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The plan of ocean shipping to 2030 towards the development

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Abstract

International trade between Vietnam and the world has seen strong developments, and this has really become a very favorable condition for the development of Vietnam's shipping industry. And in that development process, the requirements for the development of shipping services towards modernization with increasing quality, reasonable cost, safety, limiting environmental pollution and saving energy; Increasing competitiveness of shipping is essential for Vietnam's shipping industry to actively integrate and expand shipping markets in the region and in the world. The difficult situation of many large and small shipping lines has led to a vibrant wave of mergers and acquisitions. The fact that shipping lines reinforce the alliance form is also a way for shipping lines to cope with uncertainties in the near future. In the coming time, the M&A wave continues but has entered the final stage and there will not be many big deals happening. The coalition form will continue to be used by shipping lines. Shipping lines will increasingly use technology to reduce operating costs and reduce staffing, following the recent trend of cutting costs.

Keywords: ocean shipping, plan, maritime

1. Introduction

Based on analyzes of factors affecting the success of seaports as well as trends in seaport development in the Asia Pacific and Vietnam, along with the basis from the system development planning Vietnam's seaports to 2020, with orientation to 2030, the orientations for maritime development and seaports in Vietnam are concentrated on sea transport, raising the quality of sea transport services, meeting the demand for sea transport. Domestic market, increase import market share of import and export 27-30%, combined with renting foreign goods on the distant shipping routes. Volume by the Vietnamese fleet will be about 110-126 million tons by 2015; 215-260 million tons by 2020 and by 2030 1.5-2 times increase compared to 2020; Passenger numbers will reach 5 million by 2015; 9-10 million in 2020 and 2030 increase 1.5 times over in 2020. To develop Vietnam's modern fleet, attaching special importance to the development of specialized vessels (container ships, bulk cargo, oil).) And large tonnage ships. In 2010, the total tonnage of 6-6.5 million DWT; by 2015, the total tonnage of 8.5-9.5 million DWT will reach 11.5-13.5 million DWT by 2020. By gradually rejuvenating the Vietnamese fleet by 2020, the average age of 12 years. On the shipbuilding industry, by 2020, to develop the country's shipbuilding industry to reach the advanced level in the region, to build ships of up to 300,000 DWT, passenger ships, oil service ships and rescue ships. Rescue, guarantee of maritime, works...Regarding the development of seaport system in the next period, in addition to upgrading and deepening investment, bringing into full play the capacity and efficiency of existing ports. Ownership should focus on building international transshipment port, international gateway port in key economic zones, some deep-water ports specialized for container handling, large ore and oil ore, equipment modern. Vietnam has an important geographic location in Asia, which is in the region with the most dynamic ocean freight network in the world. On the other hand, with more than 3,260km of coastline, Vietnam has great potential in developing ocean shipping and other marine related services. However, the reality is that our maritime transport has not yet. Develop well and contain many challenges. Therefore, the development

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of a strategy for the development of the maritime transport network and related infrastructure for our country is an urgent and practical requirement to integrate Vietnamese maritime transport and occupation. Worthy in the shipping network in Asia and around the world. Vietnam's seaports have a number of limitations and challenges, such as: Due to historical factors, Vietnam's major ports are located near big cities and deep in estuaries, Accretion and tides. Therefore, large vessels with deep drafts cannot access these port systems to load cargo. The narrow area of the urban area makes the expansion of the warehouse system as

well as the development of the related infrastructure system more difficult. Unloading vehicles and warehouse systems have reduced the speed of cargo through the port. The domestic logistics distribution system is underdeveloped, poor and ineffective, contributing to an increase in the total cost of freight. Few services related to port and shipping. Vietnam currently does not have a regional transshipment port, which makes exports to Western Europe and North America transshipment at Singapore and Malaysia ports, increasing transport costs up to 20%.

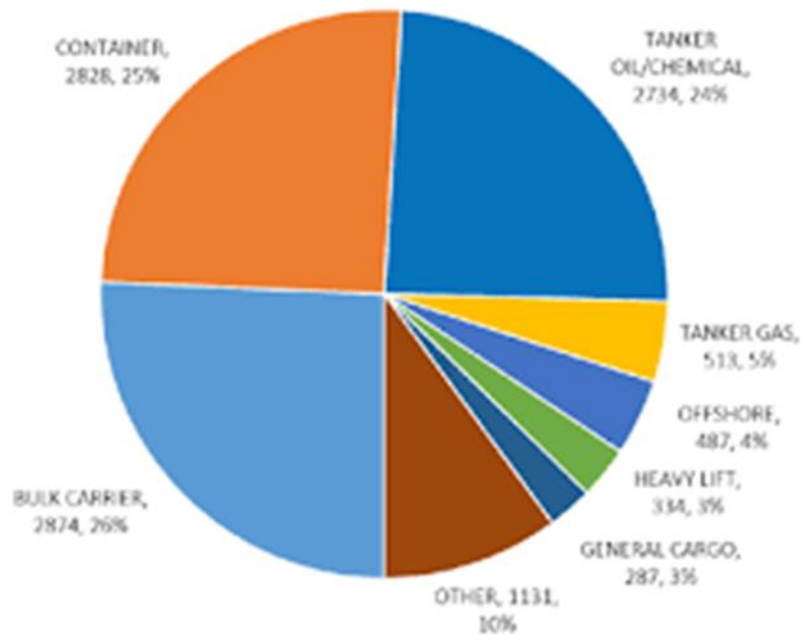


Fig. 1: Freight shipping in Vietnam

On August 26, 2014, the Prime Minister approved the master plan for the development of Vietnam's shipping by 2020, with a vision to 2030 in Decision No. 1517 / QD-TTg. The planning on development of Vietnam's sea transport up to 2020, with orientations to 2030, consists of the following principal contents: Ships operating on international routes: Using bulk carriers of 100,000 tons to 200,000 tons (DWT) to import coal, ships of a tonnage of 5,000 to 50,000 tons carrying department stores, general cargo and ship Loading 30,000 to 50,000 tons to export coal, ore, alumina, import fertilizer and clinker .Ships operating on domestic routes: using ships with a tonnage of 1,000 to 10,000 tons; Specialized sea-going barges of 5,000 to 10,000 tons for transporting imported coal from the transshipment hub to the wharves of the plant. Total tonnage of the Vietnamese fleet will reach between 140 and 152 million tons by 2020, of which international shipping will be from 40 to 46 million tons. Domestic shipping will be between 100 and 106 million tons. Million tons. To follow the master plan for the development of Vietnam's seaport system up to 2020, with a vision to 2030 already approved by the Prime Minister in Decision No. 1037 / QD-TTg of June 24, 2014. To follow the master plan for development of Vietnam's shipbuilding industry up to 2020 with orientation to 2030 already approved by the Prime Minister in Decision No. 2290 / QD-TTg dated November 27, 2013. To implement the project on development of logistics services in the field of transport and communications in Vietnam up to 2020 with orientation to

2030 approved by the Prime Minister in Decision No. 169 / QD-TTg dated 22 January 2014. By 2020, the training and retraining of about 42,000 officers and crew members; Of which new training is about 15,000 people, including 7,000 additional people required for fleet development and 8,000 replacing existing forces; The training structure is about 6,000 officers and about 9,000 crew members, technical marine workers. Enhance coherence between shipping enterprises and crew training and training institutions. Total investment capital for fleet development from now to 2020 is about 20,000 to 30,000 billion VND (about 1.0 to 1.5 billion USD). The plan also states the goals of the Vietnam Sea Strategy by 2020, the maritime economy ranks second and after 2020 the maritime economy ranks first in the 5 areas of marine economic development; At the same time, it contributes to consolidating national security and defense. Based on the analysis of factors affecting the success of the port as well as the trend of seaport development in Asia - Pacific and Vietnam, together with the basis from the system development planning. Vietnamese seaports until 2020, with orientations to 2030, the orientations for development of Vietnam's maritime and seaport shall be concentrated. Regarding sea transport, improving the quality of sea transport services, meeting the domestic shipping demand, raising the market share of export and import goods to 27-30%, combining water and freight leasing. Outside on international transport routes. The volume handled by Vietnamese fleet was about 110-126 million tons in 2015; 215-260 million tons by 2020 and

by 2030, increasing by 1.5-2 times compared to 2020; the number of passengers reached 5 million in 2015; 9-10 million in 2020 and 2030 increase 1.5 times compared to 2020. Develop Vietnam's fleet towards modernization, focusing on developing specialized ships (container ships, bulk cargoes, oil ...).) And large tonnage ships. In 2010, the total tonnage of 6-6.5 million DWT; by 2015, the total tonnage of 8.5-9.5 million DWT will be 11.5-13.5 million DWT by 2020. Gradually rejuvenate the Vietnamese fleet until 2020 reaching the average age of 12 years.

2. Solutions and policies

Besides the new trend, experts at the seminar also shared their concerns about outstanding issues in Vietnam's shipping industry. The lack of linkage between Vietnamese shipping lines has so far not been improved. Although there has been some recent cooperation between Hai an Group and Tan Cang Shipping, between Vinalines and the South China Sea, compared to very strong M&A activities between Chinese and Japanese shipping lines or the link between Korean shipping lines, the linkage between Vietnamese firms is still quite loose. Vietnamese shipping lines also need to promote joint ventures with international shipping companies with the motto of mutual benefits to learn experience and improve their qualifications. And this must be a coordinating relationship, not a dependency. However, speaker Vu Dang Duong said that with the field of shipping, which is highly specialized and has very strong foreign corporations, the cooperation with foreign countries to exploit the domestic potential should be encouraged more. Because the vow to think "less dependent". According to him, many lessons on the success in the field of container shipping come from the cooperation between Vietnamese enterprises and foreign enterprises, typically the case of Tan Cang Cai Mep international port. At the same time, in order to increase competitiveness, the most important thing is that Vietnamese shipping businesses must build a good leadership team, because human resources are extremely important factors in a volatile situation. Upcoming. In addition, Vietnamese businesses also need to be more active in accessing markets, often diversifying services such as extending routes by visiting more ports, ready to access new markets, new ports to create. Product breakthrough.. To review, amend, supplement and perfect the system of relevant legal documents in the maritime sector and create a stable and favorable legal corridor for sea transport activities. In the immediate future, to supplement and amend legal documents on mechanisms and policies to assist shipping enterprises in overcoming difficulties and maintaining production. Promote administrative reform in the field of maritime transport, especially administrative procedures at seaports and ship registration procedures; Strengthen the inspection and supervision of the implementation of Vietnamese law and international conventions related to the assurance of maritime safety, maritime security and environmental protection. To encourage all economic sectors, including foreign organizations, to invest in the development of Vietnam's sea-going fleet. To step up the restructuring process so as to build and develop Vietnam National Shipping Lines as the core in the shipping domain and the Shipbuilding Industry Corporation as the core in the field of building and repairing industry ship. Promote the socialization of human resource training, including

training at home and abroad; to consolidate the development of specialized universities and colleges in the three northern, central and southern regions. Shipping companies should closely monitor the evolution of the domestic and international markets in order to seek and take advantage of the opportunities and take the initiative in developing and implementing a flexible fleet development plan. Planning orientation to ensure business efficiency; enhance the management and operation of the fleet. To intensify the coordination and cooperation with importing and exporting enterprises in order to take initiative in seeking contracts for transportation of goods; To improve the quality of services in order to attract owners, develop a network of qualified agents abroad, step by step create a closed, professional, effective and prestigious logistics service system bearing the trademark Private to business. This Decision takes effect from the date of its promulgation. This Decision replaces the Prime Minister's Decision No. 1601 / QD-TTg of October 15, 2009, approving the planning on development of Vietnam's sea transport up to 2020 with orientations to 2030. To formulate, approve and organize the implementation of plans on maintenance of maritime works managed by the Ministry of Communications and Transport.

Depending on the time when the navigational works are put into exploitation, use and actual exploitation of the works, the regular maintenance work must be intensified in order to prevent and promptly remedy the minor damage to parts. The structure of works and equipment to improve the quality of exploitation services in case of subsequent failures and incidents and ensure the life of the works. The cost estimate is determined in accordance with the maintenance work of navigation works. Unit price, cost estimate based on norm, unit price. Where norms and unit prices are not yet available or are not yet appropriate, Vietnam Maritime Bureau shall propose and organize the formulation of new norms and unit prices and submit them to the Ministry of Communications and Transport or competent authorities for approval. Based on the prescribed time limit and on the basis of the results of the evaluation and inspection of the current status of the navigable works (if any), the deterioration of parts, structure and damage deteriorates in many places. Work sections to make and propose solutions (or new ones) to restore the original quality of the works and ensure the normal and safe work of the works. The order of implementation shall comply with the regulations on management of investment in construction of works and other relevant regulations. The annual plan for maintenance of navigable works: The sum-up of works and work items of marine works, which have been repaired or repaired in emergency and enclosed with funds approved by competent authorities. For maritime works which have exceeded their use duration and failed to meet the requirements for use, the Vietnam Maritime Administration and the units managing and exploiting the works shall report such to the Ministry of Communications and Transport for consideration and decision. It is possible to set up an investment project to upgrade or renovate capital construction, without using maintenance funds. The Ministry of Communications and Transport shall evaluate and approve the plans and estimates for maintenance of maritime works before July 15 every year; To compile the plan and estimate the maintenance expenditure into the annual State budget revenue and expenditure estimates of

the Ministry of Communications and Transport and submit them to the Ministry of Finance before August 30 every year. On the basis of the Finance Ministry's decisions on assignment of State budget revenue and expenditure estimates, the Ministry of Communications and Transport shall notify the State budget revenue and expenditure estimates to the Vietnam Maritime Administration and the managing units. , Exploitation of marine works, including the funds for maintenance of marine works. The Vietnam Maritime Bureau shall review the list of projects, items and volumes of urgent works to be performed, take responsibility for planning and cost estimates for maintenance of maritime works, Transportation within 15 days from the date of receipt of the notice specified at Point c of this Clause. The Ministry of Communications and Transport shall evaluate and approve the plan and estimated cost estimates for maintenance of maritime works and sum up and assign budget revenue and expenditure estimates to the Vietnam Maritime Administration. The order and procedures for approving plans for maintenance of 5-year medium-term maritime works (or according to the plan term) shall be as follows:

- a) The Vietnam Maritime Bureau shall have to sum up, make plans and estimate maintenance expenses for the maritime works and submit them to the Ministry of Communications and Transport before June 15 of the following year.
- b) The Ministry of Communications and Transport shall approve the plan and estimated expenses for maintenance of maritime works, the plan for allocating funding for the implementation and organization of the implementation, adjustment, amendment and supplementation of the maintenance plan. Maritime works every year to suit the actual conditions.

The annual plan on maintenance of navigable works, which is approved by the Ministry of Communications and Transport, serves as a basis for the Vietnam Maritime Administration and the units managing and exploiting maritime works. The Vietnam Maritime Bureau shall have to approve cost estimates for maintenance of maritime works according to the provisions of Articles 22 and 23 of Decree No. 114/2010 / ND-CP. The adjustment and supplementation of the plans for maintenance of maritime works shall comply with the following principles: Works or work items which cause danger of incidents or occurrence of dangerous accidents or unsafe works must urgently handle or adjust locally construction items, the Vietnam Maritime Administration and units To manage and exploit the navigable works shall have to appraise and approve the implementation and report thereon to the Ministry of Communications and Transport; Works, work items and execution funds arising outside the approved plan, the Vietnam Maritime Administration and units managing and exploiting maritime works shall submit them to the Ministry of Communications and Transport for approval before implementation. The Vietnam Maritime Administration and units managing and exploiting maritime works shall have to organize the management and inspection of the implementation of the approved plans of the units and make periodical and unexpected reports. To send the results of the implementation of the work maintenance plan to the Ministry of Communications and Transport (quarterly before the 22nd day of the end of each quarter, every year before January 15 of the following

year). The contents of the report must fully state the following information: name of the work or project item; Volume and budget for implementation; completion time; Adjustments, arising from the assigned plan; Evaluation of implementation results (according to the approved plan); Proposals and recommendations in the course of maintenance of maritime works. Forms of reports shall be made according to Form No. 2 in the Appendix to this Circular. Statistics show that, in Vietnam, the fleet of sea container ships currently has 41 ships of 13 shipping enterprises with a total tonnage of 29,445 TEU, equivalent to 411,875 DWT. This fleet has been handling nearly 100% of inland sea freight. However, compared to the international shipping market, Vietnam's container fleet only transports about 10-12% of total import and export goods. Challenges in developing international container shipping market. According to the statistics of the World Bank (WB), the demand for transporting goods by sea worldwide in the period of 2017-2019 achieved an average growth of 2.6% - 3.0% / year; particularly in 2019, shipping by sea is expected to reach 12,263 billion tons, up 3% compared to last year. In Vietnam, from 2017 to the present, thanks to the implementation of restructuring in the right direction, Vietnam's shipping industry has had a rapid recovery with container throughput of the port growing impressively, the following year is higher than the previous year. Notably, in 2018, the total weight of goods through the port system in Vietnam reached 524.7 million tons, particularly the volume of container cargo through the seaport reached 17.8 million TEU, up 24% compared to 2017.

3. Conclusion

Vietnam's shipping fleet with more than 1,500 vessels and a total capacity of 7.8 million DWT is ranked fourth in ASEAN and 30th in the world, according to the United Nations Conference on Trade and Development (UNCTAD). The Vietnam Maritime Administration said that Vietnam's maritime transport has maintained a good growth with the volume of goods moving through Vietnamese seaports handled by Vietnamese shipping fleet reaching over 81 million tonnes in the first six months of this year, up 16% compared to the same period in 2018. Vietnam had a total 1,568 vessels by June 2019 with a total capacity of approximately 7.8 million DWT. The average age of the Vietnamese fleet is currently 15.6 years, 5.2 years younger than the world average (20.8 years). The Vietnamese merchant marine is also developing towards specialisation. It's also worth noting that the number of container ships has increased from 19 ships in 2013 to 39 ships in 2019. However, the Vietnam's maritime transport had to face a decrease in the number of shipping fleet which reduced from more than 1,600 vessels in 2018 to 1,568 vessels in 2019. The decline may make the marine transport sector fail to fulfil the target of meeting 100% of domestic cargo transportation. The Vietnam Maritime Administration said that it will put forth solutions to develop river-sea compatible ships (VR-SB) to share transport burdens with road transport and boost the efficiency of this kind of transport.

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