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D. T. Nguyen
Ho Chi Minh City University
of Transport, Ho Chi Minh
city, Vietnam

T. H. Truong
Ho Chi Minh City University
of Transport, Ho Chi Minh
city, Vietnam

X. P. Nguyen
Ho Chi Minh City University
of Transport, Ho Chi Minh
city, Vietnam

Correspondence:
D. T. Nguyen
Ho Chi Minh City University
of Transport, Ho Chi Minh
city, Vietnam

Developing orientation for Vietnamese shipbuilding industry

D. T. Nguyen, T. H. Truong, X. P. Nguyen

Abstract

It can be said that the maritime world, including corporations of maritime nations in the world, has been interested in Vietnam for two reasons. First of all because Vietnam is a market of marine equipment and boats with a population of nearly 100 million. Second, Vietnam is also a manufacturing and shipbuilding country, has a long history and abundant labor force, relatively low labor costs and that is a studious workforce. Although there are still many issues that need to be trained, it is a young and significant labor force so the world is very interested in Vietnam's shipbuilding field. Shipbuilding industry is very important industry, first of all serving the country. Characterized by low profits, all countries in the world are required to equip the shipbuilding industry to create the country's maritime power, to serve the protection of the country, especially a nation. Join the sea. Secondly, the shipbuilding industry characteristics require very high investment and low efficiency, so the role of the State here is to make huge investments, so the shipbuilding market must be particularly interested in the State. Into a defensive power on the sea, creating a strong fleet to serve the transport and travel of the people such as tourism, fishing ... and if surplus, then export. Previously we had planned a little too ambitiously, we wanted to become a shipbuilding nation, the fourth largest shipbuilding country in the world, and that ambition has led to past failures. Can it be understood that now and in the future, Vietnam's shipbuilding market has many opportunities and potential for development?

Keywords: shipbuilding industry, development, orientation

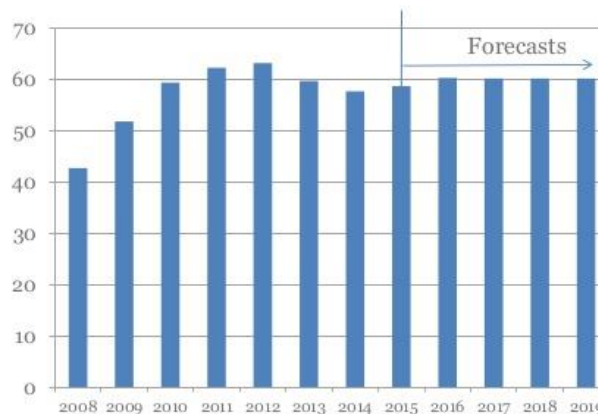
1. Introduction

Before the collapse of Vinashin, Vietnam wanted to become a shipbuilding nation, only behind Japan, South Korea and China. We have failed because firstly, the characteristics of the shipbuilding industry were always greater than the demand, and followed the upward path (due to the world economy going up and down). In 2002, when Vietnam achieved several contracts, at that time, the ship market was very demanding, but we could not catch up, the opportunity was lost due to the world shipbuilding crisis. Therefore, it can be said that jumping into the world market is not easy. Want to jump into that game requires a huge investment, the management must be radically changed to create a brand, because large corporations are not easily assigned to a factory or a country has no brand, no prestige to make giant ships. At that time we were a little romantic, now we know how to change the direction of making small and medium-sized ships to serve the domestic, strengthen the national power at sea first. Shipping is part of the shipping industry. Due to its outstanding advantages, it is a large transport capacity, suitable for transporting almost all kinds of goods in international trade, low cost, low cost and low cost. Consumption of fuel per ton of tonnage, shipping has emerged and plays the most important role in the transport of foreign trade, accounting for 80% of the volume of international goods. According to the Vietnam Sea Strategy to 2020 and the objective of marine economic development in accordance with the resolution of the Party Central Committee's Congress, the maritime sector has a great potential and international character. The goal of marine economic development up to 2020 is that the marine and coastal economies contribute 53-55% of the country's total GDP, of which the maritime sector is at the forefront. The navy concentrates on accomplishing goals. The sub-systems of maritime manufacturing process include: transportation, loading and

unloading process and service process for the two major processes. Corresponding to the above processes, the maritime business has the following areas: ship business, port business and maritime service business. From now to 2010 and the following periods up to 2020, the development of shipping economy will be promoted with the following basic objectives: To concentrate on investing in the fast and efficient development of the Vietnamese fleet in the direction of rejuvenation, modernization and specialization, especially oil tankers, bulk carriers,

container ships and passenger ships. In 2010, the total tonnage reached over 5 million DWT; by 2015 more than 7 million DWT and by 2020 over 11 million DWT. To develop in the direction of modernization in terms of quantity and quality of specialized service vessels: public services, pilotage, towage, maritime safety, search and rescue, marine salvage, construction of works Marine, oil and gas exploration, marine scientific research, marine resources exploration, tourism, sports, recreation and other specialized service vessels.

Global shipbuilding capacity in millions of cgt



Source: **Worldyards**, Presentation at the June 2015 WP6

12/4/2015

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Fig. 1. Picture of shipbuilding industry in the world

Traditionally, the main task of the port is to load and unload cargo. At present, the business areas of the port are expanded. The port has two main functions: serving the ship and serving the cargo. In the first function, the port is the place of entry, anchorage of the ship, which provides the services of shuttle boat pick-up, towage, grease supply, fresh water, sanitation, ship repair ... In the second function, the port handles loading, unloading, transshipping, preservation, storage, recycling, packaging and distribution of import and export goods. The port is also the place where import and export procedures are carried out, where the commencement, continuation or termination of the transport process takes place to formulate synchronous development planning and policies. For sea transport, port development and shipbuilding; to synchronously develop the planning, development mechanisms and policies in line with the development orientation till 2030. On other maritime services: From now to 2020 and development orientation to 2030; To elaborate and improve the law on maritime safety and security, and to accede to relevant international treaties; To attach importance to the implementation of programs, projects and schemes on assurance of maritime traffic safety; Strengthen the implementation of measures to curb marine accidents and minimize the detainment of Vietnamese seagoing ships abroad; To step up the investment in renovation, upgrading or setting up of new ones in order to create synchronism and efficiency in the application of technologies; To

consolidate the organization and operation of marine search and rescue coordination; Establish a system of observation and control of information and data for the purpose of detecting, forecasting and timely reporting events of natural calamities, accidents, piracy and other dangerous incidents to ensure safety. All for people and boats operating on the sea, coastal, island.

2. Issues of development for human resource

We do not expect to build a ship, the nature of the shipbuilding industry is a comprehensive assembly industry. The world has already assigned, for example, mentioning marine equipment, electronics ... there are already brands in the world. Besides, the maritime nations invested in shipbuilding industry, so that this industry pulled up the supporting industry. Vietnam in the past had daydreaming about that, but this was a problem to be considered. 10 years ago, the State invested Vinashin to build big ships of 57-100 thousand tons, for Vinashin to set up an auxiliary factory such as paint factory, electrical equipment factory ..., that formation did not stem from the requirement. of the market. The idea of pulling ancillary industry is very necessary, in order to create a cooperative area, to develop the private sector, not because of the will of the State. Currently, we still impose the State's will for the development of ancillary industry, we call for the development of ancillary industry, but that auxiliary industry must look at the world level, we only assign do

some work. Shipbuilding must start from design, so Vietnam needs to pay attention to two issues, design and management, which are the two points that need to focus the highest. Design and governance are human issues. The lesson from Vinashin is that building 57 thousand tons of ship is delayed by 2 years, while the progress is what the foreign side is extremely interested. Time is money, and time is all human, governed. The painful lesson of Vinashin is that it is possible to spend money to buy one, another, to return a machine, but not to prepare well for people. Therefore, the upcoming work must pay utmost attention to human resources issues. In my opinion we have outlined the Sea Strategy, now we have to create a river, sea, tourism and general planning plan, which must clearly set the shipbuilding problem. It is necessary to clarify how many cruise ships, river and sea ships will be welcomed, and the model of the ship needs to be clarified. Because the entire economy must rely on the sea and rivers, the whole economy must set the problem of shipbuilding and shipbuilding must also have a relatively accurate vision to return the problem to industries, national needs that need to be clarified. Because shipbuilding is the first and resolute condition of every maritime state, it is important to realize that, not separate this from the shipbuilding industry. There must be an integrated plan, related components must be closely linked, both collaborative and competitive. At present, our coordination and cooperation is still poor, because our forces are weak and scattered, so the State's hands are required for this work. In order to develop the shipbuilding industry, efforts should be made to successfully implement the Shipbuilding Industry Development Action Plan to implement Vietnam's Industrialization Strategy under the framework of Vietnam-Japan cooperation towards in 2020, with a vision to 2030. We also believe that Vietnam needs strong reforms and appropriate mechanisms to encourage all economic sectors to participate in investment and development of shipbuilding industry and industry. Supporting industries manufacturing materials, machines and equipment used for shipbuilding. In addition, it is necessary to create conditions and mechanisms for organizations and individuals to promote research and development in the field of shipbuilding, focusing on special-use and special-use ships of which Vietnam has strengths. . In addition, it is necessary to strengthen international cooperation in the maritime and shipbuilding industry to actively learn from experience and transfer new technologies. Vietnam is located in the center of Southeast Asia, on the bustling shipping route from Europe, the Middle East and Asia Pacific, with many islands, many bays and currently has 144 ports, along with 2. Large inland river system is the Red River and the Mekong River, which is a favorable condition for economic development as well as maritime and shipbuilding. Assessing the development potential of the shipping and shipping industry, the Government of Vietnam has announced a series of strategies and plans to develop the shipbuilding industry. Regarding the development potential of shipbuilding industry, in the future, Vietnam will develop such areas as bulk carriers, coal ships, barges, container ships, passenger ships, aquatic product exploitation and processing, etc. These are types of vessels in the near future that Vietnam needs to develop. To improve the quality and expand the forms of training and training of marine human resources in the direction of

ensuring the balance between theoretical training and practical training; To enhance international cooperation in training and training in order to fully meet the human resources for marine economic development and maritime economy in particular. Provide sufficient workforce working in the fields of maritime and other related sectors of the marine economy. To develop science and technology and protect the marine environment; Promote the research and application of advanced marine science and technology; To renovate the management and development of potentials and enhance the role of marine scientific and technological research and application establishments. To complete the program and plan on marine scientific and technological development up to 2020 with a view to focusing on programs, projects and research subjects in association with the settlement of problems arising from actual practice management and maritime business. Strengthen the dissemination of information on maritime science and technology advances in service of maritime management and marine economic and maritime economic development. Pilot team is a state-owned enterprise with public utility with many characteristics. At present, the main task of the Pilot team is to provide maritime pilot services for domestic and foreign sea-going vessels to move in and out of the assigned water area: Hai Phong, Thai Binh, Nam Nail. The early days, difficult manpower: navigational force thinning less than 10 people; Poor infrastructure, backward; The legal basis as well as the port infrastructure is too much inadequate compared to the real demand for economic development of the region. Most seaports in the area of Hai Phong are located inland dozens of nautical miles, wharves along river banks, national channels are also the waterfront in front of the quay, while narrowing is constantly fluctuating due to saunas The ability to exploit the port of Hai Phong limited, causing difficulties for pilots when leading the ship because of the risk of unsafe. Despite the lack of human resources, the facilities are simple and the area of operation is spread out with complicated flow of streams, causing pilots to stretch at work. But then "nothing is impossible", Pilot Pilot team II has gradually determined the direction of their own way.

3. Solutions

Although Vietnam's shipbuilding industry is facing many difficulties and challenges, many experts believe that Vietnam's shipbuilding market is gradually growing again. Because the recovery of shipping is the opportunity for the shipbuilding industry to repair, upgrade and build new ships to meet current transport needs. Vietnam's maritime industry has not developed much in recent years, but in recent years, there have been signs of prosperity thanks to dramatic changes in technology as well as the cooperation between Vietnam's shipbuilding industry and the world. Maritime development cooperation between Vietnam and Korea has existed for a long time. However, in recent years, this cooperation has continuously developed rapidly and achieved great achievements. For the past 10 years the shipbuilding industry has been struggling with the longest recession in the world. However, in the past 5 years, thanks to the focus on science and technology, all shipyards have product projects. The units have focused on selling close to the market, meeting the requirements of customers with competitive prices. In the past few years, the Corporation has built 80 high-quality and effective fishing vessels

participating in the protection of Vietnam's sovereignty over islands and islands. This is also a testament to the affirmation of member companies' efforts in making superior products. However, because the shipbuilding markets of Asian countries were greatly obstructed by their Government, the orders were taken out very little, so very few orders were placed in Vietnam. Male. In contrast, in these countries, trade promotion of maritime industry is very large. Therefore, these are new prospects for Vietnam's shipbuilding industry in the shipbuilding industry market of the joint venture. Especially, the potential of cooperation between Vietnam and Korea is having very positive results. Understanding technology is an important factor for development, in the difficult context of shipbuilding, but the company maintains a technology department with properly invested software. Thanks to the technological mastery, the products meet the requirements of customers and registry agencies. In addition to traditional products, the company has developed a series of new products such as aluminum alloy passenger ships. Only after 3 years have mastered the technology and will progress to more intensive, featured products are ferries and passenger ships. Particularly in 2016, the company built 11 ships, delivered 6 ships in 2018, especially in 2019 is expected to provide high-class passenger ships to other potential customers. From 2008 to the present, shipbuilding orders have started to decline and have dropped the most since 2009. The main reason is the overload of ship supply levels. In particular, the situation of oversupply in the market caused the freight to drop, so some units reduced the shipbuilding prices of the main ships (down 25%). Therefore, the payment of ship prices was rejected by banks, causing difficulties for shipping lines. In addition, environmental requirements caused ship owners to postpone orders, leading to a sharp decline in the world market trend. Although the shipping industry is still in a difficult period, in 2018 the situation is progressing better, orders have increased by 4% compared to 2017. The number of shipbuilding contracts is gradually increasing with orders for ships. New technology. However, the guarantee and reimbursement for new orders is still difficult for shipbuilding companies today. In line with the trend of using new technologies, the Korean shipbuilding industry is gradually focusing on environmentally friendly technologies. The change needs to develop more shipping providers and related ancillary industries. This will create a new trend for the shipbuilding industry in Vietnam.

The company's total sea freight volume in 2017 reached about 160,000 tons, an increase of nearly 7% compared to 2016. The company currently owns more than 90 ships and has deep-water ports system, integrated logistics system. for shipping activities. Most of the guests agreed with the view that Vietnam's maritime industry has not developed much in recent years, but in recent years, there have been signs of prosperity. Compared to the region, the scale of Vinalines is in the medium range. In 2017, the company achieved more than 20% of the nation's shipping volume. Vietnam's maritime industry in general and Vinalines in particular still have great potential for development. Currently, Vinalines is in the process of seeking a strategic investor (to hold a maximum of 35% of the company's shares) because the company will IPO in 2018. Businesses seeking strategic investors to share activities, expand markets and cooperate in technology, management ... The

partners that Vinalines expects may be domestic companies or companies. From Singapore to participate in the upcoming Asia Maritime Exhibition. Cargo transportation by sea of Vietnam last year has a certain growth (about 2 - 5%) for bulk goods, liquid cargo, containers. However, our shipbuilding industry has a 10-year development cycle, which peaks in 1987 - 1997 - 2007 - 2017. According to many forecasters, the country's shipbuilding industry. We have passed the peak in 2017 so oversupply may happen in 2018, which will cause difficulties for both shipbuilding and shipping industry in general. Vietnam has shipbuilding businesses both in the military and in private; since 2016, coastal transportation has been opened to share with road transport and more than 1,500 ships have joined the route, many of which are very large. Over the past year, this participation has been too much, so there's a slowdown. Currently, the world's shipping industry is also increasingly facing difficulties due to the tightening of international regulations related to the protection of the marine environment. For example, the regulations from 2020, the sulfur content in fuel oil used for ships is 0.5% - this is a very high requirement, which will cause fuel costs to increase, maintenance costs, management Reasonable, operation will also increase. Contrary to the above optimistic assessments, Vietnam's maritime industry was "less vital" last year and the growth figures of about 2 - 5% above were still insignificant. Businesses have wasted a big market - that's the domestic market. We should look at the lesson of textile export when the failure has returned to calling for support from the country and has recovered. Or, for example, the Superdong high-speed train joint stock company (the business owner is a foreigner) is currently very developed and growing continuously, but the Vietnamese business owner has an advantage that is not captured. Sea, it can go to every country in Southeast Asia such as Cambodia, Thailand, Malaysia, Singapore ... Yet businesses have not exploited the full potential of the domestic market. Phu Quoc currently does not have the necessary number of cruise ships. Last year, the number of tourists from China, Russia ... to our country reached millions of people but we did not have enough ships to serve. Even as the Vietnamese people themselves, I believe that 99.9% of our people have never traveled by country by sea ... Therefore, the Vietnamese shipbuilding industry does not need to swim to the sea in a hurry, so swim right in my pond. If you focus on building composite ships to serve the tourism industry, it can take hundreds of years to build. In addition to cruise ships, the demand for fishing vessels is also very large when Vietnam has 120,000 fishing vessels. Steel fishing vessels weigh up to 7 frequencies 6, while composite ships weigh only 1 ton 6, the durability of these two types is almost equal, while composite ships have a much cheaper production cost. To establish and maintain a maritime safety environment, create conditions for commercial development, marine economy and humanitarian objectives, combine defense and security protection, coordinate search and rescue and rescue providing services on the sea, asserting sovereignty, national sovereignty over the sea and islands, in accordance with the relevant provisions of law. Performing public-utility tasks assigned by the State and assigning plans on maritime pilotage in the area from Hai Phong to Nam Dinh. To exercise the rights and obligations of the maritime countries to the international treaties in Vietnam which

have been signed and acceded. To enhance the expansion of international cooperation and integration in the exercise of the rights and obligations of members of international organizations participating in the Pilot team. To build and develop a contingent of marine navigators who reach the advanced level in the region and in the world to achieve the objectives of ensuring maritime safety and security and protecting the environment. To conduct business effectively, preserve and develop the capital of the owner of the investment in the Pilot team and other enterprises; complete the tasks assigned by the owner. Maximize profits and efficiency of production and business of the Corporation; Increased accumulation, capital concentration, specialization division and production cooperation to improve the quality of management, service quality, investment and business efficiency, reputation and competitiveness; to carry out the task of developing production and business according to the branch's orientation. The pilot team's vehicle management department consists of 48 officers, sailors and staff. The fleet consists of 36 officers such as: reward boat, sailor ... have the duty and function to assist the director in managing the entire fleet of the pilot team; Coordinate with the central executive office to implement the daily production plan. (It is a daily plan of providing maritime pilot services, which is set up by the production and / or business management board.), To serve pilotage and administrative service upon request; Statistics on the operation time and quantity of fuel consumed by waterway and waterway means for maintenance, repair, insurance, renewal of registration and settlement of fuel periodically; To monitor the division of ships and canoes, arrange crew members and drivers on board ships, canoes and cars. The business-service department has 10 staff members, the department is responsible for advising on the exploitation and use of waterway means, idle equipment, station equipment not yet fully used for effective business. To serve the main duties of the Pilot team; Develop a business plan for towing ships and support ships; Looking for contractual partners and business cooperation service for leasing of waterway vehicles, tugboat services, support ships; To procure equipment for the operation of Headquarters and Stations according to the approved plan; Organizing the purchase of fuel and materials for the operation of the train; Procurement, sewing and dressing, labor protection according to the approved plan; External relations with organizations and individuals inside and outside the Pilot team to coordinate to solve the work related to the assigned work.

4. Conclusions

Vietnam is located in the center of Southeast Asia, on the bustling shipping route from Europe, the Middle East and Asia Pacific, with many islands, many bays and currently has 144 ports, along with 2. Large inland river system is the Red River and the Mekong River, which is a favorable condition for economic development as well as maritime and shipbuilding. Assessing the development potential of the shipping and shipping industry, the Government of Vietnam has announced a series of strategies and plans to develop the shipbuilding industry. Regarding the development potential of shipbuilding industry, in the future, Vietnam will develop such areas as bulk carriers, coal ships, barges, container ships, passenger ships, aquatic

product exploitation and processing, etc. These are types of vessels in the near future that Vietnam needs to develop. About the fleet, Vietnam currently has 1,840 ships, accounting for a total tonnage of 7.3 million tons, implementing the market share of 10-12% of total import and export goods. The cargo ships are mainly small and general cargo ships, lacking containers, chemicals, cement and liquefied gas. For domestic fleets, the current number of container ships in the domestic fleet is only 3%, compared to the world average of 14%, the demand for container transport is inadequate and missing lots of vehicles.

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