

Vietnam's Seaport

By Phap Luat, 30 Sep 2011

Rampant seaport planning, construction and investment without priority caused a number of them unused and wasted thousands of billion VND.

Representatives of shipping companies have suggested that the Vietnam Maritime Bureau should ask the prime minister to stop funding new seaports, and close those that are not being used, in order to fully employ capacity of the country's major ports. They made these views clear at a conference on the efficiency enhancing of international seaport management and operation for the area of Ba Ria – Vung Tau, held in Vung Tau City on September 29.

To many seaports

According to general secretary of Vietnam Seaports Association, Ho Kim Lan, the country now has 56 seaports of various sizes, about 170 ones including specialized ports.

“Almost every coastal province and city has a port,” he said. “However, their rampant construction, without planning in terms of volume, has led to a situation where many of them are operating at 20% or 30% of their capacity. The seaports with small size and outdated technology are not enough competitive force on goods source, the slack trade is inevitable. While new ports are built in cooperation with foreign partners are happening surplus of design capacity”.

Mr. Pham Anh Tuan, Deputy General Director of Portcoast Consultant Corporation, pointed out that although the quantities of Vietnam's seaports are lot, most of these ports are small, limit in loading capacity while the increasing demand was in big container shipment and container terminal. He supposed “Vietnam's seaports are in scattered distribution, if concentrated in a large port area with modern handling capacity, the cost will be greatly reduced”

Representative of a Central port said that port construction has become "mainstream", so many provinces have granted permits to build ports without evaluating the local real demand.

Mr. Nguyen Xuan Ky, Deputy General Director of CMIT pointed out: “It seems to be overly exuberant from the government, management authorities/ agencies and investors in planning and granting seaport construction permit. After the permit is assigned to local, It appears the situation that investment certificate is issued "openly" towards pampering all investors”

More seaports, less demand

According to Ky, if the rampant construction is not stopped, many modern ports like CMIT will end up closing. “Many new seaports will be put into operation in the Cai Mep-Thi Vai area in the near future, including SSIT, ODA, Gemalink. But the volume of goods being shipped is not on the rise. This could lead to ports competing for fees.”

Ky stressed that foreign shipping firms would take advantage of this competition, leaving Vietnamese ports to lose out.



The investment in infrastructure affected operation of ports. Figure: CMIT on Cai Mep – Thi Vai River (Ba Ria-Vung Tau). Photo: CTV

Ky said upon the occurrence of competition, foreign carriers are benefit while Vietnam's seaports are falling into losses. Many companies invest tens of millions of US dollars to build a large port, using modern technology but the small ports around make the competition by devaluing the price for goods attraction to their ports. Recently, some parent shipping companies have stopped access to Vietnam's ports because goods are not enough and quality of seaport is not assurable.

A representative from a seaport in Cai Mep- Thi Vai area also suggested the Government limit new licenses for building seaports in areas with no real demand. "The construction of Van Phong Port in Khanh Hoa Province could be delayed 20 years because there is currently no real demand," he said

Shortcomings

Regarding the current shortcomings of Vietnamese seaports, Ho Kim Lan stated that many seaports are isolated due to the lack of transportation routes. "Many roads to seaports are in a state of neglect. We have asked the government and other relevant agencies to address this problem," he said

The situation is not confined to small ports. "Many of Vietnam's large ports, including those in Haiphong, Cai Lan and HCM City lie inland, making it difficult for big ships to get through the narrow waterways," added Doan Manh Dung, deputy chairman and general secretary of the HCM City Oceanic Science and Technology Association.

According to Dung, another drawback of Vietnamese seaports is that they are near crowded residential areas and can only operate at night, which limit their capacity.

Head of Vietnam Maritime Bureau Nguyen Ngoc Hue said that they will give priority to upgrades of the Cai Mep - Thi Vai seaport area from -14m to -16m allowing it to serve large ships and improve the surrounding transportation system

The Cai Mep-Thi Vai Seaport Area comprises a total of 52 seaports of which 24 have been put into operation such as CMIT, SP-PSA, SITV, Tan Cang-Cai Mep...27 under construction together with one Logistics Services Center at Cai Mep Downstream...

However, construction on the the 25-kilometre road, along the backs of large ports in this area such as SP-PSAM, CMIT is slow, many roads flooded subsidence. This is consider the key transport hubs linking National Highway 51, Vung Tau - Bien Hoa Highway ... but the investment in infrastructure delays and prolonged causing operational difficulties for the ports there.

Mr. **PHAM ANH TUAN**, Deputy General Director of Portcoast Consultant Corporation (*Portcoast*)

TẤN TÀI

(Translated by Portcoast)