 | - Uniform, training, allowance for VPA athletes |   | 167,814,300  |
| 9 | - Guests and media |   | 47,026,000  |
| 10 | - Allowance, bonus to Athletes, Org Com, supporting personnel |   | 439,933,500  |
| 11 | - Other |   | 105,501,499  |
| **C** | **Expenses previously allocated for Sports Meet** |  |   |
|   | - Technical Meeting for Sports Meet (8 countries) in HCMC in 2015 |   | 263,049,546 |
| **D** | **Surplus / (Deficiency)** | **734,459,433**  |   |

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| **VPA** |  |  | **Annex 2** |
| **BUDGET FOR 2016-2017** |
| **(01/08/2016 - 31/07/2017)** |
|  |  |  |  Unit: VNĐ |
| **STT** | **KHOẢN MỤC THU / CHI** | **SỐ DƯ /** **DỰ THU** | **DỰ CHI** |
| **A** | **BALANCE AS OF 31/07/2016** | **2,275,528,209** |  |
| **B** | **CONTRIBUTION (01/08/2016 to 31/07/2017)** | **3,700,000,000** |  |
|  1 | Membership fees 2016 |   |   |
|  2 | Membership fees 2017  | 1,100,000,000  |   |
|  3 | Sponsorship HNTN VPA, 2016  | 1,200,000,000  |   |
|  4 | Sponsorship HNTN VPA, 2017  |  1.000.000.000 |   |
|  5 | Other (bank interest, other services...) | 400,000,000 |   |
| **C** | **EXPENSES (01/08/2016 to 31/07/2017)** |  | **5,495,000,000** |
|  1 | Annual Meeting 2016 (9/2016) |  | 1,500,000,000 |
|  2 | **43rd APA Main Meeting 2017** |   | **800,000,000**  |
|  3 | Annual Meeting 2017 |   | 1.500.000.000 |
|  4 | APA membership fees 2017 (5.000 USD) |   | 115,000,000 |
|  5 | Remunerations of Standing Members and Heads |   | 400,000,000 |
|  6 | VPA Office employees (salary+bonus) |   | 300,000,000 |
|  7 | Office rental |   | 210,000,000 |
|  8 | Leased line, **webpage** operation  |   | 90,000,000 |
|  9 | ExCo activities, including travel |   | 100,000,000 |
|  10 | Supplies, software |   | 50,000,000 |
|  11 | Media dev support (website, magazine) |   | 50,000,000 |
|  12 | Studies |   | 50,000,000 |
|  13 | Business promotion for ports |   | 50,000,000 |
|  14 | Administration, communications |   | 80,000,000 |
| 15 | Charity donation on Annual Meeting 2016 |  | 100,000,000 |
|  16 | Other & contingency |  | 100,000,000 |
| **D** | **END BALANCE (31/07/2017)** | **480,528,209** |   |

**STINIS CHARITY FUND**

|  |  |  |  |
| --- | --- | --- | --- |
| **NO** | **ITEM** | **COLLECTION** | **PAYMENT** |
| 1 | Initial Contribution | 1,200,000,000 |   |
| *2* | *Additional Contribution* | *220,000,000* |  |
| 3 | Donation - Payment 1, 2016 |  | 560,000,000 |
| *4* | *Donation – Payment 2, 3 - 2017 (?)* |  | *640,000,000* |
| *5* | *END BALANCE (31/12/2017)* | *220,000,000* |  |