potential and desire

By PHAM ANH TUAN

I. Developing a transshipment port

There should be synchronous investments in many fields, not merely in infrastructure and in technological equipments for operating and management activities. It is difficult to seek for sources of financial and synchronous technology investment; it is more difficult to ensure a port’s effective operation at the starting point.

Vung Tau - Cai Mep - Thi Vai area is in a convenient location with all good natural conditions for a port. First, Cai Mep - Thi Vai port area is relatively near to international cargo transshipment routes, where there are regular routes of “mother” vessels connecting global economic centers. Second, this is the area with favorable weather conditions, without being affected by storms; therefore, it is possible to operate the port all year round. In addition, since the dredging work in ODA format has been finished, the navigation way is able to put into operation, allowing vessels of 80,000DWT full load to enter. And some ports have already received vessels of 80,000-130,000DWT half-load in and out. Therefore, well-equipped ports in Vung Tau - Cai Mep - Thi Vai area are able to receive transshipment cargo from Vietnam or from neighbor countries.

In addition to the fact that well-equipped ports are able to receive mother vessels of over 10,000TEU is the opening of direct oversea transport routes from Cai Mep - Thi Vai area to the United States and Europe from some liners. This
is considered as a foundation of a new transshipment center in the area.

The fact that a port can receive a mother vessel and can be a stop on the way an international passage is considered as the most important condition to the success of an international transshipment port. At the present, liners in TOP 20 of the world (statistic in April, 2011) as APM-Maersk (1st), CMA – CGM (3rd), Hanjin Shipping (9th), Yang Ming Marine Transport Corp. (15th) has been joining in co-operations to construct and operate ports of Cai Mep – Thì Vai area as CMIT, Gemadept Terminal Link, TCIT, My Xuan International General Port... among which some of them have been put into operation as CMIT, TCIT. And APM – Maersk sent a 367-meter vessel of 116,000DWT to CP-PSA and CMA-CGM sent a vessel of 131,000DWT to CMIT. So, it is the fact that big liners have sent their fleets of mother vessels to the area and that a sop on international passages has been set up.

To ensure the minimum amount of cargo-through-port, it is necessary to attract cargo right at the local markets and it is necessary to let big liners operate right at the beginning. The group 5 seaport system has account for 50% the total amount of cargo through port system of Vietnam, and nearly 70% of the total amount of container cargo. In 2009 the container through the group 5 seaport reached 3.6 million TEU. It is estimated that the cargo through Vung Tau – Cai Mep – Thì Vai will be around 2,763+3,758 million TEU/year in 2015; around 5,010+7,678 million TEU/year in 2020; around 10,472+20,375 million TEU/year. It is the condition that ensures the target of attracting cargo in local markets.

The presence of investors who are leading carriers and port operators as PSA (Singapore), Hutchison Port Holdings (Hong Kong – China), Maersk (Denmark), SSA Marine (US) and CMA – CGM (France) ... together with efforts of modernization and specialization from local port operators has put the management and operating system in Cai Mep – Thì Vai port area to a new height. And the port area in synchronous operation will create favorable development conditions to the whole Southern key economic area, bringing a new era to import-export activities and to Vietnam maritime sector as well.

Operating ability is a leading criterion, showing by the high capacity of handling cargo and the short time that vessels are kept at a port. And we can see positive signals from Cai Mep – Thì Vai port area. The fact that modern container handling machinery has been equipped and the quality of services has been remarkably improved by port operators in the area has pushed up the cargo handling capacity of the port area approaching that of leading transshipment ports in the region.

The development of a service network of feeders is also considered as a factor for success. And there should be the use of local liners for the needs for feeders for local cargo. In the situation that the road and rail-road network have been imperfect, there has been the use of barges as feeders among companies and ports operating in Cai Mep – Thì Vai area, HCMC and provinces in Mekong Delta.

In regular governmental meeting on May 18.2011 on implementation of Detailed Plan of the Group 5 Seaport system, Prime Minister Nguyen Tan Dung assigned to the Ministry of Transportation: investing in specialized container terminals, multi-cargo and general ports in the area of Cai Mep, lower Cai Mep, Ben Dinh – Sao Mai, making Vung Tau a key port area – an international gateway port of Southern area meeting all demands of import-export for distance routes and taking the role of a transshipment port.

II. Developing a logistics center of the area

Thanks to the advantages in natural conditions, the port system in Ba Ria – Vung Tau which has been developing for about 20 years has gradually become the modern, leading-edge port area nationwide. From Ba Ria – Vung Tau port, it is easy to ap-
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proach international routes, or to connect other port systems of Dong Nai and HCMC, making a connecting port network linking dynamic economic centers and a rice basket of Mekong Delta... With advantages in location, Ba Ria - Vung Tau has favorable conditions to be a spot for transshipment and for logistics services in the region.

At the present, Party Provincial Committee and People's Committee of Ba Ria - Vung Tau is leading Logistics Development Project of Ba Ria - Vung Tau, phases 2010-2020. Of the package of key programs to develop logistics services in full, the development of Logistics Services Center is of priority.

From Rotterdam - European Logistics Center...
Together with connecting infrastructure, the foundation of Logistics services centers is considered the most important factor in logistics services activities. Since the Port of Rotterdam (Netherlands) has many things in common to Cai Mep - Thi Vai port system, and its logistics services center which has been considered as European Logistics Center will be used as a model to study and analyze the project of Logistics Services Center of Cai Mep - Thi Vai.

The Port of Rotterdam is the largest port in Europe, located in the city of Rotterdam, Netherlands. From 1962 to 2004, Rotterdam had had the largest amount of cargo-through-ports. Then came the economic boom and the maritime development in ASEA, its position has been taken by ports of Shanghai, Shenzen, and Singapore...

In 2010 Rotterdam is the world's tenth largest port in term of the cargo container-through-port.

Covering an area of 10,556 ha (including 5,299ha of port along the rivers and 5,257ha on water surface and public infrastructure), the port of Rotterdam stretches over the distance of 40 kilometers along the river of Nieuwe Mass (and then develops along Calandkanaal and Nieuwe Waterweg, two other rivers connecting Nieuwe Mass). Founded in the 14th century, docks of Rotterdam were first built on the banks of Nieuwe Mass. As the development of the fleets and the growing needs to receive larger vessels, the port system moved seawards and sand suppletion has been carried out for the past few years for port construction. The port of Rotterdam now includes the city center's harbor area - docks along the river Nieuwe Mass; the harbors along rivers including Maashaven, Rijnhaven, Feijenoord, Nieuw - Mathenesse, Waalhaven, Vondelingenplaat, Eemhaven, Botlek and Europort; and the Maaslakte extensions.

Together with the development of the seaport was the development of Logistics service centers. And the Logistics service center in Rotterdam has been considered as European Logistics Centers (ELC). There are 3 logistics service centers after ports at Rotterdam: EEMHAVEN, BOTLEK and MAASVLAKTE.

Logistics Service Center Maaslakte is the largest...
center after the port of Rotterdam, being put into operation in 1998, with the total square of 125 ha (including its boundary) and now being considered as a warehousing and distribution center of Europe. The center houses about 6,7000 global corporations and logistics service providers.

to the foundation of a logistic center in Ba Ria – Vung Tau

According to the plan to develop Vietnam seaport system, the port of Ba Ria – Vung Tau will be one of the biggest ports in Vietnam and one of three international hub ports type IA of Vietnam.

The port of Ba Ria – Vung Tau will mainly develop along the banks of Cai Mep – Thi Vai river in the area of 25 km in length. In addition other ports will be develop in the North side of Ganh Rai Bay, on the coast of Long Son island, on the Dinh river and the encroachment project of Vung Tau international container terminal.

According to the detailed plan of the group 5 seaport system, to 2030, the port of Ba Ria – Vung Tau will reach 2,078-2,447 ha, with berths of 28.5-33.4 km in length. As predicted, to 2020, the cargo-through-port of Ba Ria – Vung Tau will reach 85.67-131.09 million tons, among which is 5.00-8.17 million of TEU’s container, to 2030, the cargo-through-port will be 161.5-296.3 million tons, among which is 10.4-21.11 million of TEU’s container.

To sum up,

In term of length, the port of Ba Ria – Vung Tau is about 75% in length of the port of Rotterdam at the present.

In term of the amount of cargo, to 2030, there will be 296.3 million tons of cargo-through-port at the port of Ba Ria – Vung Tau, which is about 70% the cargo through the port of Rotterdam in 2010.

In term of size, according to Plan to 2030, the port of Ba Ria – Vung Tau will reach 2,447 ha, which is about 46% in size of the port of Rotterdam.

In reference to terms of length of ports, size and the amount of cargo, it can be seen that the size of the port of Ba Ria – Vung Tau is relatively small. This also means the needs of founding Logistics service center after ports to support the activities of them.

Although Vietnam Logistic service sector had a relatively late start, both in “hard infrastructure” and “soft infrastructure”, the decision of the provincial authorities in a new development stage – maritime economy and logistics – can bring us a vision of a logistics center for Vietnam and in the region.