

Socialist Republic of Vietnam

Independence - Freedom - Happiness

No /VPA-CT

Ho Chi Minh City, August 10, 2009

To \_\_\_\_\_  
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Recommendations to the state and relevant authorities

*On addressing difficulties, facilitating the sea ports' operations and development, contributing most actively to the development of the maritime sub sector and sea borne economic strategy of Vietnam*

*on the occasion of*

## **VPA ANNUAL MEETING 20/9/2009**

**September 9-11, 2009 – Phan Thiet City**

Based on the orientation, direction, policy, mechanism for Vietnam port system and based on the current situation, demand for port operations and development and following the recommendations of the member ports, the VPA has the following recommendations to the relevant authorities for consideration and resolution:

1. The development and operations of the port infrastructure should be considered as spearhead in developing the sea borne economic services development and from there to have concrete mechanism and policy to compete with the region and beyond on the operations of national focal ports, international transshipment ports in combination with other integrated mechanism and policies including policies on open ports or open economic zones and industrial parks in the hinterland, master plans for support services in

commerce, finance, logistics v.v. Regarding the open port mechanism, which has been in pilot stage for the last 3 years already, it should be finalized and implemented.

2. Complete the port master plan to meet the demand of cargo growth, in particular containerized cargoes up to 2020 for the focal economic areas of the three regions with large and concentrated ports capable of receiving large vessels available on the market, limiting the development of small and scattered ports. Ensure the integration of port master plan with master plans for road transport, access channel to the ports for receiving large vessels available on the market. For the immediate future, it is recommended to have measures to warrant the timely execution of upgrading, maintaining the road and access channel to the ports for projects being invested or in actually in operation, specifically:

a) Access roads: Road connecting Highway 5 with Dinh Vu port area in Hai Phong, Inter-provincial Road 25B to Cat Lai Port in HCMC, access road to ports in Hiep Phuoc Industrial Zone, access road to Ben Nghe new port in Phu Huu ward, District 9, HCMC; Inter-port road 965 at Cai Mep, National Road 51 expansion, Bien Hoa - Vung Tau express way and rail link;

b) Access channels to Can Tho Port, Hai Phong port, the ports in the central area including Cửa Lò, Quảng Bình, Thuận An, Da Nang access channel to Cát Lái area, Hiệp Phước ports. For the channel to Thị Vải, Cái Mép area to ensure the implementation schedule and have the master plan revised to allow ships of more than 100.000 DWT to use the ports in the area as currently demanded;

c) Turning basins in the same port area need to be allocated or upgraded with removal of obstructing buoys and additional dredging as needed to facilitate and enhance safety for the ship maneuvering in entering, leaving the ports to/from different locations; (HCMC, Cái Mép Thị Vải areas);

d) In areas with high vessel traffic, cargo volume but with limitation on night time navigation on the channel, measures to be taken to have additional safety by navigational aids, lighting, dredging... to lessen/remove restrictions for quicker ship movement and turn around time. (HCMC area).

3. Increase the State administration role in harmonizing the port investment and operations and maritime activities in all areas of the country, in which there are issues to be tackled such as the right to operate the national focal ports by foreign operators and influence of the foreign shipping lines on the market, pricing by way of increasing the right to harmonize, administrate the market by the State through the associations, communities of enterprises in Vietnam.

4. Improve the Customs formalities towards facilitation of declaration, cargo check, container screening to ensure terminal security in a more channeling manner between receipt/delivery points in the same port area. Consider the acceptance to cargo destined for a port to be cleared at another port or location to flexibly release the load, congestion at a particular area currently in shortage of infrastructure facilities. Formalities for transshipment containers are needed with possible cooperation between Customs and terminal operator in respect of standardization, data processing, communication on the computer network to eventually create a community information system for transport operators and maritime stakeholders in general..

5. Finalize and quickly implement on a pilot basis sea port infrastructure management mechanism toward having a port authority for each focal economic area in order to resolve the current shortfalls to effectively develop the national focal ports following the master plan.

6. Set up a road map and implementation measures to stabilize and then unify the port tariffs for both international and domestic transports. Limiting the intermediaries manipulating the market and negative practices in maritime services and cargo transport through the ports in general.

7. Review and complete the regulations on port security by way of circulars providing guidance to access control, supervision of personnel and transport means entering/leaving the ports with the supporting cooperation between relevant authorities and the terminal operators to ensure security, order at sea port entry points at the same time to facilitate the business activities of the ports following the international practices and conventions.

8. On policy measures, in particular on finance, consider the application of provisions to facilitate the development of the ports in which it is recommended to maintain the VAT rate of 0% for a longer period of time, releasing the requirements on contracting and payment made through the banks which is hard to implement on services rendered to small ships with short dwell time in the port; to permit the booking of losses from exchange rates in payment of foreign loans as legible costs in calculating the corporate income tax; to have financial mechanism supporting the ports subjected to relocation attached to the land use right on existing land area to develop the maritime commercial services facilities for the locality. With regard to the ports having the potential competitiveness with the region in attracting the cargo to the ports via the East-West Economic Corridor, Southern Economic Corridor, to consider other supporting measures such as simplification of border crossing formalities, reducing port charges to reduce transport costs to be more competitive against foreign ports.

Above are some general recommendations which are most critical demands of the member ports. Details on the content of each demand or recommendation could be presented by relating party upon request. Responses to the above by the relevant authorities are highly needed and appreciated.

The Vietnam Seaports Association would like to thank the State relevant authorities for consideration in giving direction and facilitating the operations and activities of the association to fulfill its responsibilities in the past and wishes to obtain such continued support, providing the conditions for the association to meet the objectives of its mandate and responsibilities toward the maritime sub-sector in general and to effectively serve the interest of its port members in particular during the transition period of development and integration with full of current difficulties and challenges.

For VPA EXECUTING COMMITTEE

Chairman

LE CONG MINH