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Opportunity for developing Vietnamese shipping

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Abstract

According to a report of the Vietnam Maritime Administration, by the end of 2018, Vietnam's fleet had 1,593 ships (of which the freight train was 1,128) with a total capacity of 4.8 million GT and a total tonnage of about 7, 8 million DWT. Statistics of the United Nations Trade and Development Forum (UNCTAD) show that in 2018, the Vietnamese fleet ranked 4th in the ASEAN region (after Singapore, Indonesia, Malaysia) and the 30th in the world. The total number of general cargo ships is 819, accounting for over 72.6%; bulk ships have 99 ships, accounting for 8.7%; oil tankers (166 ships) and specialized liquefied petroleum gas (150 ships) accounting for 14.4%; container fleet has 41 vessels, accounting for 3.6%. The average age of Vietnamese fleet is 14.7 years, down 0.2 years compared to 2017 and 6.1 years younger than the world (according to UNCTAD data, the average age of the world ship is 20.8). The vessels with the youngest average age are 14.2-year-old general cargo ships, while the highest average age is the 22.9-year-old liquefied gas vessels. In 2018, the total transport volume carried out by the Vietnamese fleet was estimated at 144.6 million tons, the volume of transported goods increased by 10.9% compared to 2017, accounting for 55.6% of the total cargo volume. Rotation of all modes of transport. The Vietnamese fleet currently handles nearly 100% of inland freight by sea, except for a number of specialized vessels ... The inland freight mainly consists of household goods, food, coal, building materials, equipment, containers, petroleum, general goods.

Keywords: history, development, ocean shipping, maritime

1. Introduction

By 2020, the total tonnage of the fleet will reach from 6.8 to 7.5 million DWT; Continue to restructure shipping in the direction of mainly undertaking to transport import and export goods, international routes and coastal routes, especially North-South transport, import coal transportation to serve the domestic market. Thermal power plants, transporting crude oil for oil, gas, liquefied and cement refineries. Shipping has also increased the market share of export and import cargo to 25-30%; develop coastal passenger and island transportation routes. By 2020, the market share of freight transport will be 21.25%, and passenger transportation will be 0.07% compared to the transport volume of the whole transport industry. The implementation of the Project "Restructuring shipping to 2020" also contributes to strengthening the role of State management, renovating policy institutions, creating a transparent, open legal framework, reforming administrative procedures. The main direction is to create conditions, remove difficulties and barriers, create motivations to encourage all economic sectors to invest in the development of the fleet. Up to now, most maritime development targets in the transportation development strategy to 2020 have been basically implemented and completed. Specifically, the investment project to build the Lach Huyen-Hai Phong gateway port (start-up phase) has been completed and put into operation in 2018 with the scale of receiving ships of 80,000-100,000 tons; Cai Mep Thi Vai Port (Ba Ria-Vung Tau) is investing modernly to receive the largest container ships at present, contributing to making Vietnam seaport a link in the global maritime chain. Seaports across the country in the period of 2011-2018 have been invested, renovated and upgraded, most of the country's first-class general ports can accommodate ships of 10,000 tons or more. Some of the first specialized international passenger port projects have also been invested in Quang Ninh and Phu Quoc (Kien Giang). Specialized ports serving major industrial centers across the country such as Nghi Son, Vung Ang, Dung Quat and Vinh Tan ... have been put into operation, creating a strong driving force for coastal economy and revenue. Investment

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attraction. The channel for large vessels entering the Hau River has been completed, meeting the scale for vessels of 10,000-20,000 tons. The development of a seaport system under a comprehensive and unified national planning is essential to meet the country's industrialization and modernization requirements; create material and technical facilities to quickly integrate Vietnam and be competitive in seaport activities with other countries in the region and around the world, affirming the position and advantages of marine economy, and at the same time. contribute to ensuring national defense and security of the country; forming important economic exchanges with the world, creating a driving force for the development of coastal economic, urban-industrial zones.

Carrying out the country's renovation, the Party and the State of Vietnam have gradually become more aware of the importance and advantages of the sea for developing marine economy and marine-related fields in the spirit of the Resolution No. 36 NQ / TW of October 22, 2018, of the 12th Central Committee of the Party Central Committee on the Strategy for Sustainable Development of Vietnam's Marine Economy by 2030, with a Vision to 2045. The Resolution sets out a number of major guidelines and breakthrough stage, namely "By 2030, to develop successfully and breakthrough in marine economic

industries in order of priority: Marine tourism and services; maritime economy; oil and gas exploitation and other other marine minerals; aquaculture and marine exploitation; coastal industry; renewable energy and new marine economic sectors." Thus, the role of the marine economy, including the maritime economy, has become increasingly important and has been identified as a key priority area for development. At the beginning of the twentieth century, some Vietnamese capitalists began shipping. Typical is the capitalist Bach Thai Buoi with the merchant fleet with a total tonnage of 4,069 tons, passenger transportation is the main; there are shipbuilding and repair facilities. Right after the August Revolution was successful, on August 28, 1945, Provisional Government of Democratic Republic of Vietnam issued a statement on the management of transport, architecture, irrigation and post office. On November 13, 1945, the Ministry of Communications and Public Works decided to establish the Commodity Management Board, which is responsible for the management of the shipping industry in the country: "In charge of river and sea travel; inspect ships, enforce the law on ships, rivers, collect taxes, and handle disputes between ship owners and workers" Subsequently, the central task of the transportation sector in general, shipping in particular focused on serving the French resistance war of the nation.

Current and Projected Maximum Ship Sizes

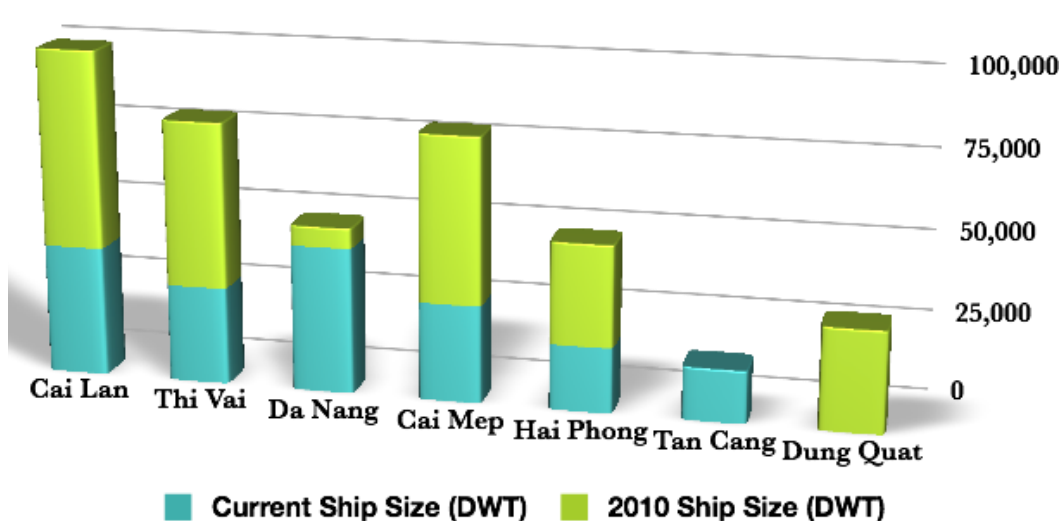


Fig 1: The seaport system development of Vietnam

Over the past 50 years of establishment and development, the fleet of Vietnamese flag has basically taken over nearly 100% of inland transportation, except for some specialized ships such as LPG, Cement Particularly for container vessels, the number of inland container vessels in Vietnam has increased to 39 ships. Port cargo through VR-SB vehicles in 2016 is estimated at 12.9 million tons with approximately 12,000 ship turns. This is a solution to restructure transport modes efficiently, contributing to reducing road load. Regarding the structure of the fleet according to the data in the National Register of Shipping Ships, as of 30/11/2016, Vietnam has a total of 1,666 vessels carrying the Vietnamese national flag in operation, of which vessels The sea is 1.267 with a total capacity of 4.6 million GT, with a total tonnage of 7.5 million DWT. However, the structure of Vietnam's fleet is not reasonable, especially the proportion of container ships

in the total fleet tonnage is low with 33 container vessels corresponding to the capacity of carrying 20,000 TEU. The number of ship owners (over 600) but financial capacity, corporate governance is limited. However, in the general situation of the country, the maritime industry in this period also encountered many difficulties, it requires reorganizing production, boost investment, speed up the application of scientific and technological progress, Expanding joint ventures associated with localities with domestic and foreign industries. From the operational reality, the leaders of the General Department of Maritime Affairs have boldly presented the self-financing method. The Ministry of Transport and the State has accepted this option. On May 14, 1990, the Council of Ministers (now the Government) issued the decision to establish the Vietnam Maritime Union. From here the member units are called member enterprises run by the Executive Union under the plan of

the Ministry. The Maritime Union was established as a production and business organization and was authorized by the Ministry of Transport to assist the Ministry in performing a number of specialized State management tasks nationwide.

2. Vietnamese ship fleet

The trend of economic globalization together with the policy of comprehensive renovation and opening up of Vietnam's economy has had a profound impact on the entire production and social life in Vietnam. The Vietnamese economy has consistently gained a great deal of success, with annual GDP growth of the highest in the region and in the world. The people's living standards have improved markedly, the human development indicators and the social development programs recognized and appreciated by the UNDP. Vietnamese exports are available in most countries around the world. Vietnam's seaports have also received hundreds of millions of tons of cargo to serve the country's socio-economic development needs during the renovation.

Along with the general development of the country, the Vietnamese shipping fleet has made remarkable progress

over the years, especially on import and export routes. The fleet of Vietnamese ships has been continuously added, the shipbuilding industry has developed and seaports are invested and modernized step by step to meet the demand of the country. However, due to the limited investment capital, Vietnam's fleet is still in modest numbers both in terms of volume and tonnage, not matching the potential of the country. Under the impact of the integration process, the Vietnamese fleet is suffering from fierce competition in freight rates and service quality, which has reduced the market share of the Vietnamese fleet, affecting the economic efficiency of the fleet, transportation and economy of the country.

The status and development trend of the Vietnamese fleet is not in line with the general trend of the world. The Vietnamese fleet is outdated in terms of technology and management, and a number of other shortcomings are making the Vietnamese fleet lag behind the rest of the world. The ship has no premise to ensure sustainability in all aspects. It is necessary to have researches to develop the Vietnamese fleet in the integration trend and the economic development of the country.

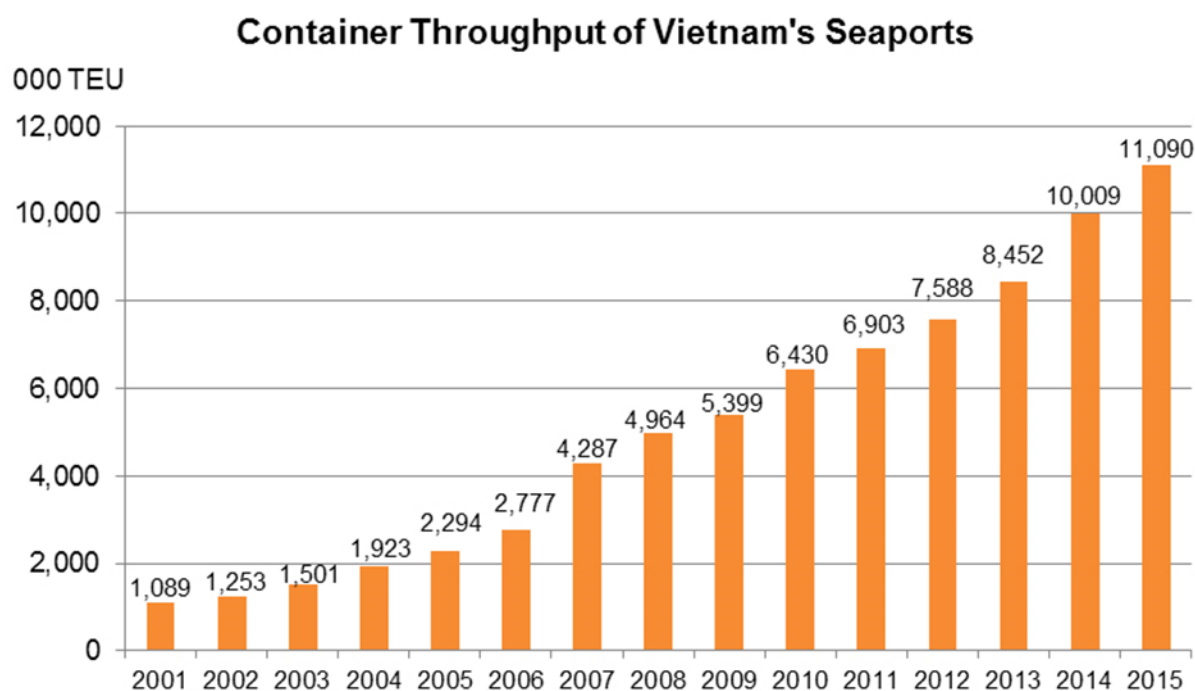


Fig. 2: Container seaport

Vietnam's ship fleet was formed from 1965-1970 due to the objective needs of the economic development of socialist construction in the North and the need to support the resistance war against American troops in the South, reunification. The development process of the Vietnamese fleet can be officially calculated from July 1, 1970 and reflected through the following stages. Segregation of operations and the birth of the first ocean carrier: From the urgent requirements above, in March 1975, the sea bureau disassembled part of the means of the Vietnamese shipping company to establish "Coastal Transportation Company" (VIETCOSHIP) specializes in the transportation of short haul routes in the country. The number of vessels with a large tonnage of 1,000-9,580DWT, including 8, with a total tonnage of 36,276 DWT, has been retained for specialized

transportation of goods for export and import. From here, the fleet carrying the Vietnamese flag is actually involved in the international transport market, in accordance with the provisions of the international conventions, in accordance with the customs of other countries, accepting equal competition with other international Other fleets in the area. From here Vietnam began to engage in international relations related to the maritime fields. In the years 1975-1977, the maritime sector continued to develop its fleet by means of a loan. The main type of ship is a used one-deck shipment of timber used in Japan. The payload of this group is 6,000 DWT and 10,000-12,000 DWT. In 1977, the fleet was added to the Hau Giang vessel in a 12,000 DWT load loaded in Denmark. This is the newest modern ship funded by the Danish government to finance the

shipbuilding, which is deferred through the Bank for Foreign Trade of Vietnam. Expansions of the fleet: From 1978 to 1980, the first Vietnam-built new sea luggage depot in Vietnam, 4 SD14 vessels with a tonnage of 15210 DWT, was the most modern design vessel of its kind. After three years of inspection and construction, we have received and commissioned these four ships on the longest shipping route to date: Vietnam- Southern and Northern Europe to transport Vietnamese exports. And importing mainly from Eastern Europe and France. In 1980, the SD 14 ship opened to the Americas and Africa, marking an important step for Vietnam's maritime industry to expand its market, expand its operations and integrate into the international market. The 1980-1985 direction of development by means of loans to buy and hire ships is maintained. Shipping fleet is to add the medium and small ships of 5,000-10,000DWT in accordance with the scale of activities running in the country to the North-South commodity circulation, both serving import and export with other countries. In the area.

Development of foreign trade fleet: In addition to the development and gradual change of organizational structure to suit the realities of the maritime industry, the Ministry of Foreign Trade also began to form a private fleet by borrowing method. Buying foreign goods for import and export, which the ministry of foreign direct management. By the end of 1970, Vietfracht under the Ministry of Foreign Trade would, in turn, purchase ships of 10,000-16,000 DWT, all carrying foreign flags to transport goods exported from Vietnam to South East Asia and take goods imported from the South East Asia on Vietnam. In addition, the important transport route is to take out or hire foreigners from Southeast Asia to Europe to get goods from Eastern Europe to Vietnam. The development of the flag fleet of Vietfracht under the Ministry of Foreign Affairs in the early time has made an important contribution to the organization of timely transportation of goods of socialist countries to Vietnam. In order to avoid internal competition resulting in damage to the means of transportation that was also the state's, in June 1982 the government decided to transfer the flag fleet of Vietfracht of the Ministry of Foreign Affairs and all debts. The remainder has not been paid for VOSCO under the General Department of Shipping - Ministry of Transport management. The development of local fleets and other sectors: At this time, the local fleets of major cities and provinces where seaports were born. The development of local fleets in many provinces and some other economic sectors is mainly due to the attraction of importing consumer goods from other countries in the region to Vietnam. Most of the vessels purchased by the local shipping company are very old ships with a capacity of 2,000-4,000DWT enough to operate in Japan from Hong Kong to Hong Kong. The local fleet, although in its early stages of development, has contributed to the settlement of local budget deficits. However, due to poor management skills, coupled with the dilapidated fleet and the competition at all costs to make exports have created a precondition for the unhealthy competition in the country to discredit the fleet. Vietnam as well as Vietnamese crews in some countries in the region The period 1986-1995: This is the period of development associated with the period of economic reform of the country. The country's economy has begun to shift from centralized bureaucracy to market mechanisms. At the

same time, the model of economic sector development is not stable and always explored, changed, tested to find a model suitable with domestic management needs, on the other side must integrate and edify Combined with the level of economic development in the region and on the global arena Joint ventures were born: Before the collapse of the Soviet Union, their fleets had a number of aging ships and old Soviet registrations did not allow ships over the age of 22 to continue operating. In order to make use of these vessels, the former Soviet shipping companies reached out to establish joint ventures with countries in the Middle East, India and Southeast Asia, including Vietnam. These vessels carry the flag of convenience, pour registry and register or fly the flag of the country where the joint venture is headquartered, operating mainly in populated countries with large import and export demand such as India, Indonesia, Thailand, Vietnam. In Vietnam, joint ventures with former USSR ships were launched in the areas of Hai Phong and Ho Chi Minh City. The operation of the giant fleet of neighboring China and firms big in the world, the Southeast Asian transport market has become increasingly fierce competition rates began to decline. The Vietnam Maritime Administration with the function of state management of maritime in charge of port systems, pilots, maritime security, Vietnam Maritime Corporation with the business function and focus on developing fleet, seaport system and maritime services, Shipbuilding Industry Corporation of Vietnam with the function of repairing ship building and other related services. With the model being an economic group, Vietnam National Shipping Lines Corporation is directly under the management of the Government and the specialized management ministries. Facing with the current situation, the import and export units freely sign and purchase goods not according to a standard regulations to ensure national interests, the Vietnam Marine Corporation has step by step recommendations. Proposed measures with the state to overcome the above said step by step occupy the market share of import and export is being shared by foreign fleets. Based on the actual capacity, material facilities and management level of its affiliated units, Vietnam Maritime Corporation has step by step assigned tasks in the country and abroad to companies. Carriage. In the domestic market, the Maritime Corporation adjusts the freight rates of some commodities with high demand for transportation such as coal and cement. In order to overcome the unhealthy competition, the freight rates will be reduced. Under the reasonable level, for the source of imports and exports, try to maintain the traditional customers, maintain the source of goods, strengthen the search for new markets to expand the market abroad. In addition, the Corporation has coordinated means of transportation among its member units on the basis of rearranging production to help weak units overcome the difficult period. In terms of development of the fleet, the Vietnam Maritime Corporation first focused on the development of specialized vessels that the fleet did not previously meet the requirements of the market such as bulk carriers, container vessels, ships carrying crude oil, oil products. At the end of 1996, three handmade bulk carriers of 21,000-25,000 DWT (managed by Vosco) were purchased on export coal and fertilizer imported in bulk.

Only after the crises involving state-owned enterprises in the field of shipbuilding and shipping, together with the

excess capacity of container port operation in Cai Mep-Thi Vai (Ba Ria Vung Tau province), the density the industry's presence in the media as well as new related seminars. On the other hand, the container shipping industry is going through a special period. The collapse of the world's 7th largest shipping line - Hanjin (2016) was a milestone event, resulting in a series of major changes in the industry. According to the author of Lars Jensen, by 2025, the shipping industry will fundamentally change from the way the industry currently operates. Regarding maritime services and logistics, statistics of the Maritime Administration show that there are about 300,000 businesses registering business in logistics-related industries, of which about 1,300 enterprises are participating in the supply chain. Providing maritime and logistics services. About 30 transnational logistics enterprises are active in Vietnam. Vietnam's logistics companies are in large numbers but only occupy a relatively small market share, mainly performing some service stages in the logistics service chain or acting as agents for foreign shipping lines. After a number of unhealthy competition among businesses in this field, the Ministry of Transport has issued a decision on the price of container loading and unloading service and the price of towage services at seaports. Thereby reducing dumping and ensuring equality among businesses.

3. Conclusion

Currently, the total number of ports announced is 281 ports with a total capacity of over 550 million tons / year. The system of Vietnamese seaports has been synchronously invested in infrastructure: wharves, mooring buoys, loading and unloading equipment, complete basic development. Forecasted, in 2019, the volume of goods through Vietnam's seaport system is estimated at 308.8 million tons, up 13% over the same period in 2018; passengers through the port reached 3.8 million passengers, an increase of 32% over the same period in 2018. Assessing the shipping sector to keep an impressive growth momentum, the volume of cargo through the port by the Vietnamese fleet. Shipping more than 81 million tons, up 16% over the same period in 2018, Vietnam's shipping industry is still challenging when in 2018, the fleet of ships is more than 1,600 ships, but at the present time that number drops. 1,568 ships left. Given that the management of sea-going river fleets (VR-SB) needs to be reviewed to ensure the harmony between different types of maritime transport, many vehicles are malfunctioning in nature, transporting goods from the port. sea to another port and if not managed in time will break the fleet. Proposing reasonable solutions such as considering policies on tuition fee exemptions and exemptions for internships for students of the maritime industry; exemption of income tax for Vietnamese crewmen working on board domestic ships; studying the minimum wage for seafarers to attract qualified maritime human resources.

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