

Relocate urban facilities: Slow moving

By Tui Tre Cui Tuan, 23 Sep 2012

Ngoc An – Duong Ngoc Ha

Seven years after the day the Prime Minister issued the decision to relocate the port system in Ho Chi Minh City (2005) with a series of urgent requirements for the Ministry of finance and the authorities of Ho Chi Minh City, to date only the New Port has been relocated. Similarly, the decisions for relocating hospitals, schools causing urban traffic overload is also moving slowly.

No port entrance

As decided by the Prime Minister, the ports in Ho Chi Minh City needs to be relocated to the suburbs before 2010 (extended to the end of 2012) consisting of five ports and factories which are Saigon New Port, Ba Son shipyard, the Nha Rong – Khanh Hoi area (Saigon port), Tan Thuan Dong port and the vegetables port. Aside from the New Port that has completed relocating in 2008, the vegetables port isn't relocating but asked to convert performance at the same place; therefore, the relocation of the three remaining projects hasn't had much progress.

Mr. Phạm Anh Tuấn – Deputy General Manager of Portcoast Consultant Corporation; member of the Nation's leaders group for relocating seaports – said: "The Ba Son shipyard is deploying the construction of a number of component items in Phu My (Ba Ria – Vung Tau) and the Nha Rong – Khanh Hoi area (Saigon port) is deploying the construction of the Saigon Hiep Phuoc port in Hiep Phuoc (HCMC) for the relocating plan.

According to Mr. Tuan, the process of implementing the relocation is slow due to many reasons: haven't been able to raise funds to invest into new ports; difficulties in compensation for clearance; infrastructures at the new location outside the port hasn't been invested... However, the main reason is that businesses that have to relocate hasn't been able to raise sufficient funds to complete the project, typically the project of constructing the Saigon Hiep Phuoc port of Saigon port had to pause construction (even though having completed 80% of the volume).



Cảng Bến Nghé sẽ được di dời về cảng Phú Hữu, Q.9, TP.HCM nhưng cảng Phú Hữu vẫn chưa hoạt động vì chưa có đường vào cảng

Even if the new ports were completed it's difficult to put them into operation, or even if they were put into operation it would still be limited due to the lack of relating infrastructures because of not having been invested timely, for example, the road linking to the Saigon Hiep Phuoc port is about 1.8km only but still haven't been deployed. In 2008, the Saigon port was allowed by Deputy Prime Minister to chair the project forming for converting the performance of the Nha Rong – Khanh Hoi

area but was unable to deploy the forming of the plan and project due to difficulties with the 1/2,000 plan for the west bank of the Saigon port having not been approved by Ho Chi Minh City.

At the recent meeting with the Economic budgets (HCMC People's Council), Mr. Nguyen Hong Anh – General Director of Traffic Engineering and Transport Company of Saigon (Samco) – said that Samco has invested 700 billion VND into constructing the new port of Phu Huu (District 9) to serve the relocation of Ben Nghe port. The port has completed phase 1 but to date there's no road entrance. The plan for relocating the Ben Nghe port to the suburbs is subjected to being delayed.

“Adversity brings wisdom”

Congestion of relocation, also according to Mr. Nguyen Hong Anh, occurs with numerous other facilities of the transport sector, especially the relocation of the bus stations to the suburbs combining with relocating the registration station. At first, the new West bus station was planned at West Tan Quy (Binh Chanh District), now there is policy to relocate it to Tan Tuc of the same district, all procedures will have to be done from scratch again. Samco is still waiting for the City to approve the selling of half of the existing West bus station to raise fund for building the new bus station. The East bus station is of no better, when there were plans to relocate from Binh Thành district to the new location in District 9 which was also very slow due to compensations and site clearance.

In the Education sector everything is also exactly the same. According to plan, by 2015 Ho Chi Minh City will relocate five universities to the suburbs in which according to the Department of Planning and Architecture, presently the four universities that are certain to be relocated are the University of Economics, the University of Architecture, the people's University of Foreign Languages and Informatics, the University of Pedagogy. But Mr. Trương Ngọc Ân, vice principal of the University of Architecture, said that although having received the order and land for relocation, the University “still doesn't have the financial resource to implement it”, specifically about 600 billion VND to compensate for clearance and nearly 2,000 billion VND to build infrastructures.

Although there was “order” to relocate but the University of Economics of Ho Chi Minh City is asking the City's People's Committee to allow the construction of an additional row of office at the A headquarters (159 Nguyen Dinh Chieu). According to the relocation plan that has been approved by the Department of Education and Training and the People's Committee of HCMC, the University is allowed to auction seven establishments (keep establishment A on Nguyen Dinh Chieu Street and establishment B on Nguyen Tri Phuong Street) to raise funding for relocation. The University of Economics has bought 1.3ha of land in District 8 for the construction of the facility serving as an intermediary institution while pending the sale of the old facilities to raise fund for constructing the new University. The total capital for this intermediate facility is about 400 billion VND but currently the University is short on money. The University has “knocked on” many places to get a stimulus loan, government bond funds...but there hasn't been satisfactory information. “In the sew situation of investment today the University's proposal for the construction of the facility might never be noted” – as stated by Mr. Nguyen Huu Huy Nhat, head of the administrative department of the University of Economics.

Plans to relocate hospitals (HSPL) to the suburbs was set out five years ago with the aim of increasing hospital beds, reducing people's vehicles from the provinces coming to the hospitals for treatments having to go into the urban areas is also “stuck” because of... not having money yet. Currently the City has determined the plan to relocate the Tropical Disease Hospital and Pham Ngoc Thach Hospital to the suburbs to avoid infection in the population, reduce the load for three hospitals which are Children's Hospital 1; Cancer Hospital; Orthopedic Trauma Hospital. Currently the most optimistic relocation plan is the Orthopedic Trauma Hospital, because of a memorandum signed by the People's Committee of Ho Chi Minh City for the BT contract (build – transfer) with Duc Khai Corporation on the construction of the Orthopedic Trauma Hospital in the South of Ho Chi Minh City. In return, the Corporation is allowed to buy the land after the Orthopedic Trauma Hospital has relocated. According to information from Duc Khai Corporation, the Orthopedic Trauma Hospital will begin construction in Q4-2012 (after much delay due to procedures). Meanwhile, Mr. Le Van Hai, head of the administrative department of the Tropical Disease Hospital, says that the Hospital has no plan of relocating. Moreover, the Hospital only knew about the relocation plan through... the planning of the People's Committee of District 5.

The Children's 1 Hospital has been allocated a plot of land in Binh Chanh district but hasn't been able to plan for the construction of the second facility to reduce the load because of “no financial solutions”. Similarly, plans to construct the second facility for the Cancer Hospital is also standing still because the land allocated for this hospital in District 9 hasn't been able to do land clearance due to the lack of funds.

Who is responsible for the delay?



Mr. Pham Anh Tuan

“The mechanisms and policies to raise capital to build facilities at the new location for businesses that have to relocate had been made clear in the decision approving the detailed planning of port group number 5. Whereby, investment capital to construct facilities at the new location of businesses that have to relocate is used from their own capital source, loan capital, capital raised from transferring land rights for the old location and other legal capital sources. The capital source that relocating businesses expect the most – main capital source – is capital made raised from transferring land rights for the old location. The Nha Rong – Khanh Hoi area (Saigon port) hasn’t been able to implement the plan to raise capital from the above sources due to the 1/2,000 plan for this area has yet to be approved as a basis for forming the plan to convert performance thereby raising capital from the old location. Only when the 1/2,000 plan for the West bank area of Saigon River is approved will there be sufficient basis for businesses to form the 1/500 detailed plan at the old location, serving as basis for calling investors to participate thereby having the capital source to solve the problem in investing for the new port.

For about the last three years, the Government has directed at least four times for the People’s Committee of Ho Chi Minh City to complete the 1/2,000 detailed planning to promote the relocation progress.

However, until the meeting dated 24-08-2012 with Deputy Prime Minister Hoang Trung Hai, the People’s Committee of Ho Chi Minh City said that the plan to adjust the West bank of Saigon River although completed but still waiting for the consult of the Ministry of construction, expected to be approved by 10-2012. This delay is partly due to the plan having to be adjusted many times, including adjustments due to the conflict of interest of the general planning of HCMC and the specific planning of the old port areas. To ensure the interests of businesses relocating we need to increase construction density, land use factor when planning the old port areas, but this conflicts with the landscaping plan of the West bank of Saigon River. But in the current situation even if the 1/2,000 plan were approved; even if businesses were able to form the project to convert performance of the old port area, the probability to call on investors to invest funds can still be very difficult. Therefore, the authorities should have mechanisms to support funds in advance to relocating businesses or guarantee to relocating businesses to loan from financial institutions in order to complete the construction project at the new location, then we can hasten the progress”.

Mr. Pham Anh Tuan
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