

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

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Based on the orientation, policy 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 the relevant authorities to consider resolutions:

1. To consider the development and operations of the sea ports infrastructure the spearhead in the development of maritime economic services; and from that, to have concrete policy and mechanism to speed up development, to increase the competitiveness with the region and the world for the national focal ports, international transshipment ports, in combination with other integrated policies to promote the development of open ports or economic zones, industrial parks in the hinterland of the ports, supporting systems for trade, financial, logistics services etc. In addition, it is required to urgently study and promulgate a master plan for the development of logistics services, multi-modal transport capable of competing with other countries.

2. To ensure the integrity between port master plans and hinterland connections, including roads, bridges, channels. If practically possible, to adjust the limiting parameters within the master plans to meet the market potentials. For the immediate future, to ensure the timely completion of the road, bridge, channel components for the ports under construction or investment, specifically:
 - a) Road connections: road connecting NR 5 to the Dinh Vu port area in Hai Phong; hinterland connections to Tien Sa Port, Da Nang; Interprovincial Road 25B to Cat Lai Port in HCMC; roads to the ports in Hiep Phuoc industrial zone; road to new Ben Nghe Port at Phu Huu, district 9, HCMC... To speed up the

implementation of large land transport corridors connecting the focal economic areas and the ports;

b) Channels: leading to Can Tho Port, Hai Phong Port, ports in the central area including the ports of Cua Lo, Quang Binh, Thuan An, Da Nang, Qui Nhon, Cat Lai, Hiep Phuoc. For the channel to Thi Vai, Cai Mep area in particular, the upgrading, official announcement should be made timely based on market demand. To consider the adjustment of the master plan to have the channel dredged deeper for large container vessels of more than 100,000 DWT to call the ports in this area, thus to develop this Thi Vai Cai Mep port area into internationally competitive port. For the channel on Hau River, there is a need to keep on dredging the existing channel to maintain the navigability at least as before in waiting for the implementation of the new channel via Quan Chanh Bo canal. For Soai Rap channel to Hiep Phuoc area, there should be solution to dredge up to the master plan and as committed with the investors in port and port urban projects in this area;

c) Turning basins: to examine and invest more for the turning basins within the same port area with the repositioning of the buoys, additional dredging if needed to facilitate the safe maneuvering, entrance, departure of large ship at different locations (HCMC, Cai Mep Thi Vai areas);

d) In the areas of high navigation density and having restrictions on night time navigation on the channel, to have additional safety measures such as navigational aids, lighting, dredging etc; to ease up restrictions and improve navigation flow (Hai Phong, HCMC areas).

3. To increase the role of the State in harmonizing the port investment and operation market and maritime activities in Vietnam territory with regard to the right to manage focal ports by foreign investors, to limit the market control, price fixing by foreign shipping lines. To limit the non-port entities to deploy mooring buoys for ship cargo handling on the channel. To increase the market regulatory, administration power of the State through the associations and business communities in Vietnam.

4.

To speed up the improvement of Customs procedures aiming at facilitating the declaration, checking, payment of duties up to ASEAN standards. To allow consignments destined for one port to clear Customs at another location in cases of congestion in the port area. To have specific regulations for transshipped container. To have close cooperation between Customs and the ports regarding the standardization, information processing, communications on computer network, leading to the establishment to put into operation electronic network systems connecting the transport and maritime communities in general; for the immediate future to have such system for the national focal economic port areas capable of competing regionally and internationally in container transshipment.

5. To establish the port reform system to regulate the port infrastructure development and operations in parallel with mechanism to encourage the Public-Private-Partnership, concession of land and water areas to attract investment in port development to area and national dimension, aiming at transforming the maritime sector into the leading economic sector in maritime economic development strategy. Regulations on leasing of port infrastructure invested by the State is part of this reform.
6. To give priority of State own port enterprises meeting the prescribed criteria to lease the port invested by the State to operate.
7. Decree 71 of the Government on port and maritime channel administration should be confined within the scope of port state control of ship and cargo going through the ports, and should be amended towards having more transparent port business and operation environment, simplification of procedures for ship and cargo entering and leaving the ports and flexibility in application of port charges, dues, services charges, conditions for ship navigation, provision of services... capable of competing with other international ports.
8. To have road map and measures to stabilize and then to unify the port services tariffs for domestic and international transports alike. To limit intermediaries manipulating the market and negative practices in maritime services and cargo transport through the ports in general.
9. On the legislation and policy, in particular on financial issues, to consider the application of some regulations to facilitate the development of the ports including to maintain for a longer period the VAT tax rate of 0%. For ports having the potentials to attract transshipment cargoes through East-West, Southern corridors, to consider other supporting measures such as simplification of procedures for cargo in transit, reduction of port dues to help reducing transport costs thus increasing the competitiveness of the ports in the area. For port services rendered to international shipping and cargo, the State Bank is proposed to consider having regulations in more details and convenient to facilitate the ports to collect and spend hard currencies without requiring specific approval upon demand by individual ports on case by case basis as currently applied. On maritime dues and fees, some adjustments are needed, particularly passenger fees and wharfage which are actually too low as compared to the investment and average levels in the region.
10. On port relocation, to provide the condition for the port to be allocated enough land area for long term development objectives during relocation and to have master plan on land utilization at the old location following the regulations to generate fund to support the port enterprises (Saigon, Saigon New Port, Ben Nghe, Tan Thuan Dong) to relocate.
11. During the difficulty period of electricity shortage, to give priority in power supply to port operations, cargo storage conservation, reefer containers to avoid damages to import/export cargoes.
12. In the Quang Ninh area, pending the upgrading of road and bridge up to international standards, to have temporary regulations for sealed import containers or consignment of non-detachable equipment having the total load or

axle load exceeding the allowable limit to be fined instead of having to discharge to reduce difficulty and costs to the enterprises.

13. To strengthen measures to protect the environment, in particular to prevent and response to oil spill incidences, disposal of wastes at port areas. It is needed to have reception facilities for waste disposal from maritime activities in the main port areas in line with the international conventions at favorable borrowing conditions or by state funding as public utility services for the ports who are lacking conditions to warrant the investment viability./