

Mr. Hoang Trung Hai, Deputy Prime Minister, chairs the meeting with the Ministry of Transport

By MOT, 24 Dec 2011

In the morning on the 24th day of December, at the Ministry of Transport's office, Mr. Hoang Trung Hai, Deputy Prime Minister, chaired a meeting with the Ministry of Transport (MOT) to review implementation progress of tasks in 2010, objectives and major tasks in 2012 and 5 year plans (2012-2016) of the transport sector. Representatives of Governmental office, the Ministry of Finance, Ministry of Planning and Investment, Ministry of Construction, Ministry of Natural Resources and Environment participated the meeting. Representatives of the Ministry of Transport were Mr. Dinh La Thang, Minister of Transport, Mr. Truong Tan Vien, Vice Minister, leaders of departments, agencies and units under the MOT; and representatives of Vinalines, Vietnam Railway Corporation, Vietnam airlines, Vinashin group.



In the meeting, Mr. Truong Tan Vien, the Vice Minister, reported that: during the period 2006 - 2010, the transport infrastructure system in Vietnam has been developing positively, expanded in scale and enhanced in quality. The upgrading of transportation system comprising of main land roads, inland waterways and railways in combination with efficient management skill have helped improve handling capacity of these significantly. Seaports and airports are gradually expanded, upgraded and newly constructed in order to meet the average growth rate of transportation sector which is about 10% per year. There are also many essential and important works in place in service of industrialization and modernization of the country.

The overall objectives of Vietnam transportation sector from now to 2015 is to create a powerful breakthrough in upgrading handling capacity of the whole transportation infrastructure system significantly in which main focus is to complete construction of key and big projects which are seen as backbone of the development strategy; in tackling traffic congestion on arterial routes and urban transport, and overload situation at airports and big seaports.

Accordingly, for land road, it will be a target to quickly upgrade the system to national level, to speed up construction of South-North highway route, highways in focused economic zones, seaports, international gateway ports, international airports so that could be able to meet development trend and ease traffic congestion. Moreover, expansion of some sections where the traffic flow is high must be accomplished to improve traffic capacity of National Highway No.1.

For railways, existing railways will continue to be upgraded and rehabilitated. It is a target to improve speed of the existing Thong Nhat (Unification) railway line to 120 km per hour in 2020. Construction of some high speed sections of North – South line, West - East railway corridor, Singapore – Kunming rail link will be started; upgrade of Yen Vien – Lim – Pha Lai – Ha Long – Cai Lan, Yen Vien –Lao Cai route, Cat Linh – Ha Dong route, Ben Thanh – Suoi Tien route, and development of Ngoc Hoi - Yen Vien route, Nhon – Ha Noi station route, Deawoo – Lang – Hoa Lac route, North Thang Long – Thuong Dinh route, Ben Thanh – Tham Luong route are also completed.

For inland waterways, continuing to upgrade and rehabilitate major inland waterways, especially the Red River, Mekong River, coastal transport route, Lach Giang estuary, Day River, Tieu estuary, Soai Rap River etc. Besides, it is required to complete Cho Gao Canal upgrading project, HCMC-Ben Luc - Vam Co - Tien - Hau – Tri Ton - Vam Ray route; Tien river – Hau River- Bac Lieu canal- Ca Mau - Gia Rai route; Viet Tri- Duong River – Thay canal- Han River - Cam River- Duong estuary-Mom Ro -Ninh Co River - Lach Giang estuary.

For maritime sector, seaport system and navigational channels continue to be invested and upgraded to be synchronized and modern. Other projects such as Van Phong international transshipment terminal, Hai Phong international gateway port, Ba Ria - Vung Tau seaport, Cai Mep - Thi Vai port shall be invested and completed step by step.

For aviation sector, investment in upgrading the existing international airport and domestic ones will help raise the handling capacity and capability of the whole network to double in 2015. Together with that, the MOT will make necessary preparation for putting Long Thanh International airport into the construction soon; invest in specialized flight management system which ensures the roaming envelop of associated communication equipment, navigation and surveillance throughout the FIR region of Vietnam.

According to the Deputy Minister, with the minimum budget of 483,000 billion dongs set for 2011 – 2015, the MOT will renovate, upgrade and expand about 6,000 km land road (inclusive of 600km long highway), 44,600m long bridges, construct 150 km long railway and 12.5 km long jetty which aims at meeting expected cargo throughput of more than 500 million tons in 2015. However, to turn these above objectives feasible and achievable, the Ministry of Transport really need a big positive support on 05 policies relating to construction, fund mobilization, finance, bidding and site clearance.

Accordingly, the MOT recommends that the Government should take soon action to issue a separate Decree on investment in BT form; to review and revise Circular No.03/2011/TT-BKHDT providing specific instructions on type of projects which require pre-qualification, and on implementation conditions in urgent case etc; to issue Decree on transfer, sale or rent of transport infrastructure on time basis; and Decree on encouraging investment in the transport infrastructure with specific incentives, applied to foreign investors as well, such as value-added tax exemption, bonus as per progress of projects, profit difference due to actual construction cost savings against estimated cost; to study encouraging policies which propose loan return form of BT projects by projects.

The MOT continues to expand operational range of the Land Road Maintenance Fund to railway, waterway, maritime, aviation and study to set up Infrastructure Development Fund; offer stimulus packages for transport infrastructure development which is not within annual budget allocation of the MOT by issuing transportation bonds; agree in principal with donors on using ODA fund in big projects as the state budget in PPP projects; increase annual capital investment budget from the state budget, ensure to allocate sufficient counterpart capital for ODA projects and BOT projects etc.

For policy on finance, the MOT proposed to increase toll fee currently applied on national highway; to issue revenue guarantee for BOT, PPP, BTO projects; to eliminate current regulation which does not allow enterprise to invest in industry out of its registered business with investment capital of one time much more than its current charter capital.

For policy on bidding and site clearance, the MOT proposed to issue bidding forms as soon as possible, to revise and amend Decree No. 85 guiding the implementation of the Law on Tender so that authorized people could be able to decide to apply direct appointment of contractor to projects which the direct appointment helps increase efficiency of projects and direct appointment of

contractor to site clearance works etc. Regarding the site clearance, the MOT also proposed the Ministry of Natural Resources and Environment in coordination with the Ministry of Finance TO guide and instruct local provinces to hurry up establishing Land Development Funds in order to reserve land and mobilize fund for resettlement zone construction.

Speaking at the meeting, Mr. Dinh La Thang, the Minister of Transport, stressed that in 2012, the MOT shall concentrate on enhancing quality and speeding up the progress of projects; and shall point out responsibility of who causes any delay in execution or poor quality of projects. The Minister also added, in the upcoming time, investment will focus to develop Long Thanh airport and Noi Bai airport. For railway, it should be a focus on innovation. According to the Minister, intention to build expressed train is not feasible and it should set a target to increase train speed to 90km / h. The Minister also affirmed that for the time being it is impossible to build railway with 1435mm width. For maritime, concentration will be on Lach Huyen and Cai Mep - Thi Vai navigational channel. For the expressed highway, it is about to complete 700 km long in 2015 and and 2,000km long in 2020.

Concluding at the end of the meeting, the Deputy Prime Minister praised the efforts of the MOT in the past five years and stressed that in the upcoming time, the MOT should continue to extend its effort more and more for the industrialization and modernization of the country. The Deputy Prime Minister affirmed that there are still many difficulties waiting ahead in which neither capital nor market or profit and loss are not the most difficult issues, that is about people.

Agreeing in principal with development orientation of the MOT, the Deputy Prime Minister required the MOT to focus on and carry out the planning work as good as possible. With regard to the recommendations of the MOT on policy mechanisms, the Deputy Prime Minister instructed concerned ministries and agencies to study in order to propose appropriate adjustments accordingly. For BOT, BT, PPP projects, to be fast, the Deputy Prime Minister instructed the MOT to start work first and during the execution, if facing any problem, raise it up so that the Government, ministries and agencies shall jointly find solution.

The MOT's office