DECISION

Approving the master plan on development of Vietnam’s sea transport 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 June 14, 2005 Vietnam Maritime Code;
Pursuant to the Government’s Decree No. 92/2006/ND-CP of September 7, 2006, on elaboration, appraisal, approval and management of socio-economic development master plans, and Decree No. 04/2008/ND-CP of January 11, 2008, amending and supplementing a number of articles of Decree No. 92/2006/ND-CP;

At the proposal of the Ministry of Transport in Report No. 14258/TTr-BGTVT of December 27, 2013, and Document No. 9590/BGTVT-KHDT of August 6, 2014, on adjustment of the master plan on development of Vietnam’s sea transport up to 2020, with orientations toward 2030,

DECIDES:

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

1. DEVELOPMENT VIEWPOINTS AND OBJECTIVES

1. Development viewpoints

a/ To promote to the utmost the country’s advantages in geographical position and natural conditions, especially marine potential, so as to develop sea transport in a comprehensive manner, with focuses, priorities, appropriate steps as well as breakthroughs toward modernity, contributing to achieving the objectives set in Vietnam’s marine strategy up to 2020, creating a prerequisite for socio-economic development and national defense and security assurance, serving the national industrialization and modernization;

b/ To develop sea transport toward modernity, higher quality, reasonable expenses, safety, environmental pollution reduction, energy conservation and higher competitiveness to proactively integrate into and expand to the regional and international sea transport markets;

c/ To develop sea transport in synchrony with road, inland waterway, rail and air transport; to apply modern and advanced transport technologies; to attach importance to developing multimodal transport and logistic services so as to create a synchronous, uninterrupted and efficient transport system.

2. Development objectives

a/ General objectives:

To improve the quality of sea transport services to assume domestic cargo transport and reduce the land transport load; to transport by sea most of the volume of imports and exports; and to participate in long-distance shipping routes and routes in North European and South American regions. To restore the North-South passenger transport route at an appropriate time

(*) Công Báo Nos 847-848 (11/9/2014)
in order to meet people’s travel demand. By 2020, to basically meet the national economy’s sea transport demand with high quality, reasonable costs and minimum environmental pollution.

b/ Specific objectives:

- Regarding sea transport services and fleet:
  + To improve the quality and business effectiveness of sea transport services, meeting the domestic sea transport demand; to concentrate on making full use of advantages in domestic routes and short-distance shipping routes in the transport of traditional goods; to gradually increase the market share in the transport of imports and exports; and to participate in the cargo transport between overseas ports and in long-distance routes;
  + The volume of cargo transported by Vietnam’s fleets will reach 85-91 million tons by 2015 and 140-153 million tons by 2020; and 237-270 million tons by 2030; the number of passengers (including passengers on domestic inshore routes and routes from the mainland to islands and between islands) will reach around 5 million by 2015 and between 8-9 million by 2020;
  + To develop Vietnam’s fleet toward modernity and effectiveness; to attach importance to developing large-tonnage special-use ships (container ships, bulk carriers and liquid cargo tankers). The fleet’s total tonnage will reach 4.7-5.2 million tons by 2015 and 6.8-7.5 million tons by 2020; to step by step rejuvenate Vietnamese seagoing ships.

- Regarding the seaport system: To comply with the development objectives set in the adjusted master plan on development of Vietnam’s seaport system up to 2020, with orientations toward 2030, which was approved under Decision No. 1037/QD-TTg of June 24, 2014.

- Regarding the shipbuilding industry: To comply with the development objectives set in the master plan on development of Vietnam’s shipbuilding industry up to 2020, with orientations toward 2030, which was approved under Decision No. 2290/QD-TTg of November 27, 2013.

- Regarding maritime and logistic services: To comply with the development objectives set in the scheme on development of logistics services up to 2020, with orientations toward 2030, which was approved under Decision No. 169/QD-TTg of January 22, 2014.

II. PLANNING CONTENTS

The master plan on development of Vietnam’s sea transport by 2020, with orientations toward 2030, contains the following principal contents:

1. Planning on types and sizes of cargo ships:

a/ Ships operating on international routes:

- For bulk cargo, to use special-use bulk carriers of between 100,000 and 200,000 DWT for transporting imported coal for thermopower plants and transporting pit coal for cast-iron and steel complexes; to use ships of between 30,000 and 50,000 tons for transporting exported coal, ores and alumina and imported fertilizers and clinker.

- For general cargo, to use ships of between 5,000 and 50,000 tons, of which ships of between 10,000 and 20,000 tons and between 30,000 and 50,000 tons will be used for transporting cargo to/from Asian countries and European, American and African countries, respectively.

- For containerized cargo, to mainly use ships of between 500 and 3,000 TEU for transporting cargo to/from Asian countries and ships of between 4,000 and 9,000 TEU and ships of higher capacity when conditions permit for transporting cargo to/from European, American and African countries.

- For liquid goods, to use ships of between 100,000 and 400,000 tons for transporting imported crude oil, lighter-aboard ships of between 150,000 and 300,000 tons for transporting transshipped imported petrol and oil; and ships of between 1,000 and 10,000 tons for transporting liquefied petroleum gas.
b/ Ships operating on domestic routes:
- For bulk cargo and general cargo, to use ships of between 1,000 and 10,000 tons; to use special-use seagoing barges of between 5,000 and 10,000 tons for transporting imported coal from transshipment terminals to plants’ wharves.
- For containerized cargo, to use ships of between 200 and 1,000 TEU.
- For liquid cargo, to use oil tankers of between 100,000 and 150,000 tons for transporting crude oil from oil fields to oil refinery plants, and oil tankers of between 1,000 and 30,000 tons for transporting special-use oil products.

2. Planning on development of Vietnam’s seagoing cargo fleet
   a/ By 2020, the total transport volume of Vietnam’s seagoing cargo fleet will reach 140-152 million tons in which international sea transport will contribute 40-46 million tons and domestic sea shipping, 100-106 million tons.
   b/ Size of the fleet and need to increase its tonnage:
   - The total deadweight tonnage of Vietnam’s cargo fleet will reach 6.84-7.52 million tons by 2020, in which general cargo ships will contribute 2.51-2.68 million tons; container ships, 0.68-0.72 million tons; bulk carriers, 2.21-2.54 million tons, and liquid cargo tankers, 1.44-1.58 tons.
   - To increase the fleet’s total tonnage by 1.38-2.12 million tons by 2020.
   - To increase the capacity of tourist ships and passenger ships operating on inshore areas and between the mainland and islands by 14,000 seats.

3. Planning on development of Vietnam’s seaport system
   To comply with the master plan on development of Vietnam’s seaport system up to 2020, with orientations toward 2030, which was approved by the Prime Minister in Decision No. 1037/QD-TTg of June 24, 2014.

4. Planning on development of Vietnam’s shipbuilding industry
   To comply with the master plan on development of Vietnam’s shipbuilding industry up to 2020, with orientations toward 2030, which was approved by the Prime Minister in Decision No. 2290/QD-TTg of November 27, 2013.

5. Orientations for planning the development of sea transport support and logistic services
   To comply with the master plan on development of logistic sevices in the transport sector approved by the Prime Minister in Decision No. 169/QD-TTg of January 22, 2014.

6. Orientations on development of sea transport human resources
   a/ By 2020, to train and re-train about 42,000 officers and crewmembers, including 15,000 first-time trainees of whom 7,000 will be added to meet the fleet development requirements and 8,000 will replace the existing staff; to train about 6,000 managerial officers and 9,000 crewmembers and maritime technical workers;
   b/ To boost the training of human resources for logistic services, shipbuilding industry, seaport operation and business administration;
   c/ To renovate training methods and programs and criteria for maritime training and re-training, especially for training managerial officers, crew and logistic and multimodal service managers. To attach importance to foreign-language training, combining theory with practice;
   d/ To improve linkage between sea transport businesses and crew training institutions.

7. Demand for investment funds to develop the seagoing fleet
   The total investment fund for development of the fleet from now to 2020 is VND 20-30 trillion (approximately USD 1-1.5 billion), mainly mobilized by businesses themselves from lawful funding sources.
III. SOME MAJOR SOLUTIONS AND POLICIES

1. To review and improve the system of legal documents on the maritime sector, creating a stable and favorable legal foundation for sea transport activities. In the immediate future, to amend and supplement legal documents on mechanisms and policies to support sea transport businesses to overcome difficulties, maintain operation and step by step improve the capacity of Vietnam’s seagoing fleet and increase its imports and exports transportation market share; and documents on multimodal transport, logistic services and seaport infrastructure investment and operation management in conformity with international practices and the situation and development trend in Vietnam.

2. To accelerate administrative reform in sea transport, especially administrative procedures at seaports and seagoing ship registration procedures; to quickly apply information technology in maritime activities (e-port authority, e-customs, etc.) and apply the single-window mechanism so as to create favorable conditions for ships entering and leaving seaports.

3. To increase inspection and supervision of the enforcement of Vietnam’s laws and relevant treaties on maritime safety and security and environmental protection to which Vietnam is a contracting party; to raise the quality of Vietnamese registrars and quality of ship registration and technical supervision work, especially for seagoing ships operating on international routes.

4. To encourage all economic sectors, including foreign organizations, to invest in the development of Vietnam’s seagoing fleet. To elaborate a program on development of Vietnam’s seagoing fleet, adopt appropriate and comprehensive mechanisms and policies to timely support the process of investing in restructuring, developing and modernizing the national fleet. To amend and supplement regulations on conditions (technical barriers) for establishment of sea transport and maritime service businesses, aiming to build an open and favorable environment, assuring fair competition and creating prerequisites for concentrating investment sources on the formation of Vietnamese businesses capable of operating competitively in the sea transport and maritime service fields; to promote close relations between the fleet, seaports, logistic service providers and production, import and export businesses.

5. To speed up the processes of restructuring the Vietnam National Shipping Lines and Vietnam Shipbuilding Industry Corporation so as to build and develop them into the cores of the sea transport and seagoing ship building and repair sectors, respectively. To build up a maritime service network so as to increase competitiveness in the context of international and regional economic integration.

6. To step up socialization of human resource training, both domestic and overseas training; to consolidate and develop specialized universities and vocational colleges in the northern, central and southern regions in order to meet the demand for human resources for seagoing ship and seaport operation and exploitation, shipbuilding, logistic services and the service of crew supply for foreign shipping companies. To adopt preferential policies and regimes suitable to particular characteristics of the sea transport sector so as to encourage laborers to work permanently in the sector.

7. To promote international cooperation in the maritime sector, actively implement maritime conventions and bilateral and multilateral agreements; to provide support in legal procedures for Vietnamese sea transport businesses to expand their overseas agent networks.

8. Sea transport businesses should closely follow developments in the domestic and world markets so as to find and seize opportunities, proactively elaborate and implement flexible fleet development plans in line with the planning orientations so as to ensure business efficiency; to raise fleet management and exploitation capacity. To enhance coordination and affiliation with production as well as import and export businesses so as to seek cargo transport contracts; to improve service
quality to lure goods owners, develop capable overseas agent networks, and step by step build up closed, professional, effective and prestigious logistics service systems under their own brands.

**Article 2.** Responsibility for organization of implementation

1. The Ministry of Transport

   a/ To assume the prime responsibility for, and coordinate with related ministries, sectors and provincial-level People’s Committees in, organizing the implementation of the master plan in close combination with the implementation of Vietnam’s marine strategy up to 2020;

   b/ To direct and guide state economic groups and corporations and businesses operating in the sea transport sector to closely monitor developments in the domestic, regional and world markets so as to find and seize opportunities, proactively elaborate and implement their own fleet development plans in accordance with the approved master plan and, at the same time, study and propose solutions for the effective implementation of the master plan to suit realities and socio-economic development requirements in each period;

   c/ To assume the prime responsibility for, and coordinate with provincial-level People’s Committees in, elaborating and implementing master plans on rail, road and inland waterway transport networks so as to ensure synchrony and effectiveness for sea transport development;

   d/ To increase state management, guide and examine the implementation of master plans on development of sea transport, sea transport support services and logistic services within the transport sector.

2. The Ministry of Industry and Trade

   a/ To assume the prime responsibility for, and coordinate with the Ministry of Transport and provincial-level People’s Committees in, studying the development of goods distribution and logistic service centers in important transport hubs;

   b/ To assume the prime responsibility for, and coordinate with the Ministry of Transport and the Ministry of Finance in, studying and promulgating, or submitting to competent authorities for promulgation, mechanisms and policies to support sea transport development; and at the same time, promulgate on development and management mechanisms and policies for logistic services.

3. The Ministry of Labor, War Invalids and Social Affairs shall assume the prime responsibility for, and coordinate with the Ministry of Transport in, promulgating preferential policies for laborers in conformity with particular characteristics of the sea transport sector which requires heavy and dangerous work.

4. The Ministry of Education and Training shall assume the prime responsibility for, and coordinate with the Ministry of Transport in, studying and renewing methods of and criteria for sea transport training so as to further improve the quality of the sector’s human resources to meet requirements in the new situation.

**Article 3.** This Decision takes effect on the date of its signing, replacing the Prime Minister’s Decision No. 1601/QD-TTg of October 15, 2009, approving the master plan on Vietnam’s sea transport development up to 2020, with orientations toward 2030.

**Article 4.** Ministers, heads of ministerial-level agencies, heads of government-attached agencies, chairpersons of provincial-level People’s Committees and related organizations and individuals shall implement this Decision.-

*For the Prime Minister*

Deputy Prime Minister

HOANG TRUNG HAI