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Development of Vietnamese Ship Fleet towards Globalization

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Abstract

Currently, Vietnamese shipping companies are suffering from the crisis because of the sharp drop in freight rates and chartering rates, increasing operating costs of maintenance fuels, scarce shipping resources, and Ineffective business, almost Vietnamese shipping companies are in a loss situation. According to the Vietnam Maritime Administration, freight rates have dropped by 50-60% and still have no signs of recovery. The situation of ships not having enough goods to transport, the average efficiency coefficient of the ship is only 50-60%, in the peak season, it is only 80%. Currently, Vietnamese shipping companies are suffering from the crisis because of the sharp drop in freight rates and chartering rates, increasing operating costs of maintenance fuels, scarce shipping resources, and Ineffective business, almost Vietnamese shipping companies are in a loss situation. According to the Vietnam Maritime Administration, freight rates have dropped by 50-60% and still have no signs of recovery. The situation of ships not having enough goods to transport, the average efficiency coefficient of the ship is only 50-60%, in the peak season, it is only 80%.

Keywords: maritime industry, globalization period, maritime, ship fleets

1. Introduction

At present, Vietnamese shipowners have enough tonnage and standards to operate around the world, but the number is still counted on the fingers. Currently, more than 80% of Vietnam's international shipping fleet only operates on close routes, but only about 30% operate on routes to Northeast Asia, the Middle East or Africa, most of the fleet. Vietnamese vessels only operate on routes in Southeast Asia and China. A number of large enterprises also have general cargo ships with sufficient operational capacity on routes to the Americas and Europe, but few. For container ships, most of them only operate feeder transport in Southeast Asia, China, Hong Kong, Taiwan but cannot make direct flights. Vietnamese shipping companies are not only affected by the recession, but also by large shipping companies in the world, which are also affected by the recession, the business losses due to low freight rates and transportation sources. Rare. Despite having a more favorable geographical position than other countries in the region such as Japan, Indonesia, Malaysia... Vietnam is the connection point between Southeast Asia, Northeast Asia and the Pacific and India. Duong, is a potential area as an important hub for goods transportation in the region. The Vietnamese shipping fleet has grown strongly in terms of quantity, tonnage, fast growth rate, and average reach 35.7% in the period of 2009-2012. However, the structure of the Vietnamese fleet is not consistent with the world shipping trend. The ratio of bulk carriers and general cargo ships accounts for a large proportion with 60% of the fleet tonnage, container cargo ships account for \$ 3.2, and oil tankers account for 27%. The Vietnamese fleet is in a situation of small redundancy, dry bulk carriers and even small container ships, while there is a shortage of specialized vessels and large tonnage vessels running on international routes. In international trade, shipping plays a particularly important role, with about 80 per cent of shipments being shipped by sea, which is particularly important for the shipping industry, large transportation, high transport capacity and low transportation costs. As a result, the shipping industry becomes a potential service business. Vietnam has great advantages for developing ocean shipping such as its long coastline and many large seaports. In recent years, Vietnam's

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shipping industry has been constantly growing and expanding and contributing not less to the development of the economy of the country. Besides, Vietnam shipping industry still has many problems to solve. For the shipping industry to develop smoothly, these are difficult problems posed to managers. Over the years, especially since Viet Nam's policy of opening up, Vietnam's shipping industry has been growing rapidly, Vietnam's shipping market is gradually expanding at the pace of the trend. Regional and global trade, the innovation, open-door policy of Vietnam's integration with the international community has facilitated a rapid increase in the volume of Vietnamese exports and imports. Globalization of the region has become one of the major development trends of modern international relations. This trend will continue to flourish in the near future. Developing countries are increasingly adopting open and liberal trade and investment liberalization policies. In this context, any country must strive to integrate into the general trend, adjust its policy, reduce tariff barriers and eliminate non-tariff barriers, thus facilitating the exchange of goods and capital movements, labor, technology in the whole world more and more open. Vietnam cannot help following this trend. Under such conditions, the level of internationalization of manufacturing and service industries is increasing, the competition among enterprises, among nations in the economic field is more and more severe. As we all know, the shipping industry need to develop, it must first focus on developing fleet and seaports, as these are two indispensable factors in a shipping industry.

According to the statistics of the Registry Department, Vietnam currently has 597 ship owners of all economic sectors, of which only 33 shipowners own a fleet of vessels with a tonnage of over 10,000 DWT, mostly of large economic groups. Also according to the United Nations data on trade and development (UNCTA), the Vietnamese fleet of ships is ranked 29th in the world and 4th in Southeast Asia, behind Singapore (15 times the total weight). Vietnamese fleet); Malaysia (2.9 times); Philippines (1.8 times). According to the trend of world sea transport in recent years by the mode of container transport, the tonnage of container ships in the world accounts for 12.9% of the fleet, the value of transport trade accounts for 52% of the value goods transported by containers. Meanwhile, Vietnam's container fleet accounts for only 3.5% in terms of tonnage and nearly 2% in volume compared to the total fleet. It can be seen that Vietnam's market share of container ships is too small and has been far behind the development of the world shipping industry. Out of 1,755 ships, there are more than 1,000 ships with a total tonnage of less than 3 million DWT specializing in domestic operations, of which there are only 3 ships with a capacity of over 1,000 TEU, the rest have less than 1,000 TEU. Specializing in domestic, international routes in Southeast Asia, Hong Kong or feeder to consolidate goods for foreign shipping lines but not directly to the consumer market. While the world trend shifted to container shipping, the Vietnamese fleet developed dry cargo ships, the world's container growth rate was 8%, while the Vietnamese container fleet was only 2%. The tonnage of market share in the world container fleet accounts for 12.8% of the total fleet while in Vietnam only accounts for 3.2% of the total fleet.

2. Characteristics

The technical status, equipment of the Vietnamese fleet is lagging behind the world. The detention of Vietnamese ships is still common and accounts for a high proportion due to violations of international conventions on maritime safety and environmental protection of Vietnamese ship owners. According to the Vietnam Maritime Administration, as of June 2013, the average age of the ship in Vietnam had 39% of the tonnage of ships over 15 years of age, including 49% of dry cargo ships, 46% of bulk carriers, 100% of liquefied gas carriers ship age over 15%. This has reduced the prestige and affecting the competitiveness of Vietnamese fleets in the market of international freight import and export. In recent years, the quality of seafarers has improved significantly thanks to the attention of the State and the maritime enterprises themselves, but most of the quality of Vietnamese seafarers have not kept up with the development of transport sea, weak English proficiency, practical capacity, professional operations are still slow inaccurate, not in accordance with technical procedures. A strong national fleet will bring in foreign exchange, create jobs, enhance international trade, enhance national position, and this is an important and indispensable link in the service line logistics. Therefore, it is necessary to quickly come up with strategic solutions to gradually change the quality and quantity of the national fleet, in line with the development trend of the world. Form of ship ownership, company form and shipping business are different in different countries. This difference is due to the country's legal system and natural and geographical conditions. Although there are differences, but because the business of exploiting international shipping is high, there are general characteristics, global production and business operations, wide production range, production process. Businesses involved in the legal system of many individual countries and are governed by international conventions relating to trade, maritime and shipping. In maritime shipping business, if divided by shipping category, sea transport ships are divided into 3 types: cargo ships, passenger ships, cargo and passenger ships. The way to organize the exploitation of ships, although there are common points, but they still have different points. Based on the way the ship is organized (organized by the shipping) of the shipping vessels, the division of the fleet into two categories: transport by train and transport in the form of ship market. Depending on the type of shipment, the operations of the shipping fleet are divided into: separate sea transport, multimodal transport, sea-river transport, barges transport on mother ships on the river. The types of vessels involved in the shipment include: container ships, oil tankers, bulk carriers, bulkheads, barge liners, dry bulk carriers. Due to the trend of containerized cargo transport, nowadays in the field of ship business, shipping has been forming multinational companies, with the functions of general business-container transport, loading and unloading. Containers and maritime services for container transport. Traditionally, the main task of the port is to load and unload cargo. At present, the port's business activities are expanded. Apart from loading and unloading, the port also carries out other tasks: on behalf of the ship owner, the ship owners perform other services related to cargo such as manure coordinate and supervise the transport of goods to end-users as logistics centers. The process of carriage of goods by sea from the place of

destination to the place of delivery, in addition to the process of transportation, loading and unloading process, also serves both processes. One of the major forms of service is the process of shipping agents and brokers. The agent is the permanent representative of the ship owner at a given port or agency area. On the basis of the contract, the agent in the name of the ship owner shall conduct activities related to the maritime business, including the implementation of necessary procedures related to the operation of the ship at the port such as signing A contract of carriage, a contract of maritime insurance, a contract of loading and unloading of goods, a contract for the hire of a vessel, a contract for the hire of crewmembers, the drawing of a bill of lading or a document for the carriage of equivalent cargo. Collection of expenses related to the operation of ships, the settlement of disputes over shipping contracts or accidents, concepts of maritime service.. Ship supply service means the business of supplying food and food ships as well as services to crew members. Small ship repairing service means the business of scraping, rusting, painting, maintaining, repairing motors, information, water lines, steam pipes, welding and repairing waterlines, and other minor repairs. Recently the Ministry of Transport drafted new regulations on the management of maritime services, according to this new regulation, maritime services will include: shipping agency services and maritime brokerage; seagoing service; maritime freight agency service; ship supply service; freight forwarding and counting services; small ship repair service at the port; environmental sanitation services, cargo handling services at ports.

3. Solution

The development of the world economy and countries in the region has set us many new challenges and prospects. So we need to develop the global shipping industry so that our country can integrate rapidly into the global development. In order to do this, the first thing Vietnam needs to do is to develop maritime transport in the direction of modernization with increasing quality, reasonable cost, safety, limiting environmental pollution and saving energy to increase the competitiveness of sea transport to actively integrate and expand the shipping market in the region and the world. To develop sea transport towards modernity with increasingly high quality, reasonable and safe costs, minimizing environmental pollution and saving energy; increase competitiveness to actively integrate and expand shipping markets in the region and the world; synchronously with the development of modes of transportation by road, inland waterways, railways and airways; application of advanced and modern transport technologies; focus on developing multimodal transport, logistics services to create a synchronized, continuous and efficient transport system; improve the quality of shipping services to undertake domestic cargo transport, reduce the load for road transport; undertaking to transport most of the export and import goods by sea; meet the shipping needs of the economy with high quality, reasonable price and minimize environmental pollution. The shipping development plan also set out specific goals, namely: The volume of cargo handled by the Vietnamese fleet reached 85 to 91 million tons by 2015; from 140 to 153 million tons by 2020 and 237 to 270 million tons by 2030; the number of passengers reached about 5 million by 2015; 8 to 9

million by 2020; develop Vietnam's fleet of ships in the direction of modernity and efficiency; focus on developing specialized ships such as container ships, bulk cargo, liquid cargo and large vessels. By 2015, the total tonnage of the fleet will reach from 4.7 to 5.2 million tons and reach from 6.8 to 7.5 million tons by 2020; gradually rejuvenating the Vietnamese fleet. To gradually rejuvenate the fleet of Vietnam's sea-going ships up to 2020 with an average age of 12 years. In the shipbuilding industry, by 2020, our shipbuilding industry will reach an advanced level in the newly built ships up to 300,000 DWT, passenger ships, oil service ships, rescue ships , Secured maritime, works. Transportation is an important structure in the socio-economic infrastructure that needs to prioritize one-on-one development at a rapid, sustainable pace to create a precondition for socio-economic development. National defense and security, serving the cause of industrialization and modernization of the country. To bring into full play the advantages of the country's geographical position and natural conditions, especially marine potential, in order to develop a rational transport system and save social costs. To develop the transport infrastructure in a synchronous and rational manner, combining to step by step develop firmly with the breakthroughs going straight to the modern, creating a complete network of interconnected and interconnected Transport modes, between territories, between urban and rural areas nationwide, while attaching great importance to the maintenance, ensuring the efficient and sustainable exploitation of existing transportation infrastructure. To develop modern and high-quality transport with reasonable and safe costs, limit environmental pollution and save energy, apply advanced transport technologies, especially multi-modal transportation and logistics. To combine new investment with upgrading, upgrading and deepening investment, bringing into full play the efficiency of existing transport industry establishments, quickly renewing and approaching modern domestic-scale technologies are carried out. At the Resolution No. 09-NQ / TW dated February 9, 2007 of the Fourth Conference of the Party Central Committee on the Vietnam Sea Strategy to 2020, it was stated that by 2020, , Breakthrough in marine economy. As such, maritime economics are and will continue to play an important role in the national economy in which shipping companies play a very important role. Therefore, in order to effectively contribute to the cause of industrialization and modernization of the country, shipping enterprises should have the orientation for sustainable development in line with the Party's strategic sea strategy. After the crisis, shipping activity is on track to recover with the recovery of the economy, but most ship owners still suffer a great deal of pressure from repaying principal and interest on loans from the first projects. From; from looking for cost-cutting measures to losses due to exchange rate differences on foreign currency loans (as most of the loan projects are in US dollars while the freight rates are very low. Up to now, it can be said that Vietnam Shipping Joint Stock Company has overcome the most difficult period, gradually stabilizing with the plan of sustainable development and profitable business. With the perspective of a shipping business, please contribute some ideas to contribute to the successful implementation of the country's sea strategy: It is necessary to focus on developing the fleet in the direction of specialization, rejuvenation and modernization, but not

too hastily running on the growth of tonnage and fleet size. Businesses need to develop their own fleet development strategy, in line with the development trend of world shipping; From the development of the fleet to meet the increasing demands of customers, especially international customers, to focus on improving service quality to create a traditional customer system, Large volume transport contracts and long time, stable; Develop the fleet in terms of scale but ensure balance of resources, in which financial and human resources play a decisive role; On financial resources: always have to balance external and self-funded finance. The size of the capital of a shipping business should be commensurate with the size of the existing fleet. At the same time, you must make the most of your financial resources at the lowest possible cost. Human resources: Enterprises always have to pay attention to professional knowledge, foreign languages, love and health care for the crew and shore management staff to meet the increasingly stringent requirements, the International Maritime Organization and the maritime authorities where the vessel arrives. In particular, each shipping business must have a human strategy that is consistent and consistent with its fleet development strategy. When planning to develop a sustainable fleet, the business needs to expand and diversify the lines and services associated with the fleet. In order to well implement the sustainable development plan, contributing to the development of the maritime economy in Vietnam's sea strategy up to 2020, Vietnam's shipping enterprises are in need of the Party, the State and the Government. The ministries and departments are interested in supporting many aspects, including a number of key areas such as: To formulate appropriate mechanisms and policies to encourage domestic corporations and corporations to enhance the use of each other's services, including sea transport, forwarding and logistics. Shipping companies are required to receive capital and interest support through credit institutions such as the Vietnam Development Bank and support tax policies. It may allow enterprises to use the deferred tax to invest in fleet development. This is a way to maintain the State's revenue in the long term, especially in the difficult period to help businesses restructure and develop the fleet. Shipping development is closely linked with the development of seaport systems and maritime services. The current trend of Vietnamese ship owners is to invest in large, specialized ships. Therefore, the development of specialized seaport systems, deep-water seaports such as Lach Huyen and Dung Quat will be a good motivation to promote the development of the national fleet.

Transportation is an important part of socio-economic infrastructure and it is necessary to prioritize development investment in a fast and sustainable manner in order to create a premise for socio-economic development, assembly, ensuring national defense and security, serving the cause of industrialization - modernization of the country. Socialize the investment to develop transport infrastructure. To mobilize to the utmost all resources, attach importance to domestic resources, to invest in transport development. The user of the transport infrastructure is responsible for contributing to the maintenance and reinvestment of the transport infrastructure. By 2020, Vietnam's transportation system will basically meet the diversified transportation demands of the society with rapid growth, ensuring higher quality

and reasonable price; Curb the trend toward reducing traffic accidents and limiting environmental pollution. On the whole, to form a reasonable transport system between the modes of transport and the main transport corridors for major commodities in large volumes will be reached. To develop the national seaport system, including international transshipment port in Van Phong, international gateway port in Van Phong, international gateway port in three key economic regions capable of receiving new-generation container ships. , General ports, specialized ports, passenger ports to meet the requirements of socio-economic development and international integration. To invest in the synchronous development of seaport infrastructures, including ports, ports, ports and post service support systems. The seaport system satisfies the demand for both domestic and imported goods, of which the Van Phong international transshipment port has entered the efficient exploitation phase, the international gateway port in the economic area. The key points associated with the system of goods distribution centers and interconnected traffic systems shall ensure the formation of a modern and efficient logistics infrastructure network on a par with those of other countries in the region. Sea transport mainly involves ocean freight, coastal routes, especially North-South transport, imported coal transport for thermal power plants, crude oil transportation for factories. Oil refinery. Raising the market share of transportation of import and export goods to 25 ÷ 35% developing the coastal and island passenger transport. To attach importance to the development of special-use ships such as container ships, large-sized bulk carriers, oil ships, liquefied gas and Lash ships ... to rejuvenate the fleet of ships with an average age of 12 years by 2020. Research and development with high speed in coastal passenger and passenger ships. By 2020, the national fleet has a gross tonnage of 12 ÷ 14 million DWT. To complete the expansion of seaports in Hai Phong and Quang Ninh; To build a port of Lach Huyen international gateway to receive ships of up to 80,000 DWT; Promote the development of container terminals and specialized ports; Building a passenger port in Hai Phong, Quang Ninh. Completion of the construction and operation of two wharves for the international transshipment port Van Phong creates the premise for the construction of international and regional transshipment ports. To continue building, upgrading and expansion of Nghi Son, Cua Lo, Vung Ang, Da Nang, Dung Quat and Quy Nhon ports; Construction of specialized ports for thermal power plants and export of alumina. Select and build international guest harbor in Hue - Danang area, Nha Trang. In addition to the aforementioned plannings, the maritime industry has also developed industry development policies and schemes, such as investment projects connecting seaport systems with rail, road and inland waterway transport systems. ; Project on training and improving the quality of maritime human resources; personal income tax exemption policy for Vietnamese seafarers working aboard a foreign ship; planning the development of the system of coastal information and information technology in the maritime industry till 2020, with orientations after 2030; Master plan for development of shipbuilding industry up to 2020, orientation to 2030. Building seaport system, shipping fleet, maritime services to meet the demand of marine economic development. In order to meet the development needs of the country as well as the maritime economy, in recent

years, the maritime industry has continuously invested in building, consolidating and developing seaport system, shipping fleet and maritime services to promptly meet the needs of the economy as well as the goals of developing the marine economy. So far, the country has 44 seaports, including 259 ports with 64,684m wharves, total design capacity of 500 million tons of cargo / year. In 2016, cargo throughput through Vietnam's seaport system reached 456 million tons, up 7% over the same period, of which container cargo reached 13.3 million TEUs, an increase of 11% over the same period in 2015, 106% of the year plan. Vietnam's seaport system has met the requirements of goods transport by sea, actively serving the process of socio-economic development in general and the marine economy in particular, and created momentum. Attracting and promoting related economic and industrial sectors to develop together.

4. Conclusion

Maritime is highly internationalized, with many complex activities involving people, ships, ports, goods and the environment both domestically and internationally. Maritime disputes often involve many countries and territories. This requires each country's maritime legal system to be fully developed, ensuring that all activities in the maritime domain are in compliance with the Convention's provisions and international practices. In order to meet that requirement and serve the development of the marine economy, Vietnam's system of maritime legal documents has been paid attention, researched, amended and supplemented. On the other hand, in order to support the development and integration with the world, it is necessary to build strategies, plans and policies for the development of the maritime industry. In order to ensure the goal of developing the marine economy, a component in the development of the marine economy, the development of development strategies, planning and policies for the Industry in each period plays a very important and important role. Industry leaders are interested in implementation. Planning on development of Vietnam's seaport system to 2020 and orientation to 2030, including 6 groups of seaports with the goal of ensuring through the whole of import and export goods and exchanges between regions and regions in the country by sea, meeting the country's socio-economic development requirements with the approved capacity according to the planning of the seaport system at specific times: Reaching between 640 and 680 million tons / year (of which goods general, container from 375 to 400 million tons / year) by 2020; reach from 1,040 to 1,160 million tons / year (including general cargo, containers from 630 to 715 million tons / year) in 2030; focus on building international gateway ports in Hai Phong, Ba Ria - Vung Tau and key economic region of the Central region capable of receiving ships of up to 100,000 DWT, container ships of up to 8,000 TEU or larger; sufficient capacity to combine the role of international container entrepot; to build large-scale specialized ports for metallurgical complexes, petrochemical refineries, coal-fired thermal centers.

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