

THE VIETNAM'S PORT DEVELOPMENT IN THE 21st CENTURY- "ROADS WITHOUT BRIDGES, BRIDGES WITHOUT ROADS"

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Abstract

This paper discusses the potential of Vietnam's port development towards rapid expansion in the 21st century. The successful story of Vietnam economies has been much discussed by many scholars following the success of its giant neighbor China that has experienced the same momentum. But one has to bear in mind that Vietnam is a country which lacks the infrastructure in almost all sectors. Many investors describe Vietnam's situation as "roads without bridges, bridges without roads" despite its huge economic potential where further developments in infrastructure are needed. As the Vietnam economies are expanding, the next focus should be on developing the infrastructure mainly the ports. Expanding those ports will allow Vietnam to make the economic and developmental leaps as it wants to be a stronger and more competitive player in the region.¹

Key words: ports, development, expansion, infrastructure, investment

Introduction

Vietnam is bounded by China to the north, the South China Sea to the east, and Lao People's Democratic Republic and Cambodia to the west. Vietnam has shown an impressive and consistent growth for the past several years since its admission to the World Trade Organization (WTO). This has made Vietnam more and more visible on the global map, especially for those multinational corporations looking for an outsourcing and factory-relocation destination. With US\$20.3 billion, the country has attracted a record value of committed Foreign Direct Investment (FDI), an increase of nearly 70 per cent from 2006 and the largest ever figure since the opening of Vietnam's economy to FDI in 1988.² In the same year Vietnam handled 2.8 million TEUs³ and more than 70 per cent of this trade was handled by ports located near Ho Chi Minh City.

In a recent study of homogeneous cargo being shipped from various Asian ports to United States West Coast ports, Vietnam was 16 per cent more expensive than Shanghai, Ningbo or Shenzhen and 28 per cent more expensive than Hong Kong. This can be directly attributable to Vietnam's lack of deepwater berthing facilities, which makes it necessary to trans-ship goods via hub-port. Although container trade has been growing on average by 19 per cent over the last decade,

more growth could be expected if there were more deep water ports catering to larger vessels. Currently, the largest container vessels calling at Vietnam are around 1,500 TEUs or 25,000 GT⁴.

Vietnam port's performance

According to United Nation on trade and Development (UNCTAD) review of maritime transport for 2008 world growth in container port throughput increased by 11.1 per cent, in 2006. This is up from 9.6 per cent for the previous year. Preliminary figures for 2007 indicate a similar increase of 11.7 per cent in 2006.⁵ Asian container trade accounted for almost 60 per cent share of world container port throughput in 2009, with East Asia dominant sub region,⁶ as shows in Table 1.

Table 1: Container port traffic for 25 Asian countries, 2005-2009 (TEUs)

Negara	2005@	2006@	2007@	2008*	2009*
China	66 520 473	81 927 000	103 823 024	115 934 578	108 860 631
Singapore	23 192 200	25 608 400	28 764 000	30 891 200	26 592 800
Hong Kong (China)	22 601 630	23 538 580	23 881 000	24 494 229	20 983 000
Japan	14 903 311	16 126 573	n.a	n.a	n.a
Republic of Korea	14 885 942	15 513 935	17 015 738	17 417 723	15 749 676
Malaysia	11 762 654	13 419 053	15 120 974	15 813 769	15 458 980
Taiwan Province of China	12 197 429	13 102 015	13 722 312	12 971 224	11 352 097
United Arab Emirates	9 851 709	10 967 048	12 826 854	14 756 127	14 437 588
Thailand	5 115 213	5 574 490	6 200 425	6 726 237	5 981 737
India	4 982 092	6 189 794	7 433 566	7 660 705	7 849 982
Indonesia	3 803 176	4 042 256	6 112 956	7 062 872	6 568 791
Saudi Arabia	3 732 706	3 919 027	4 208 854	4 652 022	4 430 676
Philippines	3 633 559	3 595 279	3 732 872	4 465 582	4 170 389
Turkey	3 174 077	3 647 667	6 350 665	5 193 730	4 491 206
Sri Lanka	2 455 297	3 079 132	3 381 693	3 687 465	3 464 297
Oman	2 748 584	2 620 363	2 846 488	3 427 990	3 813 991
#Viet Nam	2 293 548	2 777 219	4 287 340	4 964 066	5 399 102
Pakistan	1 686 355	2 363 500	1 826 845	1 938 001	1 877 052
Iran	1 325 643	1 528 518	1 851 396	2 000 230	2 206 476
Bangladesh	808 924	897 937	980 396	1 091 719	1 179 548
Kuwait	673 472	750 000	804 507	n.a	n.a
Lebanon	461 122	594 603	873 605	n.a	n.a
Yemen	508 085	575 394	773 016	772 792	634 876
Jordan	392 177	406 000	414 000	582 515	674 525
Cambodia	211 141	221 490	236 994	258 775	232 898

Source: @ Base on preliminary figures for 2007 in *Review of Maritime Transport 2008*,

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* Review of Maritime Transport, 2010, (New York: UNCTAD, 2010). Available at <http://www.unctad>.

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Table 1 shows the container port traffic for 25 Asian countries. Until 2008 the country with the largest share of container throughput continues to be China. Chinese ports (excluding Hong Kong SAR) grew an average by 11.6 percent in 2008 over the previous year which reached 115 million TEUs. Singapore moves to second place with total throughput of 30 million TEUs in the same year followed by Hong Kong with total throughput of 24 million TEUs. Other Asian ports including Korea, Taiwan, Malaysia and Thailand also showed an increase in throughput in 2008 compared to previous year. Developing country like Vietnam had also showed a tremendous growth of 12.6 per cent in 2007 over previous year to reach 4 million TEUs. This is due to the government's strong commitment and supportive to driving economic growth.

Despite the global downturn in liner traffic, world container port throughput in 2008 showed an increase of approximately 4.5 percent, to reach 508.4 million TEU moves. This is largely attributable to gains made earlier in the year when world trade was booming. Preliminary figures for world container port throughput for 2009 show a decrease of around 10 per cent, down to 465.7 million TEUs, as the global financial crisis dampened demand for goods. In 2010, a recovery is taking place for Asian exports. The data for emerging Asia-China, China (Hong Kong SAR), China (Taiwan Province), India, Indonesia, Malaysia, The Philippines, the Republic of Korea, Singapore, Thailand and Vietnam), show the emerging Asia had already recovered in the last quarter of 2009, with exports and output in April 2010 already at above pre-crisis levels, except in the case of China (Hong Kong SAR).

Vietnam geographical aspects-port's location

Vietnam has a coastline of more than 3,260 kilometers which offers huge potential for the country's ocean shipping development and other sea-related services. The country possesses a total of 114 seaports where 14 of them are relatively large and named as the keys to economic development.⁷ In fact, 90 percent of Vietnam's goods are transported by sea. The country has three largest ports namely Saigon Port (south), Hai Pong Port (north), and Da Nang Port (central). However, most of the ports are relatively small with obsolete facilities and poor infrastructure as compared to other major seaports in the region like Bangkok and Laem Chabang in Thailand, Port of Manila in the Philippines and Port of Klang in Malaysia, not to mention Singapore and Hong Kong ports, the top transshipment hubs in the world.⁸ Until today, Vietnam does not have the size and the depth of ports that is needed to effectively maximize the economic opportunities presented by its geopolitical location.⁹ One of Vietnam's disadvantages is its few ports that can receive ships of 50,000 tonnes or more. The limited size of ports reduces the transportation of goods from Vietnam to major international market such as USA and European Union to be transshipped at larger ports, including Hong Kong and Singapore.¹⁰

Vietnam has the highest density of vessel traffic globally with its proximity to the international seaway, as well as being a gateway to the sea for the landlocked

neighboring countries such as Laos and the hinterlands, including northwestern Thailand and south-eastern China (Map 1). Saigon port, located in Ho Chi Minh City is the oldest port in the country and has had the highest throughput and productivity per annum of the country for years. The port which handled 70 percent of Vietnam container throughput is facing the most serious challenges. But similar to any major ports located in big Asian cities, the port has to deal with traffic congestion.¹¹ Some of the major seaports in the region like Bangkok port and Port of Klang¹² had already experienced the congestion and managed to overcome the problem by revising their sea port system and engaging with massive expansion plans including building a new port to meet the increasing demand.

“Thus, Indonesian ports, for example, have been seen as part of a national strategy for inter-island shipping development; and new ports in the Gulf of Thailand have been planned as instruments of regional economic growth, as have some ports in Malaysia”.¹³

Hai Phong Port which is located in the north and Da Nang Port at the central are also facing the same constraints including accessibility of the port that only allows ships below 10,000 ton entering the ports. These figures are extremely low since both ports could allegedly handle vessels up to 80,000 tons (DWT). Da Nang Port is the third largest seaport in Vietnam and located at the heart of an industrial zone in the central. Currently, Vietnam’s goods are brought in small vessels to major transshipment hub in the region like Singapore where the cargo is transferred to larger more economical carriers. This increasing cost of importing and exporting goods by US\$400 for each TEU because smaller ships are used to carry goods between Vietnam and Singapore.¹⁴ According to the Vietnam Maritime Administration, each year Vietnam sends 3.8 million containers on large vessels to Europe and America via Singapore.¹⁵ Therefore Vietnam has to take an immediate action by revising its port plan including relocation of some major seaports to areas that are more strategic and accessible to international shipping.

Beyond its own domestic problems several global shipping trends supported the importance for Vietnam to elevate its port’s infrastructure and facilities and to some extent create a new one. The increase in size of ship up to 12,000 TEU means that Vietnam ports need better and bigger ports since larger ships can save exporter billions in fuel cost. The proposed deep water port in the central of Vietnam could serve as a hub port to its neighboring countries like Brunei, Cambodia, Thailand, Laos, Malaysia, Indonesia and the Philippines by offering lower cost solution from Singapore and Hong Kong dependent on trade routes (Map 1). Vietnam could save at least US\$1.5 billion a year in shipping costs with international-standard deep water at Van Phong Bay in the central province of Khanh Hoa.¹⁶ This would mean that goods will be shipped directly to Europe and America without transit at Singapore Port. The depth of Van Phong Bay as well as the depth of the access channel to the proposed terminal area can accommodate the largest container vessels of today and should be able to do so for the next generations of vessels with very little dredging required.¹⁷

Map 1: The location of Vietnam's port in the region



Source: Map on Vietnam, <http://www.vietnammap>.

The Vietnamese Economy versus port infrastructure problems

Many manufactures are looking for alternatives to China¹⁸ and Vietnam seems well positioned to invest. Vietnam's modest growth rates and relatively stable economy are attractive to investors. Compared to other economies in the region, Vietnam's economy has expanded an average of seven percent each year. After becoming an official member of the WTO in 2007, Vietnam has attracted more than 4000 foreign direct investment projects worth over US\$114 billion, 4.5 times higher than the target set for the 2006-2010 period.

The country's export turnover has also soared sharply. Export and import turnover in 2008 and 2009 reached US\$150 billion each year, equal to over 160 per cent of the country's GDP. In 2010, textiles came first with the export turnover worth US\$11 billion, followed by leather and footwear and fishery came second with US\$4.9 billion turnover and rice with over US\$3 billion turnover. There are eleven key import items, accounting for over 83 per cent of the total import turnover, namely milk and milk products, vegetable, oil, sugar and confectionery and household appliances.

Since joining the WTO three years ago, Vietnam's FDI increased from 16.2 per cent in 2006 to nearly 31 per cent in 2008.¹⁹ Despite the global economic recession, Vietnam's economy is doing relatively well. Although the country's FDI had dropped to 25.5 per cent in 2009, it was still higher than 2007's figure,

representing foreign investors' in the nation's economic development. However, there is growing concern whether such increasing FDI flow can promote trade relations with other countries and increase foreign currency capacity or not. Already the country is facing high inflation rate following the influx of external money that indicates that Vietnam's economy is ill-prepared to absorb that much money.²⁰ Given its chronic problems in all sectors including infrastructure, education, legal and bureaucracy, Vietnam's economy is likely to be heading towards a bottleneck. Many investors describe Vietnam situation as "roads without bridges, bridges without roads" despite its huge economic potential where further improvements in infrastructure are needed including port's infrastructure.

Ultimately, Vietnam needs a big and better port to handle the increasing import and export of the country. With its strategic location in the central of the region and a long coastline, Vietnam possesses a huge economic potential. Vietnam has 40 active ports, ranging from the small Vung Ro with just over 160 meters of wharves to the dual-site Saigon Port, which has 3,000 meters of wharves with 20 different quays with container, bulk and bag facilities.²¹ The country has a combined berthage of 40,000 meters and last year moved nearly 197 million tons of cargo, including over 5 million TEU container units. According to Tom Zaer-ley, chairman of the Pacific Rim Council on Urban Development (PRCUD), improving infrastructure was critically important to Vietnam because of global competitiveness.²² Even Vietnam's largest ports have been inadequate to deal with demand for large, efficient deep water ports. Not to mention lack of capacity and hinterland infrastructure problems where Vietnam's ports often suffer from significant levels of congestion which impede the efficient flow of traffic in and out of the ports.

The lack of infrastructure and modern facilities threatens to dampen Vietnam's economic growth prospects and limits trade opportunities. A senior official of Vietnam Administration acknowledged that there is no consistency and compatibility between ports and road, power and logistics and also connection between the ports and the surrounding land use. The lack of deep-water ports had made domestic enterprises less competitive because of the extra costs in transshipment by using other modern ports in the region.

Seaport Master Plans for Vietnam

The Vietnamese government has realized the problem and has every intention to improve these conditions. Ten years ago the government took strong measures to improve performance in every sector including the maritime sector. In 1999, the government approved the Master Plan for Vietnam seaport system development until 2020 but it did not materialize. A recent survey conducted by the Ministry of Transport found that except for a few seaports armed with modern equipment which had been put in operation in the last three years, the rest were still using ordinary equipment for handling goods. In 2008, the Vietnam seaport system consisted of:

- 17 seaports class 1, 23 seaports class II, 9 seaports class III
- Nearly 350 berths with a total length of 40,000 meters (2 times higher than 1999)
- 35 access channels to national ports and 12 access channels to dedicated ports
- Cargo throughputs reached 196.6 millions tones (2.7 times higher than 1999) including 5.02 million Teus (5.3 times higher than 1999)
- Average growth rate 13% per year

The country is also trying to formalize its authority over all the ports, both publicly and privately funded. The former Deputy Prime Minister Vu Khoan's set up the Infrastructure Working Group during the annual VBF Meeting on 29 November 2004. The groups include local and foreign companies participating in three sub-groups (Power, Port and Telecoms) along with lawyers and private banking and financial institutions. From the government sides, including the Ministry of Planning and Investment (MPI), the Ministry of Industry & Trade (MOI), the Ministry of Transport (MOT), its affiliate Vietnam Maritime Administration (Vinamarine) and the Vietnam National shipping Lines (Vinalines), the Ministry of Information & Communications (MIC), and other relevant agencies.²³ This is where the important decisions on a new infrastructure development and policy making were made including the improvement in port capacity and handling capacity together with the granting of number of licenses to port developers from 2006-2007, and the review of port master plan for further enhancement of port capacity.

“With ports in Vietnam currently only able to handle relatively small vessels of between 20,000 to 30,000 deadweight tons (DWT), the need for deepwater ports is critical to address the growing demand in the country. While the seaport master plan calls for the construction of several deepwater ports in the country, many of these developments could be delayed due to uncoordinated planning and poor infrastructure”.²⁴

In 2009, the amount of cargo handled by the country ports achieved 20 percent growth per annum spanning from 2001-2008, of which majority were handled by ports in Hai Phong, Quang Ninh and Ho Chi Minh City. According to general director of shipper APL-NOL, serious congestion was experienced as early as 2010 particularly when full economic recovery takes hold. Therefore, Vietnam urgently needs to coordinate the planning and construction of an integrated seaport network to handle the country's rapid trade growth.

At the end of 2009, the Prime Minister of Vietnam had approved the Ministry of Transport 2020 and 2030-bound Master Plan for its sea port system development which aims to sufficiently meet market demand on cargo volume and vessel size from/to ports while maintaining the country's competitiveness in the

global integration process. The first viewpoint suggested in this new masterplan is to make full use of the advantages on natural condition to develop comprehensively and suitably the sea port system of Vietnam. The plan is also aiming to increase the system's cargo throughput to 500-600 million tonnes per year by 2015, 900-1,100 million tonnes by 2020 and 2.1 billion tonnes by 2030. Vietnam will need between 360,000-440,000 billion VND to develop its seaport system by 2020 with a vision towards 2030. Funds for port construction previously came mainly from state budget and official development assistance.

The master plan also encouraged investors to build not only port infrastructure but also public systems such as road connecting ports with highway. Priority will be given to developing several international standards deep-water sea ports to receive big vessels, including the Lach Huyen port in the northern port city of Hai Phong, the Nghi Son port in the northern central province of Thanh Hoa and the Van Phong port in the southern central province of Khanh Hoa. To improve the port administration, ports in Vietnam will be put under port authority to prevent unplanned and incomprehensive development. The port authority will not replace local authorities, but in contrary the former will include "personnel" of the latter.²⁵ This has been a practice in many countries in the world and helped local authorities effectively to regulate the activities of sea ports.

The creation of Port Zones in Vietnam-Private participation

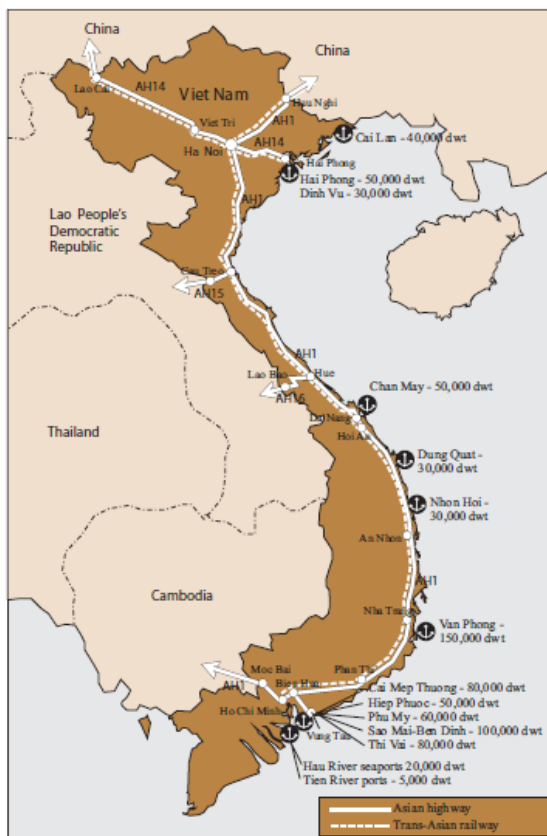
Ports are increasingly attracting the interest of investors, and so for developing economies the main issue is no longer how to finance new infrastructure projects but which partner to choose.²⁶ Poor existing facilities and inadequate inland connections make developing countries' ports capital-intensive. Today, the majority of the top 100 container port, which represent over 80 per cent of total world container port throughput, have some form of private participation.²⁷ For example, Port of Tanjung Pelepas in Malaysia is 30 per cent owned by the shipping line Maersk Sealand.

The development of sea port infrastructure in Vietnam, especially for key economic zones, was one of the top priorities of the transport sector (Map 2). According to the new masterplan, ports in the area of Ho Chi Minh City are type 1 and shall be develop mainly in Heip Phuac Commune, Nha Be district. In 2009, the Sai Gon port started the construction of its new port called the Sai Gon-Hiep Phuoc port, with total investment of more than VND6 trillion (US\$337 million). The construction began after decision made by the government to remove the sea port system on Sai Gon River out of the inner city and worked out the detailed planning of the port group No.5 (including Ho Chi Minh, Dong Nai and Ba Ria- Vung Tau) in 2010 and the orientation till 2020. This decision solves simultaneously two issues: the removal shall pave the way for further development in terms of the sea port system and reduce the traffic jam unsafe condition to the Ho Chi Minh City. In this area, there is another river named Soai Rap. Despite the fact that this river width is very wide, it is ignored because the existence of some shallow sections

(5.1m to 6 m). However, the situation has changed and to meet the increasing demand on cargo transportation the existence port needs to be relocated.

Portcoast Consultant Corporation (Portcoast), the leading consulting firm under the Ministry of Transport was assigned to prepare this project. A new plan aims to relocate those ports to Hiep Phuoc Industrial Zone in Heip Phuoc where a new deep sea port system is planned to be established. Soai Rap River which flows through Hiep Phuao Industrial Zone is emerging to become the main navigation channel serving port system. According to the removal plan of sea port system on Sai Gon River out of inner city, the main part of the Sai Gon port will be moved to Hiep Phuoc zone and others to Cai Mep-Thi Vai port zone in Ba Ria-Vung Tau Province. Other ports such as Tan Chang Port and Ba Son ship building yard will be relocated to Cat Lai and Cai Mep-Thi Vai port zones respectively. The advantage of the plan recommended by Portcoast does not only protect port exploitation tradition of Ho Chi Minh City but also integrates necessary conditions for further development of the sea port system.²⁸

Map 2: Map of Vietnam’s major ports development program



Source: Review of Maritime Transport, 2007, (New York: UNCTAD, 2007). Available at <http://www.unctad>.

In 2007, Soai Rap channel was dredged for the first time to 7.5m. The success at first phase allows Ho Chi Minh Authority to launch the second phase of Soai Rap dredging project as it is possible to dredge the channel till 12m. However, the dredging plan shall be carried out in phases and in line with development progress of Hiep Phuoc port-urban zone. After being dredged until 9.5m, Soai Rap River is expected to accommodate full loaded vessels up to 30,000 dwt and light loaded vessels up to 50,000 dwt. Many local and foreign investors such as Saigon port and Dubai World, the world second largest port operator, have already preserved their investment opportunity in Hiep Phuoc. The construction of PSA international terminal was already started as a joint venture project between PSA(Singapore) with Sai Gon port, Vinalines. The international terminal has four wharfs with a total berth length of 1.200m capable of accommodating vessels with tonnage in range of 50,000DWT to 80,000dwt. Maersk (Denmark) also makes a joint venture with Vinalines to construct the Cai Mep international terminal (CMIT) of two wharfs and total berth length of 600m, capable accommodating vessels with tonnage of more than 80,000 dwt with a total throughput of the terminal reaches 1.1 million TEU per year.

Saigon Port Commpany and PSA International (owning 49 per cent) will build Thi Vai Port in Ba Ria-Vung Tau Province, downstream from Thi Vai International General Port, and the Hiep Phuoc project in Ho Chi Minh City which started its operation by 2010. Phase I of the project costs \$165 million with Phase II costing further \$137 million and to be completed by 2017. The total project will consist of four berth with annual capacity of 1.5 million TEUs, handling vessels of up to 80,000 dwt.

Another world port operator Hutchison Port Holdings (HPH) and Saigon Investment Construction & Commerce Company Ltd (SICC) have signed a 50 year concession to jointly convert the existing greenfield site in Ba Ria Vung Tau province in Vietnam into a new container terminal. The Cai Mep and Thi Vai area of Ba Ria Vung Tau Province is an area designated to be a deep-sea port under the Vietnamese Government's Detailed Master Plan. The new terminal became operational in 2011 and would have a quay length of 730 m, with a depth alongside of 14 m, a total yard area of 33 ha and 1.1 million TEU capacity.

The development of international Cai Mep-Thi Vai Port project is invested under the Decision No.695 of the Prime Minister, was identified as a key project, to orient the construction and development of Cai Mep- Thi deep seaport system. After completion in December 2012, the port will be a port of international stature, meet freight by sea which is rapidly growing in the South, and contribute to speed up the relocation progress of ports located in the inner city of Ho Chi Minh City. At the same time establish direct maritime routes from Vietnam to other countries in the world and reduce the transit time and costs of goods. The three important packages of the project are Cai Mep Container Port, Thi Vai general goods port, bridges and roads connecting from National Highway 51 to the two ports. The building of the infrastructure is crucial and significantly important for Vietnam as it will contribute to improve the cargo throughput of Ba Ria-Vung Tau and create favourable conditions for import-export trade in home and abroad.²⁹

After a year in operation, SP-PSA International port and Tan Cang-Cai Mep container port SITV port and Cai Mep International Terminal (CMIT) received hundreds of container ships as mother ships and transit vessels with the load of more than 100,000 tons in cargo handling. Since the first vessel called to TCIT in January 2011, it continued to improve its operational capacity. A new productivity record of 190 moves/hour was attained by TCIT when it served for M.V MOL PROGRESS V.061W sailed on 15th February 2012. This is evident that TCIT is the best terminal in Vietnam. After that TCIT had received CMA CGM's Laperhouse, the largest container ship to call on a Vietnamese port, foreshadowing the wave of ultra large ships to be deployed on the Asia-Europe trade lane with a capacity of 13,830 TEUs and DWT of 152,092.

On the north of the country Hai Phong remains an important international gateway. According to the master plan from 2020 to 2030 the port will develop its deep water port system, primary southeast of Cat Hai island over an area of 825ha. On the Chanh River in the Quang Ninh region a port with capacity of up to 50,000 DWT, ship-building factories and maritime service zones are also planned. The leading shipping line in Vietnam, Vinalines will soon launch construction of the Lach Huyen Port Zone with the designed capacity of 4,000-6,000 TEU.³⁰ In 2004 the work began on the second phase expansion plan to extend the container berth from 150 to 500 m to accommodate 50,000 TEUs annually. Elsewhere in Hai Phong the Dinh Vu Port, located next to Dinh Vu Industrial Zone, can handle ships of up to 30,000 dwt in size and 14 million tonnes of cargo annually.

In 2007 Cai Lan deepwater port in Quang Ninh Province, east of Hai Phong and bordering the Chinese province of Guangxi, completed its first phase of expansion. With a depth of 13 m the port can service ships of 30-40,000 dwt, and by 2010 it will increase its capacity to 16-17 million tonnes of cargo. Work has still to be carried out to connect the port to national road and rail systems. The container terminals will be developed and will be operated through a joint venture with Quang Ninh Port, SSA Marine and Vinalines. In 2015 the \$1.6 billion Lach Huyen deepwater port project at Do Son, 22 km from Haiphong, is expected to become operational and capable of receiving vessels of 60-80,000 dwt. The port capacity will be around 5,060 million tonnes of cargo.

Conclusion

Port development in Vietnam has been given high priority by the government, with numerous projects either proposed or initiated. Vietnam has good access to major shipping routes and with exports making up about 75 per cent of Vietnam's GDP at present further development of infrastructure is crucial. Cargo handled at Vietnamese ports had grown rapidly from 49 million tonnes in 1997 to 196.6 million tonnes in 2008 and 254 million tonnes in 2010. Despite ports has been built in large numbers, the infrastructure serving their operating remains undeveloped including the roads and bridges leading to major ports in Vietnam. The after-port logistics services are still at the initial stage because of the lack of cooperation between provinces. With poor infrastructure and hinterland services this will put

Vietnam at a disadvantage because of the extra logistics costs involved. Therefore, as the country prepares for its next five-year development plan (2011-15) and as long-term strategy of Socio-Economic Development for 2011-20 is formulated, several major issues beg for clear policy directions and their effective enforcement.

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