

Decision No. 2290/QĐ-TTg of November 27, 2013, approving the master plan on development of Vietnam's shipbuilding industry up to 2020, with orientations toward 2030

THE PRIME MINISTER

Pursuant to the December 25, 2001 Law on Organization of the Government;

Pursuant to the Government's Resolution No. 27/2007/NQ-CP of May 30, 2007, promulgating the Government's action program on implementation of Resolution of the Xth Party Central Committee, the 4th plenum, on Vietnam's marine strategy up to 2020;

At the proposal of the Ministry of Transport in Report No. 1202/TTr-BGTVT of November 11, 2013, on the approval of the master plan on development of Vietnam's shipbuilding industry up to 2020, with orientations toward 2030,

DECIDES:

Article 1. To approve the master plan on development of Vietnam's shipbuilding industry up to 2020, with orientations toward 2030, with the following principal contents:

I. DEVELOPMENT VIEWPOINTS

1. The master plan on development of Vietnam's shipbuilding industry must meet requirements for implementation of Vietnam's marine strategy up to 2020, thus contributing to socio-economic development; make use of available marine resources, workforce and the development trend of the world shipbuilding industry. The system of shipyards must be reasonably planned and concentrated in regions with advantageous geographical location,

natural conditions, market and trading, and traditional maritime zones. The development of the shipbuilding industry must be closely associated with the development of defense, supporting and other industries.

2. To select appropriate directions and steps, combining self-reliance with import and cooperation; to tap resources for effective formation and development of the shipbuilding industry under planning and, at the same time, adopt appropriate mechanisms and policies for developing the industry to meet practical demands.

3. To expand cooperation and association with foreign parties; to further attract investment in cutting edge shipbuilding technologies with flexible policies so as to create a breakthrough in investment attraction; to form and consolidate joint manufacture between foreign and domestic enterprises; to increase the volume and value of ship repair at home and abroad. To step by step build and develop the shipbuilding industry toward green growth, energy conservation and assurance of environmental protection and sustainable development requirements.

II. OBJECTIVES

1. General objectives

To form and develop Vietnam's shipbuilding industry up to 2020 and set development orientations toward 2030 with a view to meeting the requirements of development of the marine economy in conformity with Vietnam's marine strategy up to 2020, serving socio-economic development and contributing to strengthening national defense and security and protecting national sovereignty in the country's maritime zones and islands.

2. Specific objectives

a/ By 2020: To maintain and bring into play the capacity of existing shipbuilding and repair establishments; to develop new shipbuilding and repair establishments to meet the demands of domestic and overseas markets; to form some large-scale ship repair centers linked with the system of seaports and important international maritime routes; to apply cutting edge and environment-friendly ship repair technologies; to ensure quality and competitive prices of ship repair services; to be able to comprehensively repair domestic and foreign ships of up to 300,000 tons;

b/ By 2030: To develop the shipbuilding industry in a long term in conformity with market demands and financial viability and managerial capacity; to form some centers capable of building special-use vessels and ships with high technology and great economic value, including also container ships, oil tankers, bulk carriers, floating docks, and floating oil storages of up to 100,000 tons, which meet international quality standards and serve the domestic market and export demands.

III. PLANNING CONTENTS

1. Shipbuilding establishments: To maintain existing shipbuilding centers, specifically as follows:

a/ In the North: Concentrated in Hai Phong and Quang Ninh are Ha Long, Pha Rung and Bach Dang shipyards. Ha Long Shipyard is specialized in building sophisticated cargo ships requiring high technologies such as roll-on/roll-off ships, container ships and multi-purpose vessels of up to 70,000 tons. Pha Rung Shipyard is specialized in building medium-sized ships of between 10,000 and 40,000 tons, focusing on chemical tankers, oil tankers

and bulk carriers. Bach Dang Shipyard is specialized in building sophisticated ships and floating equipment requiring high technologies such as LPG carriers and container ships of up to 30,000 tons. From now to the end of 2020, to maintain part of Nam Trieu Shipyard in order to relocate Bach Dang shipyard out of the inner area of Hai Phong city;

The remaining shipyards will build ordinary ships or operate as satellites for large shipyards in the region. Specifically, Thinh Long Shipbuilding Company will be specialized in building fisheries surveillance ships, fishing ships and cargo ships of up to 25,000 tons; part of Nam Trieu Shipyard will be maintained to serve the relocation of Bach Dang Shipyard from the inner area of Hai Phong city while the remaining part will be sold, transferred or used for investment cooperation according to regulations. Vinacomin Shipbuilding and Mechanical Company Limited will build bulk carriers of between 15,000 and 30,000 tons and operate as a satellite of Ha Long Shipyard. LISEMCO Joint-Stock Company will build small-sized container ships of up to 6,500 tons for export. The existing cargo ship building yards along Van Uc, Kinh Mon, Thai Binh, Tra Ly, Hong, Ninh Co, Day and Dao rivers in Hai Phong, Quang Ninh, Hai Duong, Hanoi, Phu Tho, Thai Binh, Nam Dinh and Ninh Binh will build ships of under 5,000 tons or operate as satellites for other shipyards in the region, and they will be developed in conformity with local planning, market demands and other local and regional specialized master plans.

Shipyards specialized in building special-use and special ships and floating equipment for the armed forces; construction vessels, search and rescue vessels and marine research vessels

in the North will be built concentratedly in Hai Phong (on the basis of Damen, Song Cam, 189, Hong Ha and X46 shipyards);

To relocate Song Cam and X46 shipyards out of the center of Hai Phong city, merging Ben Kien Shipyard with Song Cam Shipyard; to build the second facility of X46 Shipyard in the northern bank of Cam river so as to form a center specialized in building and repairing special-use ships which will also operate as a satellite for other shipyards in the region.

b/ In the central region: Concentrated in Quang Ngai and Khanh Hoa provinces are large shipyards, including Dung Quat Shipyard specialized in building large-sized oil tankers of up to 100,000 tons, floating oil storages and drilling platforms serving the petroleum industry; after 2015, to seek, associate or cooperate with partners that are strong in technology, market and capital so as to complete the planned construction of the shipyard to be able to perform stable export orders. Hyundai-Vinashin Shipyard will be specialized in building multi-purpose vessels of between 30,000 and 50,000 tons for export. Cam Ranh Shipyard, after 2015, will focus on building bulk carriers, multi-purpose vessels and oil tankers of up to 50,000 tons. Oshima-Cam Ranh Shipyard will build cargo ships of between 30,000 and 50,000 for export. The remaining shipyards will focus on building tourist ships, fishing ships and special-use ships and operate as satellites for the above-mentioned shipyards, and will be developed in conformity with local planning, market demands and local and regional specialized master plans;

Establishments specialized in building special-use and special ships and floating

equipment for the armed forces; construction vessels, search and rescue vessels and marine research vessels in the central region will be built concentratedly in Da Nang and Cam Ranh (on the basis of Song Thu and X52 shipyards)

c/ In the South: To focus on effectively operating existing shipyards (including Saigon Shipbuilding Industry Company Limited and Long Son Shipyard). The shipyard of Saigon Shipbuilding Industry Company Limited will be specialized in building petroleum service ships, passenger ferries, passenger ships and cargo ships of up to 25,000 tons, and repairing cargo ships. Long Son Shipyard will build cargo ships of up to 50,000 tons for export. Other cargo ship building yards (including Ba Son, An Phu, PTSC, Nhon Trach (Dong Nai), Caric, X51, Bao Tin and Saigon shipyards and the shipyards of shipbuilding companies in Dong Xuyen industrial park) will build special-use ships, tourist ships, marine research vessels, petroleum service vessels, etc., and operate as satellites for the above-said shipyards, and will be developed in conformity with local planning, market demands, and local and regional specialized master plans;

Establishments specialized in building special-use and special vessels and floating equipment for the armed forces; construction vessels, search and rescue vessels and marine research vessels in the South will be built concentratedly in Vung Tau, Dong Nai and Saigon (on the basis of X51, Ba Son, PTSC, Nhon Trach (Dong Nai), Caric and Saigon shipyards as well as the shipyards of shipbuilding companies in Dong Xuyen industrial park. In the southern area (covering southwestern provinces such as Long An, Hau

Giang, Can Tho and Kien Giang), priority will be given to developing shipyards specialized in building inland waterway crafts, fishing ships and small-sized coasters serving the southern market.

2. Ship repair establishments

Ship repair establishments will be built and developed in conformity with the master plan on building and development of shipbuilding establishments and the master plan on development of the national seaport system, linked with Hai Phong and Quang Ninh seaports in the North, including Nosco-Vinalines Ship Repair Yard, the yard of Vinalines-Dong Do Ship Repair Company Limited, and Pha Rung, Bach Dang and Ha Long shipyards. In the central region, ship repair yards will be developed in the bays in the southern central region to meet part of the demand for repairing international fleets operating along international maritime routes through the East Sea and supporting ships entering and leaving seaports of group No. 5. Development of the ship repair yards of Cam Ranh, Dung Quat and Hyundai-Vinashin shipyards will be restricted due to the lack of land and environmental problems. They will be invested with technologies and equipment that meet environmental protection requirements in order to be able to provide repair services for ships of between 100,000 and 300,000 tons when these services are in high demand. In the South, to complete the construction of existing yards or build new ones so as to form a system of ship repair yards linked with large seaports according to planning to serve the seaports in Cai Mep-Thi Vai, Soai Rap, Nha Be and Saigon areas, including X51 Shipyard and ship repair yards of Saigon ShipMarin

and Saigon Shipbuilding Industry Company Limited, seaports along Hau river in Tra Vinh and seaports in the Gulf of Thailand in Ca Mau and Kien Giang.

3. Shipbreaking establishments

Shipbreaking establishments will be developed concentratedly in Hai Phong and some central provinces with suitable natural and socio-economic conditions on the principle of making the best use of available infrastructure facilities of shipbuilding and repair yards. Shipbreaking must ensure safety, security, fire and explosion prevention and fighting, environmental pollution prevention and environmental protection.

The locations and sizes of shipbreaking establishments will be identified and provided in a detailed plan to be jointly formulated and publicized by the Ministry of Transport, the Ministry of Natural Resources and Environment and localities.

4. Development of supporting industries serving the shipbuilding industry

The network of supporting industry plants serving the shipbuilding industry will be planned in conformity with the master plan on supporting industries nationwide. In the North, to build shipbuilding industrial parks (the existing parks include An Hong, Shinec and Cai Lan shipbuilding industrial parks) according to approved master plans. In the central region, to make the fullest use of pipe-manufacturing, plating, casting and forging chains and marine diesel engine repair chains of armed forces' units; to prioritize land in Phu Yen and Khanh Hoa industrial parks to build supporting industry plants serving shipbuilding and repair centers in the central region. In the South, to make the fullest use of pipe-manufacturing,

plating, casting and forging chains, marine diesel engine repair chains and shipbuilding and marine engineering factories of military units and enterprises in Dong Xuyen industrial park and other industrial parks.

To build centers for treatment of solid waste, heavy metal and industrial waste in industrial parks, which are associated with shipbuilding and repair centers in the regions, including Cai Lan and Pha Rung industrial parks in the North, Dung Quat, Nam Van Phong and Cam Ranh industrial parks in the central region, and Cai Mep-Thi Vai industrial park and other industrial parks in the South, in conformity with local and regional specialized master plans.

5. Training, vocational training and ship design and research institutions

To step by step build a complete system of institutions to provide technical training and training at intermediate, college and university degrees to serve the shipbuilding industry, which are associated with existing training and vocational training schools and institutions. For university and postgraduate training, to study the supplementation of shipbuilding disciplines at the existing universities (the University of Technology, Vietnam Maritime University and Ho Chi Minh City Transport University). For vocational training, to further maintain, and make intensive investment in physical foundations for vocational schools and practice facilities; to raise the quality of lecturing staff and renovate training programs at existing schools, and conduct joint training with foreign partners so as to provide training with international certificates in the northern, central and southern regions. To boost cooperation and association between domestic and foreign ship

design institutions. To invest in research centers and ship model basins up to international standards within the program on national key laboratories. To improve the system of technical regulations on shipbuilding in conformity with requirements of international integration in the shipbuilding industry.

6. Orientations for planning the development of the shipbuilding industry up to 2030

After 2020 up to 2030, to continue making intensive investment in shipyards, industrial establishments and training institutions of the shipbuilding sector so as to increase the operation capacity of shipyards already built; to consider investing in some potential shipyards with appropriate sizes to meet market demand.

7. Implementation schedule

a/ From now to 2015: To continue comprehensively and basically restructuring Vietnam's shipbuilding industry, maintaining shipbuilding and repair establishments mentioned in the master plan to meet market demand; to basically maintain the capacity of the shipbuilding sector to serve the domestic market and export; to convert, merge or dissolve according to regulations shipbuilding and repair establishments which operate ineffectively and suffer losses for a long time;

b/ From 2016 to 2020: To gradually relocate a number of shipbuilding and repair yards out of urban centers (Song Gam and Bach Dang shipyards in Hai Phong) and complete the construction of foreign-invested shipbuilding and repair yards as planned so as to form in the northern, central and southern regions shipbuilding and repair centers with technologies and capacity on a par with those of regional countries; to step by step increase the number of exported ships that

are competitive products of Vietnam, such as highly sophisticated cargo ships, including roll-on/roll-off ships, container ships, oil tankers and some types of chemical tankers and multi-purpose vessels; to export some types of special-use ships such as high-speed patrol boats, search and rescue vessels, construction ships and cruises with an estimated capacity of approximately 1.67-2.16 million tons/year, including export processing orders performed by foreign-invested enterprises for their parent companies.

8. Major mechanisms, policies and solutions

a/ To prioritize the re-arrangement of shipbuilding and repair yards in conformity with the restructuring schemes of Vinalines and other shipbuilding enterprises;

b/ To select strategic partners for the shipbuilding industry and, at the same time, encourage enterprises to participate in the value chains of multinationals;

c/ To step up the development of supporting industries serving the shipbuilding industry; and to strongly renovate shipbuilding and repair technologies;

d/ To formulate capital and tax mechanisms and policies to meet development requirements of the shipbuilding industry according to the master plan, and mechanisms and policies on the sale of domestic shipbuilding and repair products and services.

dd/ To reserve appropriate land areas in localities for the development of the shipbuilding industry; to allow shipbuilding and repair establishments which are subject to relocation under planning to use capital raised from the change of land use purposes;

e/ To apply policies applicable to bonded warehouses to supplies and equipment imported by shipyards for building ships for export.

9. Capital sources for implementation

To accelerate the raising of capital of various sources for investment in the development of shipbuilding infrastructure facilities. To encourage and create favorable conditions for enterprises of all economic sectors, domestic and overseas, to invest in the construction and development of shipbuilding and repair establishments and supporting industry establishments in appropriate forms according to current regulations. State funds may be used only for providing partial support for essential infrastructure facilities serving manufacturing activities of establishments performing national strategic tasks (public works and infrastructure facilities linking to such establishments).

Article 2. Implementation responsibility

1. The Ministry of Transport shall manage the implementation of the master plan; organize negotiations for specific investment projects according to the approved master plan; coordinate with the People's Committees of the related provinces and centrally run cities in studying and making detail plans on shipbuilding and repair establishments; and propose the Prime Minister to consider and decide on adjustments to the master plan when necessary. The Ministry shall review and improve policies prioritizing the use of domestic shipbuilding and repair products and services; training and vocational training programs and contents serving the shipbuilding industry; and the system of technical regulations applicable to Vietnam's shipbuilding industry. It shall also assume the

prime responsibility for, and coordinate with the Ministry of Natural Resources and Environment and related localities in, determining the locations of, and formulating and publicizing a master plan on, shipbreaking establishments according to regulations.

2. The Ministry of Industry and Trade shall assume the prime responsibility for, and coordinate with the Ministry of Transport and related localities and agencies in, formulating the master plan on development of supporting industries for the shipbuilding industry nationwide; study and formulate mechanisms and policies to encourage the use of home-made mechanical products, and submit them to the Prime Minister for consideration and decision.

3. The Ministry of Finance shall assume the prime responsibility for, and coordinate with the State Bank of Vietnam and related agencies in, studying and formulating mechanisms and policies to raise and attract capital at home and abroad for developing Vietnam's shipbuilding industry, and submitting such mechanisms and policies to the Prime Minister for consideration and decision.

4. The Ministry of Science and Technology shall assume the prime responsibility for studying policies on science and technology development and transfer of shipbuilding and repair technologies, and policies on investment in key laboratories - ship model basins under the national key program.

5. The Ministry of Education and Training and the Ministry of Labor, War Invalids and Social Affairs shall coordinate with the Ministry of Transport in improving training and vocational training programs and contents to meet the requirements of development of human resources for the shipbuilding industry.

6. Other ministries, sectors and localities shall adopt policies to encourage the use of domestic shipbuilding and repair products and services.

Article 3. Implementation provisions

This Decision takes effect on the date of its signing.

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

Prime Minister
NGUYEN TAN DUNG
