

**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, 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:
 - a) To have concrete mechanism, regulations to ensure efficiency in integral cooperation between sectors and areas in master planning and implementation of seaport development;
 - b) 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;
 - c) 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;
 - d) 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. 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*** specifically:

a) Roads connecting NR 5 to the Dinh Vu port area in Hai Phong, to Tien Sa Port, Da Nang, to the ports in Hiep Phuoc industrial zone, to new Ben Nghe Port at Phu Huu, district 9, HCMC, etc.;

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. To consider the adjustment of the master plan to have the channel dredged deeper for large container vessels up to 150,000 DWT to call the ports in Cai Mep area, thus to promote this port area as international 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 the same as before in waiting for the implementation of the new channel via Quan Chanh Bo canal;

c) To review the capacity of the roads, bridges and ICDs in the hinterland areas of the focal ports for upgrading and/or routing to facilitate the transport of standardized unit loads (loaded 40', 45' containers). For containers of more than 45' being used in some countries, there should be regulations in reporting and transport arrangement. For other over-weight, over-length loads there should be regulations on registration, permission granted to those transport operators who have suitable equipment and management capability for safe haulage with penalty for violation applied also to cargo owners, transport operators instead of fining only the drivers of over loaded vehicles as currently being applied.

4. 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.***

5. 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.

6. For terminals, ports under the relocation plan following the master development plans, the mechanism, conditions to support the relocation such as funding, new location,

schedule etc. should be reviewed with more effective, timely cooperation between the sectors, localities and related parties to ensure feasible relocation and sustainable conversion/development even after the relocation.

7. While port services tariffs are already at low levels, studies are needed to evaluate for fast remedial measures to remove unreasonable costs throughout the supply, transport chains in the port hinterland, particularly costs associated with formalities, intermediary and time to reduce further import/export costs. In addition, to increase market transparency, container conferences operating in Vietnam should be requested to register, update with certain requirements the schedules of Terminal Handling Charges (THC) applicable and made public on the website of Vinamarine.

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./