

Hanoi, 12-8-2005

## DECISION

### On Approving Detailed Planning of Sea Ports Group in HCMC-Dong Nai-Ba Ria-Vung Tau (Sea Ports Group No 5) to 2010 and orientation towards 2020.

#### The PRIME MINISTER

- Based on the law on Government Organization dated 25/12/2001.
- Based on the decision 202/1999/QD-TTg dated 12/10/1999 of the Primer Minister on the approval of the master Plan of development of port system in Vietnam till 2010.
- Based on the suggestion of the Ministry of Transportation (Official letter No. 4554/GTVT-KHDT dated 28/11/2002 and other official letters No. 790/ GTVT-KHDT dated 6/3/2003; No. 3853/ GTVT-KHDT dated 29/8/2003; No. 3330/ GTVT-KHDT dated 5/7/2004 and No. 3022/ GTVT-KHDT dated 23/5/2005) and the evaluation of the Ministry of Planning and investment (official letter No 3116 BKH/VPTD dated 27/5/2003, official letter No 4415 BKH/VPTD dated 15/7/2004, and official letter No 5318 BKH/TD and GSDT dated 9/8/2005)

## DECIDES

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**Article 1-** Approve the Detailed Planning of Sea Ports Group in HCMC-Dong Nai-Ba Ria-Vung Tau (Sea Ports Group No 5 in the Master plan of development of seaport system in VN), which also includes the master plan of removal of ports along Saigon river and the shipyard Bason till 2010 and orientation towards 2020 ( hereafter called Planning of Sea Ports Group No 5 and removal planning) with the main contents as follows:

### 1. Planning scope.

The Planning of Sea Ports Group No 5 and the removal planning consist of ports in HCMC, Dong Nai Province and Ba Ria Vung Tau province.

Direct serving scope: the Southern focal economic areas consisting of HCMC, Dong nai Province, Ba Ria Vung Tau and Binh Duong province.

Indirect serving scope: The neighboring areas, the Mekong delta, and provinces in the South West of Nam Bo and South of Tay Nguyen.

### 2. Plan Objectives.

#### a. General objectives.

- Be the basis for locating appropriately sea ports in group with a view to promoting the general efficiencies; at the same time, create even and complete development between sea ports/ related infrastructures and attracted port areas; combine industrial development and services as the momentum for economic development and

security-defense for the priority economic areas in the South, some areas in western South, southern central plateau and Mekong delta.

- Respond to the need to move the harbour system on Sai Gon river and Ba Son shipyard for the re-arrangement of sea ports system in HCMC; enable to build and develop the sea port system in HCMC in line with general municipal development; mitigate the traffic jams on land, in waterway and urban environmental pollution; facilitate the enlargement of urban space contributing to turning HCMC into the regional hub of industry, services, science and technology.
- Assist developing industrial parks, export-processing zones in the region; in the mean time, facilitate urban development in order to speed up regional industrialization, modernization till 2010 and orientation towards 2020.
- Develop mega sea ports, and modern gateway harbours to meet growing demand of the sea transport growth of Vietnam and the world, gradually improving the competitiveness of our sea port system against those of region and the world.
- Create favourable conditions to develop sea and river transport and local water transport potentiality of the regional river and canal system.
- Ensure the sustainability of development of regional sea port system, integrating sea port development with the protection of environment, natural eco-system without badly affecting civilian communities in the region.

***b. Specific objectives.***

- Respond the throughput demand (excluding liquid goods) of 53 million tons/year by 2010 (in which the ports in HCMC account for 26 million tons/year by 2010 even during the period of removal) and passenger transportation demand of 163,000 passenger rounds/year by 2010 (mainly through the ports in HCMC); the throughput demand of 100 million tons/year (in which, the ports in HCMC account for 35 million tons/ year even during the period of removal), and passenger transportation up to 326,000 passenger rounds/year by 2020.
- Receive ocean vessels: general cargo and breakbulk cargo vessels of between 30,000DWT to 70,000DWT; container vessels with 50,000 DWT to 80,000 DWT equivalent capacity; oil vessels of between 25,000 DWT to 70,000 DWT; and passenger ships of between 65,000 GT to 100,000 GT.

**3. Planning Views and Contents:**

**a. Planning Views**

**General development.**

- Planning of sea ports should be in sync with the development strategies and plans of different important sectors/ industries. Attention is given to the appropriateness to the planning of ship building industry, sea transport, human resources development strategy, improvement of maritime services strategy in order to turn the southern priority economic zone into an economic, commercial and tourism area at international standards with the advantages of sea ports and transport making an important contributing to the socio-economic development in the South and across the country.

- Port building and development should be integrated with national defense, security and environmental protection, and at the same time catch up with the development of regional ports with a view to raising the competitiveness in economic integration.
- Attention is given to turning the ports complex on Cai Mep-Thi Vai river into the strategic harbours, an econo-commercial gateway and impetus for economic development for the entire focal economic area in the South. Other regional ports are developed with proper dimensions to meet the demands of socio-economic development, urban expansion, municipal industrialization and modernization of HCMC and the provinces in the vicinity.

### **Removal**

- Ports being improper with general space, port development planning in HCMC and southern focal economic area should be moved. The removal should be linked with planning and functional classifications of the port system in future. Removal should be so done that the stability and development of port enterprises can be secured; competitiveness and sea port services, raised.
- Removal methods are diversified and linked with concrete conditions of each port. The removal comprises direct and indirect removal, transformation of functions and utilizations of the port. Removal should be done appropriately, either entirely or partially. One port can be disassembled into different places.
- Removal should be done in accordance with a proper road map based upon logical policies and mechanisms so that the removal can be highly feasible without congestions, wastefulness, and bad effects on production, business, security and national defense.
- Removal should help stabilize labour force at ports, give priority to using labour in new places and employing properly labourers in existing places (including the support for occupational transformation training).

### ***b. Detailed planning by 2010 and orientation towards 2020.***

The detailed planning for Sea Port Group No 5 and removal planning are divided into 3 major port clusters in HCMC, Ba Ria-Vung Tau and Dong Nai province.

#### **+ Port cluster in HCMC.**

Port cluster in HCMC comprises Sai Gon port complex (Sai Gon river), Nha Be port complex (Nha Be-Long Tau river), Cat Lai port complex (Dong Nai river), Hiep Phuoc port complex (Soai Rap river).

- Building dimension of this port area meets the requirements of general cargo and breakbulk cargo vessels ranging from 10,000 DWT to 30,000 DWT capacity, liquid vessels from 15,000 to 30,000 DWT capacity, and passenger ships of 50,000 GRT.
- Throughput capacity estimated for entire cluster will reach 26 million tons/year and 163,000 passenger rounds per year by 2010; 35 millions tons/year and 326,000 passenger rounds/year by 2020.
- Planning requirement: The planning for port cluster in HCMC towards 2020 should go in line with the general municipal planning till 2020 already approved at Decision No 123/ 1998/ QD-TTg of 10-7-2002 issued by the Prime Minister, and

the Resolution No 20/ NQ-TW of 18-11-2002 of the Politburo on the Plans and Duties for HCMC Development till 2010, in which the removal of ports, as emphasized, should be done step by step that includes the changes of functions, objectives of port utilization. The removal then should be in sync with municipal space development, solution to traffic jams and environmental pollution.

#### **+ Port cluster in Ba Ria-Vung Tau**

Port cluster in Ba Ria-Vung Tau comprises Go Dau C port complex, Phu My port complex, Cai Mep port complex (Thi Vai river), Vung Tau port complex (Ben Dinh-Sao Mai), Song Dinh port complex (Dinh river).

- Building dimension: The ports complex on Cai Mep-Thi Vai river is expected to meet the requirements of general and breakbulk cargo vessels of 30,000DWT-70,000 DWT capacity, container vessels of 50,000DWT-80,000 DWT equivalent capacity, liquid vessels of 25,000DWT-70,000DWT, passenger ships of 100,000 GT. The Vung Tau-Song Dinh ports complex can receive mixed vessel of 10,000DWT (Dong Xuyen industrial park) and 30,000 DWT ocean vessels (Long Son Oil & Gas specialized area). Ben Dinh-Sao Mai ports complex can receive container ships of 50,000DWT-80,000 DWT.
- Throughput capacity estimated for entire cluster will reach 14.5 million tons/year by 2010; and 41 millions tons/year by 2020.
- Planning requirement: This port cluster is to assist the HCMC port cluster, and Dong Nai province cluster. In the long run, Ba Ria-Vung Tau port cluster will be the main one (main gateway port complex) of the focal economic zone in the South. It is so designed to meet the trends of sea ports and marine development in the region and the world. The development, construction and exploitation of ports in Ba Ria-Vung Tau should be integrated with the eco-environmental protection of Ganh Rai Bay, brackish water forest of Can Gio and brackish water forests along Thi Vai river, and at the same time without detriment to tourism potentials of HCMC and Vung Tau city.

#### **+ Dong Nai port cluster**

Dong Nai port cluster comprises mainly specialized ports serving IZs, factories, production facilities located within Dong Nai IZ (in Dong Nai Province) including Dong Nai port complex (Dong Nai river), Phu Huu port complex (Dong Nai and Long Tau-Nha Be river), Ong Keo port complex (Long Tau and Dong Tranh river), Go Dau A & B port complex, Phuoc an port complex (Thi Vai river).

- Building dimension of this port area meets the requirements of general and breakbulk cargo vessels of 15,000DWT to 30,000DWT capacity, liquid vessels of 15,000DWT to 30,000DWT capacity.
- Throughput capacity estimated for entire port cluster will reach 12ml tons/year by 2010; and 24.3ml tons/year by 2020.
- Planning requirement: construction of a port or port complex in Dong Nai port cluster should meet the development of industrial zones. Priority is given to building the ports of general service purposes.

The roles, functions, position, dimension, capacity and planning of each port till 2010, and orientations till 2020 are as proposed by the Ministry of Communication and Transport at its proposals No 4554/GTVT-KHDT date November 28, 2002, No 1159/GTVT-KHDT dated March 17, 2004, and No 3330/GTVT-KHDT dated July 5, 2004.

***a. Planned port removal on Sai Gon river and Nha Be Ship Yard.***

Subject to the Resolution No 20/NQ-TW dated November 18, 2002 of the Politburo on plans and duties of HCMC development till 2010: “*Developing options and plans for removing appropriately, planfully, solidly with proper progress so as to ensure that the removal will not cause congestions, wastefulness, and bad effects on production and business activities, and national defense.*”. The removal of parts from HCMC is implemented following below time table:

*Group of ports required to move soon, before 2010:* comprising New Port (Tan Cang) Sai Gon port, Ba Son Ship Yard, Nha Rong port, Khanh Hoi port (of Sai Gon port), East Tan Thuan port, and Rau Qua port. Specific removal time table will be based upon the general planning of HCMC and the business plans of each port following the principle: no traffic jams, wastefulness and bad effects on production and business activities, and national defense; employment stability for labourers.

*Group of ports to be moved after 2010:* Study is made to move remaining ports in clearance areas with speed based upon the above-mentioned principles. In necessary cases, port removal can speed up if all required conditions allow.

The roles, functions, position, dimension, capacity and planning of each port till 2010, and orientations till 2020 are as proposed by the Ministry of Communication and Transport at its proposals No 3853/ GTVT-KHDT of 29-8-2003, No 1159/ GTVT-KHDT of 17-3-2004, and No 3330/ GTVT-KHDT of 5-7-2004.

***b. Specific port planning targets in the Port Group No 5, and removal planning are reflected in the List attached to this Decision***

**4. Prioritized projects till 2010**

From now till 2010, focus is made on developing following ports and port areas:

- Cai Mep container port and Thi Vai General port (using Japanese ODA) in Ba Ria-Vung Tau province.
- General ports and container ports in Cat Lai and Hiep Phuoc area (in HCMC area) and in Thi Vai- Cai Mep River (Baria Vung Tau Province) to serve for the port relocation.
- Phu Huu I General port in Dong Nai Province to handle cargos demands of IZs.

**5. Policy, mechanisms and measures for implementation of the Detailed Planning**

***a. Funding for port development***

- The State will invest in the key ports to ensure its decisive role in operation of the port system. Those ports are Cai Mep container port and Thi Vai general port (ODA from Japan).

- Enterprises regardless ownership are encouraged and facilitated to invest in port development in accordance with the approved planning, in form of BOT, BTO, BT, Joint venture as regulated by law.
- Joint venture with foreign enterprise in investment in port development and operation is to follow rules and regulation on foreign investment
- To study possibilities of establishment of an investment fund for development and operation of port infrastructure by collection fee of using port infrastructure. The fund will be used for reinvestment in port development.
- To study and implement pilot projects which permit foreign enterprises to invest in loading/unloading equipment and lease port infrastructures constructed by domestic funding. This has to go along with transfer of advanced technologies. The Ministry of Transportation is responsible for co-ordination with other relevant government agencies to implement the pilot projects.

***b. Policy on port enterprises which have to be removed***

- Fund for construction of the infrastructure outside the port area (at the location where the ports are relocated) will be provided by the government. The infrastructures here include road, electricity, water supply, telecommunication system to the boundary of the port.
- Fund for investment in equipment and port construction at the location where the ports are relocated to be provided by port enterprises themselves. Sources of financing include equity, loan, fund from transferring the right of land use in the old location and other legal sources.

The use of fund collected from transferring the right of land use or selling workshops and building is regulated by the Decision 74/2005/QĐ-TTg 6/4/2005 of the Prime Minister.

- The Ministry of Finance Other is responsible for co-ordination with other relevant government agency to issue other policies and incentives (land rent fee, soft loan etc) for port enterprises which have to be removed

**Article 2: Planning Administration**

- Investment in port development has to be in line with the planning and follow strictly the current laws and regulations on investment and construction management.
- Grant and management of land for port development have to be implemented in accordance with the Planning and law and regulations on land.
- The Ministry of Transportation and the related Provincial People Committees inspect regularly the grant and management of land used for port development to ensure that land is used for the intended purpose and within the approved time line. In case there is an offending of law and regulation in using land, the land will be withdrawn and transferred to other investors to ensure that port are developed to satisfy economic development demand and planning requirements.
- Potential ports are one which are planned to be developed after 2020 or at necessary time.

- To avoid waste and rampant investment in port development, local ports are developed based on thorough calculation of investment effectiveness, size and function in relation with the local economic growth and financial capacity in maintaining channels.
- The opening or closing of ports and wharves has to follow the current rules and regulations.

### **Article 3: Implementation**

#### **1. Implementation of the planning in general**

##### ***a. Responsibility of the Ministry of Transportation ( MOT):***

- Based on the approved detailed Planning, the MOT instructs the Vietnam Maritime Department ( Vinamarine) to administrate port development in accordance with the approved planning and corresponding with economic development demand.
- The MOT decides revisions of specific ports, which are not inconsistent with the approved functions and sizes of those ports.

***b. The Ministry of Defense is responsible*** for co-ordination with the MOT and other related government authorities to prepare and approve the plan of port development which serve both security purpose and economic development within the scope of the Planning of the port Group No.5.

***c. The People Committees of the provinces*** fell into the scope of the Planning are responsible for co-ordination with the MOT and Ministry of natural Resources and environment to administrate strictly land in order to meet the port development requirement approved in the planning.

#### **2. Implementation of the planning of port removal (not translated as no important information)**

**Article 4:** This decision is effective from the date of signing.

**Article 5:** Ministers, Head of Minister-equivalent Agencies, Head of other related government agencies, Chairman of People Committee of HCMC and Ba Ria- Vung Tau Province and other related provinces are in charge of implementation this decision.

***Deputy Prime Minister  
Nguyen Tan Dung  
Signed and Sealed***