



## Industry Market Outlook – Shipbuilding, Ports and Logistics

### Shipbuilding

- The shipbuilding industry is one of the main priority sectors of the government of Vietnam. Most recently, the government has made USD 750 million available for the sector in order to finance the development into a modern industry that can meet the future international quality demands.
- The government has also decided to make shipbuilding a key export industry through the Shipbuilding Industry development Program 2002-2010. It aims to export USD 5 billion worth of ships by 2010 and extend the shipbuilding capacity to container ships of 1500 TEU, cargo ships of 100,000 tonnes, oil tanker of 100,000 tonnes and ship repairing of 400,000 tonnes. Vietnam aims to be the 4<sup>th</sup> largest shipbuilder over the next decade.
- Vietnam has more than 60 shipbuilding and repairing yards.
- Several of the shipyards in Vietnam are capable of repairing up to 50,000 DWT vessels.

### Shipyards in new construction and upgrading

1. Upgrading of Ha Long shipyard in order to carry out newbuilding and repairing vessels up to 30,000 DWT by the year 2005.
2. Upgrading and improvement of Nam Trieu Shipbuilding Industry Company for newbuilding and repairing vessels up to 50,000 DWT. Production of Welding Materials by the year 2005.
3. Upgrading of Saigon Shipbuilding Industry Company for newbuilding and repairing vessels up to 15,000 DWT by the year 2010.
4. Upgrading and improvement of Saigon Shipbuilding and Marine Industry Company for newbuilding vessels up to 5,000 DWT and repairing vessels up to 20,000 DWT by the year 2005.
5. Upgrading of Bach Dang shipyard for newbuilding and repairing vessels up to 20,000 DWT by the year 2005.
6. Upgrading and improvement of Pha Rung shipyard for newbuilding and repairing vessels up to 10,000 DWT by the year 2010.

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7. Upgrading of Can Tho shipyard for newbuilding vessels up to 1,000 DWT and repairing vessels up to 5,000 DWT by the year 2005.
8. Upgrading of Song Han shipyard for newbuilding vessels up to 3,000 DWT by the year 2005 and vessels up to 10,000 DWT by the year 2010.
9. Upgrading of Tuy Hoa Seafood Company for newbuilding fishing boats and fishing service boats up to 1,000 tons by the year 2005.
10. Upgrading of Nam Ha shipyard for newbuilding vessels up to 1,000 DWT by the year 2005.
11. Upgrading of Tam Bac shipyard for newbuilding special type vessels up to 400 DWT (high speed patrol boats and passenger vessels as well as pilots) by the year 2005.
12. Upgrading of Hai Duong shipyard for produce fabrication for shipbuilding and newbuilding vessels up to 1,000 DWT, repairing the vessels up to 700 tons by the year 2005.
13. Upgrading of CK 76 shipyard for newbuilding vessels up to 3,000 DWT by the year 2005.
14. New construction of Cai Lan Steel Plate Hot Rolling Mill Plant for production of steel plates with thickness ranging from 5 to 50 mm by the year 2005.
15. New construction of Ca Mau shipyard for newbuilding and repairing vessels up to 5,000 DWT by the year 2010.
16. New construction of Nghi Son shipyard for ship demolition and ship repair up to 100,000 DWT by the year 2010.
17. New construction of Dung Quat shipyard for newbuilding and repairing vessels up to 100,000 DWT by the year 2010.
18. New construction of Long Son shipyard for newbuilding and repairing vessels up to 50,000 DWT by the year 2010.
19. New construction of the An Hong Shipbuilding Industry Zone in Haiphong for marine engine assembly up to 6,000 HP, production of anchors, electrical equipment, accommodation equipment, boilers, navigation equipment, and containers, etc. by the year 2010.

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20. Upgrading the Shipbuilding Science and Technology Institute for design of vessels up to 100,000 DWT as well as modernization for Towing Tank by the year 2005.

### Ports and Logistics

- Vietnam has begun surpassing many of its neighbours, becoming the second fastest growing economy in Asia.
- Strong GDP growth underpinned by industry and service sectors. GDP growth is projected at 7.3% for 2007 and 8.5% for 2008 and is expected to grow at a steady rate.
- Imports surged more than 30% in the first half of 2007.
- Trade volume reached 84.7 billion in 2006.
- Foreign Direct Investment is soaring past WTO ascension.
- The shipbuilding industry is one of the main priority sectors of the government of Vietnam. The government aims to export USD 5 billion worth of ships by 2010 and to be the 4<sup>th</sup> largest shipbuilder over the next decade.
- Vietnam's container traffic is currently 3.4million TEU's per year with about 65% going through ho Chi Minh City. The contained traffic in Vietnam is growing at an average rate of 20% per year.
- Vietnam national Shipping Lines, the largest shipping firm in Vietnam, plans to raise the loading capacity of its ship fleet to 2.46 million deadweight tons (DWT) by 2010. They will invest more than USD500 million into infrastructure works and more than USD 88 million into buying new equipment and developing services.
- The Government has a master plan for port development to 2010 which includes a proposal for a major international hub and planned development of new deep-water ports in the central and southern regions.
- Vietnam has more than 100 ports with 65% of Vietnam's total cargo flowing through the south of Vietnam and HCMC becomes an important location as it is the business center of Vietnam.
- Two major ports are planned (New port at Van Phong and the relocation of HCMC port to Cai Mep and Thi Vai rivers), plus major improvements to many existing facilities.
- Port capacity in HCMC is expected to double by 2010. With the phenomenal increase in ports capacity and cargo flow, supply chain management becomes critical and important.

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- 6 new ports are under construction now and are expected to complete around 2010. Some port development projects shown below

#### Planned HCMC Port Developments

Project	Value USD
New Port – CY/wharf at Cai Lai	33M
Saigon Port – construction Cai Mep & Thi Vai deepwater ports	200M
Ben Nghe – upgrade	0.5M
Tan Thuan Dong – relocation to outskirts HCMC	NA

#### Planned Hai Phong Developments

Project	Value USD	Schedule
Ph II: Two cont berths; access channel	126M	2004-2008
Dinh Vu Port	12M	2005 -2007
Ben Got-Lach Huyen Lighterage area	1.5M	2005-2005

#### Major Port Projects Planned

Area	Port	Project	Value USD	Scheduled
North	Hai Phong	See above	140M	2004-2008
	Quang Ninh	Dredge channel; wharf upgrade; 3 new berths	151M	Commence 2004-2005
Central	Vung An	New Wharf (feasibility being studied)		2003-2008
	Da nang	Upgrade Terminal	50M	2004-2005
	Qui Nhon	New Wharf, access dredging, infrastructure and equipment	10M	2004
	Ba Ngoi	New jetty	2.5M	2010
	Than Hoa	New wharf	17M	2004-2008
	Van Phong	Greenfield development of major port	200M+	
South	Phu My	Extend wharf, infrastructure, crane	10M	
	HCMC	See above	250M+	2004-2008

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