RECOMMENDATIONS

TO THE STATE AND RELEVANT AUTHORITIES

*On easing out difficulties, facilitating the operations and development of the ports, enhancing the contribution of the ports to the development of the maritime sector and achieving the maritime economic development strategy of Vietnam*

*on the occasion of*

# THE VPA ANNUAL MEETING 2016

**September 22, 2016 – Ha Long City**

Based on the orientation, policy, strategy, mechanism and regulations governing the ports of Vietnam, and based on the status, demand on port operations and development and as proposed by the member ports, the Vietnam Seaports Association has the following recommendations for consideration and resolution by relevant authorities:

1. To consider the development and operations of the sea ports infrastructure as the spearhead in the development of maritime economy with ***home land competitive advantages*** and from that to have concrete policy and mechanism to promote development of seaports in an integral, fast and sustainable manner, specifically:
	1. To have concrete mechanism, regulations to ensure efficiency in integral cooperation between sectors and areas in master planning and implementation of seaport development;
	2. To reserve space for long term port development including land and water surfaces, transport corridors and logistics services in the port hinterland areas with sufficient land reserve enabling land-for-infrastructure mechanism to operate for comprehensive development;
	3. To have the participation of the municipalities to incorporate community interest and social and environmental sustainability in the construction of ports and hinterland connections right from the beginning;
	4. To support and speed up the process of equitization of port enterprises, combining M&A, additional investment to increase the capacity, reduce small division and competition in port investment and operations.
2. To formulate the reform system of sea port and maritime channel infrastructure development following the ***port authority model*** based on the above in combination with the Public Private Partnership (PPP) mechanism with entity who could be held accountable before the investors to mobilize all potential resources to develop the ports to larger scope in an efficient and integral manner. Through such system to promote the role of the State in regulating the port investment and operations as well as maritime activities country wide.
3. On the port charges, maritime dues, prices of accompanying maritime services, there should be mechanism to facilitate the development of each market area under the role and responsibilities of the port management body of each locality/area by self sufficiency, mobilization of investment for development as well as in ensuring navigation safety and sound and transparent competition environment.

1. For the immediate future, to resolve the outstanding issues in port hinterland connections, to have remedial measures to ***speed up the construction of the road, bridge, channel components connecting the ports****,* specifically:
2. ***Road connections***: to review for connectivity, upgrade, expansion of road connections to the ports, particularly large and potential ports; together with the integral master plan of the logistics services for each port group under the master plan. For key national ports, there should be rail links with the North-South trunk roads and the international transport corridor with the region. There should be mechanism to attract investment in road connections to large port areas in HCMC, Hai Phong, Cai Mep under PPT or BOT forms;
3. ***Channels***: similar to road connections, particularly with high priority for investment in main channels to Can Tho, Hai Phong, main ports in the Central Area, port group no. 5. With regard to Thi Vai channel to Cai Mep ports which is silted and became shallow ta some locations, maintenance dredging is needed, and study conducted for dredging deeper for attracting larger vessels and transshipment cargoes. The maintenance dredging should consider closely the trend of shipsize up-grading by shipping lines; and for the next 5 years, the channels to Cai Mep ports and Hai Phong International ports, to consider dredging plan to accommodate mother vessels up to 18,000 TEU to compete with the region, attracting transshipment cargoes as well as to meet the demand for import/export of Vietnam.
4. ***Cargo distribution system*** comprising of cargo distribution centers, inland ICDs and key port groups should be planned and developed by branching using ports as center and connecting roads, channels should be reviewed and upgraded and/or routed so as to provide easier, safer transport, collection, distribution of containers of international standards (fully laden 40’, 45’). As for the truck overload inspection in particular, checking stations should not be installed near the port gates. Long term vision is needed in developing the large logistics centers for the focal economic areas with land connections to those centers following the 5, 10, 20 and 30 year plans... in line with the hinterland connection of roads, rail and waterways system and connected to the management ITC systems of the country and region;
5. For key national ports, there should be strategic and flexible policy and mechanism to quickly develop to higher dimensions to attract transshipment cargoes, compete internationally, giving priority to warrant viability of investments in large port and supporting projects, facilitating the ***quick transition of the market toward using deep water ports to reduce Vietnam commodity import/export costs***.
6. To strengthen the role of local port businesses at the national gateway ports. Important port projects with high potentials and long term viability should be reviewed to have proper assessment and support; liberating local businesses from having to withdraw/reduce share from important projects due to initial losses reflected in consolidated financial statements.
7. To have policy, mechanism encouraging large, technology- intensive investment projects; small and inadequate service projects for competition on sub-standard pricing should be scanned and restricted. Unjustified costs within the hinterland cargo transport, supply chain should be reviewed and minimized, particularly those pertaining to formalities, intermediaries , delays etc. in order to reeuce logistics costs, costs of import/export commodities based on comparable indicators of the region.
8. To implement faster online customs clearance. To have simpler formalities to attract transshipment cargoes. To have guidance on cooperation between Customs and ports in standardization, exchange of information online, aiming at establishing and putting into operations information exchange gateway for the transport and maritime community, firstly at national gateway ports capable of competing regionally and internationally on transshipment cargoes.
9. To induce more comprehensive environment protection measures at the sea ports, in particular in preventing oil spill incidences, disposing of ballast water and wastes in port areas. There should be reception, disposal facilities for wastes from maritime activities in the main port areas in conformity with international conventions, to be funded by soft loan or national budget and as public utility services at fees since enterprises may not be able to warrant investment viability.
10. The Ministries and Agencies should consider strengthening the cooperation, simplification of formalities relating to specialized inspections, applying inspection by sample, using single window, internationally recognized methods, electronic certification... to reduce the time of cargo clearance for the business enterprises, helping the terminals to quickly deliver cargo out of the ports to avoid congestion. There should be a single window unit or office stationed at the port with the aim to assist the enterprises in shortening time reducing costs in getting cargo samples for inspection. The national single window portal should be upgraded in utilities, protocol connecting between the Customs, specialized agencies, business enterprises, transport operators... to increase the number of enterprises using the online specialized inspection formalities, currently accounted for only at 10%. In drafting circulars, decrees pertaining to Customs clearance formalities through the ports, Vinamarine and ports association, community should be consulted to avoid shortfalls, inconsistencies causing difficulties to ports, shipping lines. For each new decree, there should be detailed implementation guidelines by the Ministries, Agencies relating to the import/export activities and transshipment of cargo for more transparency in the provision of services through the ports./