

Solutions for improving of the seaport service system in Vietnam

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Abstract: The development of Vietnamese shipping fleet is quite fragmented, the fleet capacity is low, and the management capacity is poor, so many shipping companies operate inefficiently ... limiting the ability to connect shipping. Moreover, the slow movement of goods between Vietnamese seaports has led to the situation that port enterprises have to rotate the positions of containers in yards or between different ports and ICDs. This increases the cost and reduces the efficiency of port operation, greatly affecting the import and export activities throughout the country. One of the major difficulties of the port area is that the infrastructure connected to the cargo concentration area is still weak. In particular, localities still lack of specialized delivery and service centers. Inadequacies in exploiting and managing the seaport system in Vietnam make import-export enterprises spend a lot of time and costs in exporting goods, reducing the competitiveness of Vietnamese goods. The paper presents inadequacies and weaknesses of the seaport system in Vietnam; on that basis, propose some radical solutions to improve the quality of services at seaports in Vietnam.

Keywords: Seaport service systems, shipping fleet, Vietnam, import, export.

I. INTRODUCTION

Viet Nam's marine strategy defines a goal by 2020 that will strive to make our country a strong nation in the sea, enriched from the sea. In particular, the key task is to develop a system of seaports, logistics that compete fairly with other countries in the region and the world. Compared to the potential, currently Vietnamese seaports have grown proportionately? Seaport is one of the five transport infrastructures, the gateway of import and export goods and a hub for conversion of modes of transport from sea transport to rail, road and inland waterway transport. . Therefore, the seaport system and logistics services associated with port operation always play a particularly important role. Currently, Vietnam has 44 seaports and 263 ports with a total length of about 89km. In particular, deep-water seaport, gateway port combined with international transshipment port can receive ships of 100-200 thousand tons which have been invested in construction in the North and the South and are continuing to research and invest. in the Central. With the capacity of about 550-570 million tons / year, the Vietnamese port system annually approves up to 90% of import and export goods, contributing to create a driving force for the country's economic development. Building electronic statistical declaration software to minimize administrative procedures, support maritime activities to improve the efficiency of seaport exploitation. In my opinion, that is only partially true. Prior to 2007, our port system was still poorly rated in terms of quality, backward in technology, lack of berths for large vessels, especially for container ships operating on the route. far sea. At that time, the ports for ships with a tonnage of over 50,000 tons accounted for only 1.4%. However, from 2007 until now, Vietnam's seaport system has made a breakthrough development. The capacity of general ports and regional hubs has been newly invested, renovated and upgraded to receive ships of 30-200 thousand tons. Particularly, Ba Ria-Vung Tau port has successfully received the world's largest container ship with a capacity of 18,300 TEU (194,000DWT), which has confirmed that Vietnam's seaport capacity is catching up with the development trend of the world's fleet. . In addition, investment projects on public infrastructure development and leading projects are strongly attracting the private sector to invest, many port operators and large shipping lines of the world came to participate in seaport exploitation in Quang Ninh, Hai Phong, Ho Chi Minh City, Ba Ria - Vung Tau. This shows that the development orientation of seaports in our country today is on the right track, meeting the development needs of the economy. Increasing logistics connection by gateway ports and dry ports The Prime Minister has issued a Directive requiring implementation of solutions to reduce logistics costs, and effectively connect transport infrastructure. Logistics costs of a country depend heavily on the hardware factors of logistics infrastructure and software factors as mechanisms and policies.

According to a report from the Vietnam Maritime Administration, as of May 31, 2018, the number of slow-moving goods likely to remain in Vietnam's seaports was 27,944 containers. In particular, Hai Phong seaport area has 6,753 containers, port area in Ho Chi Minh City. HCM has 14,658 containers, BR-VT area 6,533 containers[1].One of the reasons for the slow rotation is the trade policy of the world economic powers, which have many changes with many complicated and unpredictable developments. For example, China announced to stop importing 24 recyclable scrap items from January 1, 2018. Therefore, a large number of these items from developed countries will not be imported to China but will find its way into other Asian countries, including Vietnam[2].Only in Cat Lai port - TP. Ho Chi Minh City, on May 18, 2018, there were over 8,000

TEUs (accounting for about 10% of the total yard capacity) of imported goods left over 40 days, of which about 70% were plastic / paper scraps that customs authorities lock request, not delivered[3]. The remaining inventory containers are mainly chemicals, machinery, fertilizers, tinted float glass, children's toys ... According to information from shipping lines, this amount of plastic / paper scrap is being imported. large amount to Vietnam, no sign of stopping[4]. Thus, the slow movement of goods at Cat Lai port in particular and Vietnamese seaports in general will lead to the situation that port enterprises have to rotate the positions of containers in yards or between different ports and ICDs. This increases costs and reduces port operation efficiency; at the same time, affecting other import and export goods of Vietnam[5]. According to the Vietnam Maritime Administration, in 2015 the total transport volume carried out by the Vietnamese fleet reached about 118.7 million tons, up 9.5% compared to 2014 - the largest increase in recent years. However, Vietnam's fleet only accounts for 27.8% of total cargo throughput, over 70% of the remaining market share belongs to foreign shipping lines[6]. Besides, despite having favorable geographical location and a coastline of more than 3,260km, creating great opportunities for the development of shipping fleets, in 2015 Vietnam ranked 28th in the world in terms of the national ship connectivity index. with 45 points, much lower than other countries in Asia such as China, Hong Kong, Singapore, South Korea, Malaysia, and Japan[7].

To reduce logistics costs, we need to improve both of the above. In order to implement groups of solutions to reduce logistics service costs such as the Prime Minister's Directive, the maritime industry will review and finalize the plans for development of the seaport system towards strong seaward progress. , minimize channel restrictions and get closer access to international shipping routes in the South China Sea. Linking the construction of seaports with the development of an advanced port management model to optimize port investment and operation. The seaport has been identified as a central focal point to deploy solutions to connect transport modes. download. Development of ICDs to support port operation, contributing to restructuring the transport market share of modes, facilitating the transport of goods from seaports to production, distribution, and drainage centers. be absorbed throughout.

II. INADEQUATE IN THE HANDLING OF GOODS

In the North, it will focus on perfecting the infrastructure of Lach Huyen port, as a basis to attract investment in the next ports; Coordinate with the Vietnam Railway Department to study the connection of Lach Huyen - Lao Cai - Kunming railway (China) to attract transshipment goods. Focusing on investing in some inland ports under the planning approved by the Ministry of Transport. In particular, inland ports are linked to inland waterways and railways in the areas of Southeastern Hanoi, Bac Ninh and Lao Cai to support the exploitation of seaports in Quang Ninh and Hai Phong. Trung, we will study the construction of a regional international gateway port in Lien Chieu (Da Nang). At the same time, studying solutions to connect effectively along the East-West economic corridor with Da Nang seaport in order to attract goods from Southern Laos, Eastern-Northern Thailand. supporting the operation of Ba Ria - Vung Tau, Ho Chi Minh City seaport including Cai Mep Ha logistics center, dry ports in Dong Nai, Binh Duong and Tay Ninh will be invested. To speed up the investment in building traffic routes linking with Vung Tau seaport, including Ben Luc - Long Thanh expressway; inter-port road, Phuoc An bridge and Vung Tau – Thi Vai navigation channel to meet the demand for receiving container ships of 18,000TEU. Based on the development plan of the maritime industry, in the coming time, three main gateway ports of the country will be formed, including: Hai Phong international port associated with the development axis of Hai Phong - Hanoi - Lao Cai - Kunming (China); Danang International Port associated with the development axis of Da Nang - Hue - Quang Tri - Savannakhet (Laos); Vung Tau international gateway port is connected to the axis of Ba Ria - Vung Tau - Dong Nai - Ho Chi Minh City - Binh Duong – Tay Ninh - Phnom Penh (Cambodia). When seaport infrastructure, connected transport infrastructure and support services are developed synchronously, the above ports will become the main gateways, contributing to improving the competitiveness of goods and the position of According to the forecast of the development of Vietnam's seaport system, by 2020, Vietnam will need to transport goods by sea about 640 million tons and about 1.1 billion tons to year. Basing on that basis, the capital demand in the 2016-2020 period for the development of Vietnam's seaport system is estimated at VND 80-100 trillion. In particular, public port infrastructure is expected to account for about 30-40% of the remaining capital from the private sector, including domestic and foreign capital. The reason is that due to the low volume of Vietnam's imports and exports, the lack of concentration of the seaport system, the lack of deep-water ports and the backward port infrastructure, the mother ships of the large shipping companies do not give priority to docking. Moreover, the development of Vietnamese shipping fleet is quite fragmented, the fleet capacity is low, and the management capacity is poor, so many ship operators are not operating effectively ... limiting the ability to connect shipping. Specifically, the inadequacies of the Vietnamese fleet include: About transport output, transport routes, fleet structure, own fleet, type of ship[8]. According to the Vietnam Maritime Administration, the fleet of Vietnamese nationality ships up to hundreds of thousands, but the fleet structure is not reasonable. General bulk carriers

account for a large proportion, while specialized and container ships account for a very small percentage, leading to an oversupply of bulk, bulk and small-tonnage vessels, but a shortage of specialized vessels, large tonnage ships running international routes[9].According to the forecast of the Maritime Administration - Ministry of Transport, in 2015, the volume of goods through seaports nationwide will reach about 405 million tons, by 2020 is 606 million tons and will reach 1,100 million tons by 2030. Currently, the country has 31 seaports, 259 ports, 402 wharves with a total length of 59.4 km along with 44 national routes[10].In accordance with the provisions of the Maritime Code 2015, the Government issued Decree No. 169/2016 / ND-CP dated December 26, 2016 on handling of goods kept by carriers at Vietnamese seaports stipulating the handling of goods left in stock at seaports according to the customs law.In order for the relevant agencies and functional agencies to continue urgently carrying out the handling of outstanding goods lots at seaports and border gates strictly according to the provisions of Decree No. 29/2014 / ND-CP. dated 10.4.2014 of the Government stipulating the authority and procedures for establishing the State's ownership of properties and the management and handling of properties with the State's ownership established; In recent years, the City Customs Department. HCM directs Sub-departments to regularly review, statistic, screen, perform classification for cargo containers showing signs of doubt, carry out container locking, put them into a separate area for monitoring and strict supervision. If the goods owner carries out the procedures for receiving goods, carries out detailed inspection and strictly handles violations; In case goods owners do not carry out procedures, after 90 days overdue, they shall handle them according to the provisions of Circular No. 203/2014 / TT-BTC guiding the handling of goods left in the geographical areas of customs operation; Circular No. 05/2014 / TT-BCT dated January 27, 2014 of the Ministry of Industry and Trade stipulating activities of temporary import for re-export, re-import and border-gate transfer of goods and other relevant law provisions in order to promptly settle them and avoid wasting valuable goods, handling and destroying shipments affecting the environment.

III. SITUATION OF VIETNAM SEA FLEET

In the process of dealing with unsold goods, the issue of state ownership of unsold goods, the auction order has not specified the rights and obligations of the parties and many issues. Other relevant topics as prescribed in Clause 3, Article 19 of Circular No. 203/2014 / TT-BTC stipulating the case where no funding source is available to make payment to the Council for advance payment of funds from custody accounts, the budget estimate Frequent books of the Customs Department or enterprises managing inventory of goods in order to make payment from the budget source are one of the causes causing difficulties in slowing down the process of liquidation of goods left in stock.In addition, there are no specific regulations for goods that are slow to circulate. Saigon Newport Corporation has issued Document No. 930 / TCT-KHKH dated May 18, 2018, regarding the handling of imported scrap plastic containers at Tan Cang Cat Lai port and Tan Phuoc Tan Cang port, in which "From 01.6 .2018, Saigon New Port will only unload cargo from the ship after the customer presents sufficient import permits of the consignment issued by the competent authority and the written commitment of the specific time of receipt of goods. In case there are not enough documents as required, you and the carrier should coordinate to transfer the port of discharge for these shipments to other ports before the ship arrives at the port, to avoid causing passive when releasing the ship. time and costs for stakeholders "and" from 10.6.2018 to 30.30.2018, Tan Cang Sai Gon stopped accepting all plastic scrap imports directly at these two ports. According to data from the Transport Restructuring Scheme, the current market share of freight transport by sea is only 17.6% (while road transport remains high at 75.3% of total transport volume). This proportion is not commensurate with the potential and strengths of a country with great advantages in developing shipping as Vietnam.The Vietnamese fleet is only operating on domestic transport routes with a market share of over 90%.On international routes, the fleet mainly runs short routes around Southeast Asia and Northeast Asia and only accounts for about 12% of the market share on these routes. Despite having a large market share, inland sea transport is still facing difficulties in low freight rates, scarce supplies and imbalance between the two North-South transport routes (the direction from the North to the South is only about 60% compared to the direction from South to North).

According to statistics of the Vietnam Maritime Administration, by 2015 Vietnam's fleet of cargo ships had 1,849 ships (not including 38 ships with foreign national flags) with a total tonnage of 7.3 million DWT. However, the overall fleet structure of Vietnam is still not reasonable. In the trend of containerization of the world, Vietnam's container ships only have 64 units, accounting for 3.5%, much lower than the world average of 13%. Recently, the growth rate of container ships in the world is about 7.7%, Vietnam has only increased by more than 1%. In contrast, general cargo ships accounted for the largest number with 1,085 units, or 58.7%. Next is dry cargo ship with 318 units (accounting for 17.2%). Oil and chemical tankers with 185 ships (10.5%) but are very fragmented by many ship owners. The bulk carrier has 188 ships (10.2%) but the overall operating capability is inefficient.

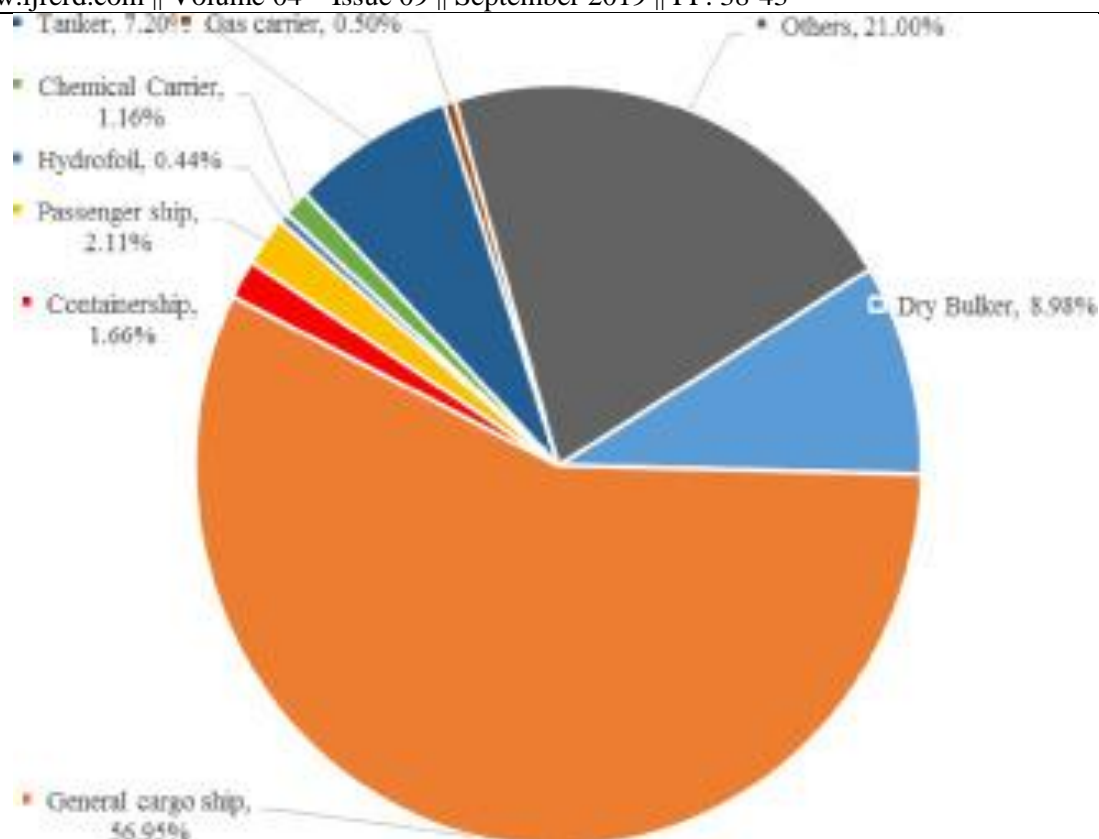


Fig. 1. Vietnamese ship fleet

According to the general assessment of the Vietnam Maritime Administration, the number of Vietnamese ship owners is quite large but the financial capacity and management capacity is limited. Out of 597 ship owners, only 33 ship-owners own a fleet of ships with a tonnage of over 10,000 DWT, the remaining 564 small ship owners of private economic sectors in localities such as Hai Phong, Thanh Hoa, Thai Binh, Can Tho ... but only manages 27% of the fleet tonnage. In addition to the general limitations mentioned above, in each type of ship also exist its own shortcomings. Bulk cargo fleet: mainly transports agricultural products (rice, sugar ...), iron and steel products, iron ore, fertilizer, coal dust, cement ... on domestic routes and short routes in the Southeast Asia, China or a number of ships transporting long distances to West Africa, South America, Eastern Europe. Currently, the group of bulk ships with a tonnage of under 10,000 DWT accounts for the most but only accounts for 13% of the total tonnage. Vessels of 20,000 - 30,000 DWT account for 47% of the total tonnage, and over 40,000 DWT of ships are very small but account for 21% of Vietnam's bulk cargo tonnage. The operation of bulk ships of Vietnamese enterprises is generally very inefficient, the rate of time the train runs on average is only about 30-35%, the time when the bulk ships run empty is still quite high, an average of about 13 - 15% in the year, the time when anchors are waiting for cargo is usually about 20-25%. Container fleets: The form of container shipping has begun to develop in Vietnam since the 1990s. By the end of 2015, Vietnam had 15 enterprises operating container shipping with a total of over 64 vessels, with a total Download about 544.106DWT. The Vietnamese container fleet is generally very small in terms of tonnage, high age, and slow speed compared to the container lines of foreign firms. Vietnam has only two shipping lines ranked among the top 100 container shipping lines in the world, namely East Sea and Vinalines, but also in relatively low rankings. Most of Vietnam's container ships only run on domestic routes such as Hai Phong - Da Nang - Ho Chi Minh City under the protection of the Government. Only very few firms have vessels running to transshipment ports of Singapore and Hong Kong but the frequency is also very limited. Meanwhile, the pressure of competition on international routes for Vietnamese shipping lines is increasing. In 2015, Vietnam had more than 40 international container shipping lines and currently accounts for about 85% of Vietnam's import and export containers. These shipping lines operate mainly under three forms: Vietnamese companies acting as agents, joint-venture companies or companies with 100% foreign capital.

From the above analysis, the Vietnamese shipping fleet still has many limitations in terms of transport volume, fleet structure and ownership structure as well as transport routes. In order to develop the type of goods transport by sea commensurate with the potential and advantages, besides the solutions for planning the seaport

system, investing in port infrastructure, reforming administrative procedures in ports, the Government and Vietnamese shipping enterprises need to consider the development of the fleet as one of the important and urgent solutions.

IV. SOLUTIONS

Although the Vietnam Sea Strategy to 2020 has been implemented synchronously, in reality, there are still many "grit" affecting the efforts towards the sea. The biggest constraint in the development of marine economy today is the State management on the marine economic sectors in our country is weak, the planning of marine space is still fragmented, the related legal system is not complete. Developing a fleet of ships plays an important role in goods circulation between Vietnam and other countries in the region and around the world. This makes an important contribution to the integration of Vietnam's economy into the international economy. However, in fact the Vietnamese fleet has only guaranteed nearly 30% of the domestic market share, so it has not met the needs set out. Vietnam's fleet is small, unreasonable structure, outdated technology, high age ships ... It can be considered as the reasons for the failure of the fleet at home. Compared to the strong fleet of countries in the world and the region, our fleet structure is weak in terms of both number and tonnage, capacity and management method. The development trend of world and regional shipping fleet in recent years has mainly been container ships. Regarding vessel tonnage, according to the statistics of the world average ship tonnage and our country's fleet, there is a big difference. Although in recent years, Vietnam's fleet has had positive changes, but compared to its potential, geographical advantages and general conditions, this development is still inadequate. In general, the quantity, structure, tonnage ... to serve for each type of goods, transport flows in each area have not been met. In the context of increasingly globalization, trade and shipping development, the role and position of the marine economy are increasingly strengthened and enhanced. Therefore, the key task of the Vietnam Seaport Association in the coming time is to stabilize port service prices, amend and supplement a number of customs procedures to raise the competitiveness of Vietnam's seaport; maintain and develop foreign relations, actively participate in the activities of the ASEAN Seaport Association, enhance the search for market information for the port block. Continuing to remove difficulties for ports, it is expected that in the third quarter of 2014, the provincial People's Committee will organize a program to work with import-export enterprises, transport enterprises and port owners, shipping lines to thoroughly solve the In addition, the company still exists, affecting the business environment, the general psychology of the goods owners and creating goods sources. At the same time, the Provincial People's Committee directs concerned departments and branches to coordinate in completing the overall investment promotion program for developing logistics services in the period of 2015-2020. "The province aims to strive to 2016, the volume of goods through the port system of the province reached about 56 million tons, an increase of about 10% compared to 2013, which focuses on container and dry cargo. In order to attract the port system, the Department of Transport and Transport has also proposed the provincial People's Committee to direct the provincial Customs Department to assume the prime responsibility and coordinate with the City Customs Department. Ho Chi Minh City, Department of Taxation. Ho Chi Minh City, Department of Taxation of provinces, departments, branches, localities and related agencies review the inspection and control procedures for imported, exported and transited goods with favorable mechanisms related to customs procedures. , tax as city area. Ho Chi Minh. In order to attract vessels into Cai Mep – Thi Vai port system, the provincial People's Committee continues to request the Ministry of Transport to propose the Ministry of Finance to reduce maritime charges and fees for all container ships calling at Cai Mep - Thi port. Fabrics regardless of capacity and load; preferential discount for transshipment mother ships - feeder ships calling at Thi Vai – Cai Mep port. The inter-port route is extremely important, running along the Cai Mep – Thi Vai port system, the industrial park system and connected to the southern inter-regional highway in Nhon Trach (Dong Nai), when completed. will significantly shorten the distance of transporting goods from the port area to the city. Ho Chi Minh and Southwest region. Therefore, in order to complete this route soon, the provincial People's Committee has asked the Government, ministries and central agencies to add more Government bond capital in the 2014-2016 capital plan of more than VND 1,157 billion to implement the period. 1 of the project. On the other hand, it is necessary to soon deploy routes connecting outside the region to support the Thi Vai – Cai Mep seaport system such as Bien Hoa - Vung Tau expressway, Bien Hoa - Vung Tau railway, Ben Luc highway. - Long Thanh, ring road 4 city. Ho Chi Minh. In parallel with the road and inland waterways, the province developed the military center. The provincial People's Committee has asked the Government and the Ministry of Transport to soon dredge Dong Tranh river channel to support the improvement of the exploitation efficiency of Thi Vai – Cai Mep port system. Experiences in managing and operating seaports in the region, discussing other contents such as simplifying goods procedures when passing ports, applying information technology, developing human resources, environmental protection and other cooperation programs of APA member states. In order for the new ports to be effective, especially in the early stages, it is necessary to provide cargo services attached to the ports. However, for new ports of Group 5 area in

Cai Mep – Thi Vai (Ba Ria - Vung Tau), Hiep Phuoc (Ho Chi Minh City) has not developed timely industrial zones, export processing zones attached to the port. . Although Cai Mep – Thi Vai area has been invested in modern port infrastructure to meet international standards, but the port's rear area has no logistics center, empty container terminals, truck centers to support transport and promote the development of logistics services. This is the drawback, reducing attractiveness for investors. Regarding tax and fee solutions, the Ministry of Transport shall coordinate with the Ministry of Finance and relevant agencies in studying the adjustment of the application of loading and unloading floor rates or the application of seaport infrastructure charges. guide the application of low levels in the areas at the new ports and the highs at the port areas easily causing congestion to affect the flow of goods; Working with BOT investors to reduce fees for means of transporting goods to - from ports in Cai Mep – Thi Vai area to reduce transport costs.

V. CONCLUSION

According to the forecast of the development of Vietnam's seaport system, by 2020, Vietnam will need to transport goods by sea about 640 million tons and about 1.1 billion tons by 2030. On that basis, the capital demand for the period of 2016 - 2020 for the development of Vietnam's seaport system is estimated at VND 80,000 - 100,000 billion. In particular, public port infrastructure is expected to account for about 30-40% of the remaining capital from the private sector, including domestic and foreign capital. However, with a double-digit growth rate, while the State's investment resources for seaport systems have reached the limit, making Vietnam's logistics costs among the most expensive goods in the world. Therefore, the port system and logistics services associated with the port operation always play a particularly important role. With the capacity of about 550-570 million tons / year, the Vietnamese port system annually approves up to 90% of import and export goods, contributing to create a driving force for the country's economic development. Shipping procedures should be deployed electronically, and software for electronic statistical declaration should be developed to minimize administrative procedures, support maritime activities to improve the efficiency of seaport exploitation.

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