

THE PRIME MINISTER

SOCIALIST REPUBLIC OF VIET NAM
Independence - Freedom – Happiness

No. 1601/QĐ-TTg

Hanoi, October 15, 2009

DECISION

**APPROVING THE MASTER PLAN ON DEVELOPMENT OF VIETNAM'S OCEAN SHIPPING
UP TO 2020 AND ORIENTATIONS TOWARDS 2030**

THE PRIME MINISTER

Pursuant to the December 25, 2001 Law on Organization of the Government;
At the proposal of the Ministry of Transport (Report No. 4356/TTr-BGTVT dated June 29, 2009)
on the master plan on development of Vietnam's ocean shipping up to 2020 and orientations
towards 2030,

DECIDES:

Article 1.

To approve the master plan on development of Vietnam's ocean shipping up to 2020 and
orientations towards 2030 with the following principal contents:

1. Development viewpoints and objectives

a/ Development viewpoints:

- To bring into full play the country's advantages in geographical location and natural conditions, especially its marine potential, for the comprehensive development of ocean shipping with breakthrough steps, contributing to the achievement of the objectives of Vietnam's marine strategy up to 2020, specifically, maritime economy will be ranked second by 2020 and take the lead after 2020 among the 5 marine economic development domains; and contributing to the maintenance of national security and defense;
- To develop ocean shipping towards modernization, higher quality, reasonable expenses, safety, environmental pollution reduction and energy saving; to raise the competitiveness of ocean shipping for proactive integration and expansion in regional and world markets;
- To develop ocean shipping in combination with road, riverway and railway transportation; to apply and develop advanced shipping technologies, attaching importance to multimodal transportation and logistic services, in order to form a complete, interrelated and effective transportation system;
- To develop a rational and modern fleet which is competitive on the international market; to concentrate investment on deep-water seaports, transshipment ports and international gateway ports in key economic regions; to combine adjustment and renovation of narrow access channels for convenient and safe navigation of large ships;
- To socialize to the utmost investment in developing the fleet and maritime navigation infrastructure.

b/ Development objectives and orientations:

By 2020, to satisfy all ocean shipping needs of the national economy growing at high rates, ensuring quality, reasonable costs and environmental pollution restriction. Specifically:

- Ocean shipping:

To raise the quality of ocean shipping services to meet domestic ocean shipping needs; to increase the market share of shipping of imports and exports to 27-30% and transport cargo for foreign partners on long maritime routes. The volume of cargo to be transported by the Vietnamese fleet will reach 110-126 million tons by 2015 and 215-260 million tons by 2020 and

increase 1.5-2 times over 2020 by 2030. The number of passengers will reach 5 million by 2015 and 9-10 million by 2020 and increase 1.5 times over 2020 by 2030;

To develop the Vietnamese fleet to be modern, attaching importance to special-use ships (container ships, bulky cargo ships, oil tankers, etc.) and large-tonnage ships. The total tonnage will be 6-6.5 million DWT by 2010, 8.5-9.5 million DWT by 2015, and 11.5-13.5 million DWT by 2020. To step by step build new ships for the Vietnamese fleet with an average age of 12 years by 2020.

- Seaport system:

From now to 2020 and 2030, to develop complete and modern seaports and access channels. To accelerate the construction of seaports, making focal investment in locations with conditions and needs with a view to exploiting their natural advantages and making use of ocean shipping for national economic development and for use as a basis for building and developing Vietnam's seaport system under a national master plan. To form transport infrastructure connection centers in regions, especially in key economic regions and large economic zones and industrial parks. To develop large international transshipment ports and gateway ports in appropriate regions in order to affirm the position and advantages of marine economy, creating important hubs for economic exchange between Vietnam and other countries for the attainment of the marine strategy's objectives.

- Shipbuilding industry:

By 2020, to develop the country's shipbuilding industry to the advanced level in the region. To build new cargo ships of up to 300,000 DWT. Passenger, petroleum service, salvage and rescue, and maritime security ships will meet 65-70% of the demand for a bigger domestic fleet during 2010-2020. To repair ship shells, engines and electric and electronic systems of ships of up to 400,000 DWT, meeting socio-economic development requirements and increasing export to earn foreign currencies for the country;

To develop in a balanced manner both ship building and repair. To speedily access modern technologies and attach importance to in-depth investment for promoting the efficiency of existing ship building and repair yards, even supporting industries.

- Maritime services:

To develop ocean-shipping support services in a coordinated manner, especially quality logistic and multimodal transportation services, proceeding to provide packaged services and services overseas to meet integration requirements. To form domestic ports in line with the development of economic corridors and cargo distribution centers linked with seaports;

To develop in a coordinated manner logistics, maritime security and search and rescue establishments as well as maritime information-technology systems to meet development requirements and comply with international conventions.

2. The master plan's contents

a/ Kinds and sizes of ships

- International routes:

For bulky cargo: To use ships of 100,000-200,000 DWT for transporting coal imported for thermo-power plants and ores for cast-iron and steel complexes; ships of 70,000-100,000 DWT for transporting exported alumina; and ships of 30,000-50,000 DWT for transporting exported food and imported fertilizers and clinker;

For general cargo: To use ships of 10,000-20,000 DWT for transporting general cargo to Asian countries and ships of 20,000-30,000 DWT for transporting general cargo to European, American and African countries;

For containerized cargo: To use ships of 500-3,000 TEU for transporting containerized cargo to Asian countries and ships of 4,000-6,000 TEU or larger ships for transporting containerized cargo to European, American and African countries;

For liquid cargo: To use parent ships of 150,000-300,000 DWT for transporting imported petrol and oil transshipped at Van Phong port; ships of 10,000-50,000 DWT for transporting oil products; ships of 100,000-300,000 DWT for transporting crude oil; and ships of 1,000-5,000 TEU for transporting liquefied gas.

- Domestic routes:

For bulky and general cargo: To use ships of 1,000-10,000 DWT.

For containerized cargo: To use ships of 200-1,000 TEU.

For liquid cargo: To use special-use ships of 1,000-30,000 DWT for transporting oil products; and ships of 100,000-150,000 DWT for transporting crude oil from oil fields to oil refineries.

b/ Development of the fleet:

- The total annual volume of cargo to be transported by the Vietnamese fleet will reach 215-260 million tons by 2020, including 135-165 million tons of international transportation and 80-105 million tons of domestic transportation;

- Sizes and needs to increase tonnage of the fleet:

The total tonnage of the Vietnamese cargo fleet will reach 11.8-13.2 million DWT by 2020, including 3.84-4.45 million DWT of general cargo ships; 2.7-3.11 million DWT of bulky-cargo ships; 1.49-1.71 million DWT of container ships; 1.92-2.21 million DWT of crude-oil tankers; and 1.69-1.77 million DWT of oil product tankers;

The tonnage of the Vietnamese cargo fleet will increase to 3.8-4.9 million DWT by 2020;

The seating capacity of the fleet of tourist ships and ships transporting tourists to islands will increase by around 14,000 seats.

c/ Development of the seaport system:

- To meet ocean shipping and national socioeconomic development requirements, the master plan on Vietnam's seaport system up to 2020 and orientations towards 2030 should be reviewed, updated, adjusted and supplemented under a longer vision. In the coming period, in addition to upgrading, making in-depth investment in and promoting to the utmost capacity and efficiency of existing ports, it is necessary to concentrate on building international transshipment and gateway ports in key economic regions, deep-water container, ore coal and oil ports which are of large scale and furnished with modern equipment so as to step by step help Vietnam integrate into and compete in seaport investment and operation with the countries in the region and the world;

- To renovate and maintain navigation channels to ensure their coordinated and effective operation with seaports; to completely develop railways, roads and inland waterways for connection with inland depots, cargo distribution centers, economic zones, industrial parks, ports and inland waterway wharves, facilitating cargo handling and raising the operation efficiency of ports;

- To develop on island districts wharves with sizes suitable to local natural and socio-economic conditions to serve cargo and passenger transportation for socio-economic development and security and defense maintenance;

A master plan on development of Vietnam's seaport system up to 2020 and orientations towards 2030 will be approved by the Prime Minister in a separate document.

d/ Shipbuilding industry development:

- To increase and repair the domestic fleet and export certain products according to the set objectives, to establish a system of ship building and repair yards for ships of up to 400,000 DWT;

- To attach importance to developing supporting industries for the ship building and repair industry with a view to forming a synchronous and complete shipbuilding industry to meet national development and defense requirements; to make use of the capacity of other industries nationwide in order to raise specialization and investment efficiency;

A master plan on the shipbuilding industry development will be approved by the Prime Minister in a separate document.

e/ Development of ocean-shipping support and logistic services:

- To develop ocean-shipping support, logistic and multimodal transportation services, especially at northern ports, Ho Chi Minh City-Dong Nai-Ba Ria Vung Tau ports and Mekong River delta ports, attaching importance to raising the quality of these services;

- To effectively apply information technology to management, administration and provision of services;

- To develop cargo distribution centers linked with container wharves, especially at gateway ports and international transshipment ports;

- To develop ocean-shipping support services towards international integration: to intensify the suite management of service quality to ensure a healthy market.

f/ Human resource development:

- From now to 2020, to train and retrain 39,000 crew members and officers, of whom 24,000 officers will be trained (16,000 officers for the fleet development and 8,000 officers for replacement purposes, including 9,600 officers and managers and 14,400 crewmembers and maritime technical workers). To retrain 15,000 currently working persons to have higher qualifications. To encourage the training of officers and skilled crewmembers for export;

- To step up the training of logistic, shipbuilding and seaport operation human resources;

- To renew maritime training methods, programs and standards, especially for the training of managers, officers, crewmembers as well as managers and operators of logistic and multimodal transportation activities. To attach importance to foreign language training and practice combined with theory. To enhance linkage between ocean shipping companies and training institutions.

g/ Investment capital required for ocean shipping development up to 2020:

The total investment capital for the fleet and cargo distribution and logistics service centers from now to 2020 is estimated at around VND 270-290 trillion, which will be raised by enterprises themselves from lawful sources.

3. Major solutions and policies

- To review, amend, supplement and step by step improve maritime legal documents and relevant sub-law documents. In the immediate future, to amend and supplement legal documents on multimodal transportation, logistic services, management of investment in and operation of seaport infrastructure, to suit Vietnam's development situation and trends; to translate Vietnam's WTO commitments into national law;

- To step up administrative reform in the ocean shipping, especially reform of administrative procedures at Vietnamese seaports and ship registration procedures. To accelerate the application of information technology, e-port authorities, e-customs and one-stop shop mechanism to create favorable conditions for ships and boats to enter and leave seaports;

- To enhance inspection and supervision of the implementation of Vietnamese law and international conventions on assurance of maritime safety and security and environmental protection to which Vietnam is a contracting party. To effectively guide and implement the International Maritime Organization's International Safety Management Code (ISMCode) and the International Conventions for the Prevention of Pollution from Ships (MARPOL 73/78). To procure facilities and equipment for remedying oil spills and collecting wastes at seaports. To improve the

quality of Vietnamese registry officers and registration and technical supervision of ships, especially ships operating along international routes;

- To encourage all economic sectors, including foreign organizations, to invest in developing the Vietnamese fleet. To formulate a fleet development program and work out appropriate and complete support mechanisms and policies to develop and modernize the fleet flying the national flag. To create an open and favorable environment conducive to fair competition and concentration of capital for developing and modernizing the fleet; to promote the association of the fleet, seaports and logistic services;

- To build a maritime service network for raising competitiveness in the context of international and regional economic integration. To build and develop the Vietnam National Shipping Lines as the core in ocean shipping, logistic services, support services and seaports; and the Vietnam Ship Industry Group as the core in the shipbuilding industry;

- To formulate development mechanisms and policies to promote investment in and effectively manage cargo distribution centers and inland depots in order to develop logistic services and promote the effective association of the operation of the fleet and seaports and support services. To study appropriate mechanisms and policies for attracting investment in developing Vietnamese logistic services;

- To step up the socialization of training, both domestic and foreign-associated training. To consolidate and develop specialized ocean-shipping universities, colleges and job-training schools in northern, Central and southern Vietnam to provide human resources for the operation of ships and seaports, shipbuilding industry, logistic services and export of crewmembers. To provide incentives for laborers in the ocean shipping, especially officers, crewmembers and laborers in ship building and repair yards, with a view to encouraging them to permanently work in the sector;

- To step up international maritime cooperation and actively accede to and implement international maritime conventions and bilateral and multilateral agreements.

Article 2.

Organization of implementation

1. The Ministry of Transport shall assume the prime responsibility for, and coordinate with concerned ministries, branches and provincial-level People's Committees in, organizing the early implementation of this master plan, in combination with the implementation of the marine strategy.

2. The Ministry of Transport shall direct and guide business groups, state corporations and enterprises engaged in ocean shipping in implementing development plans in line with this master plan; and at the same time study and propose solutions necessary for the effective implementation of this master plan suitable to the country's socio-economic development situation in each period.

3. The Ministry of Transport shall coordinate with provincial-level People's Committees in studying and developing cargo distribution and logistic service centers in important transport hubs; building a system for collecting and treating waste oil discharged from ocean shipping activities; and elaborating master plans on railway, road and inland waterway traffic networks for effective ocean-shipping development.

4. The Ministry of Labor, War Invalids and Social Affairs shall assume the prime responsibility for, and coordinate with the Ministry of Transport in, studying and promulgating incentives for laborers in the ocean shipping like those performing heavy and dangerous jobs.

5. The Ministry of Education and Training shall assume the prime responsibility for, and coordinate with the Ministry of Transport in, studying and renewing training methods and standards for the workforce in the ocean shipping with a view to raising their quality to meet requirements in the new situation.

6. The Ministry of Transport shall assume the prime responsibility for, and coordinate with the Ministry of Industry and Trade and the Ministry of Finance in, studying and promulgating or submitting to competent authorities for promulgation policies to facilitate ocean shipping development; and concurrently studying and promulgating policies to develop and manage logistic services.

7. The Ministry of Transport shall enhance the state management of maritime support services and logistic services and guide and inspect the implementation of this master plan; and complete strategic environmental impact assessment reports and submit them for approval under regulations.

Article 3.

This Decision takes effect on the date of its signing. This Decision replaces the Prime Minister's Decision No. 1195/QĐ-TTg dated November 4, 2003, approving the master plan on development of Vietnam's ocean shipping up to 2010 and orientations towards 2020.

Article 4.

Ministers, heads of ministerial-level agencies, heads of government-attached agencies and chairpersons of concerned provincial-level People's Committees shall implement this Decision.

PRIME MINISTER
(Signed and sealed)

Nguyen Tan Dung

(This translation is for reference only)

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