



STRENGTHENING SUPPLY CHAIN AND LOGISTICS BY ENHANCING TRANSPORT INFRASTRUCTURE AND COLLABORATION WITH THE PRIVATE SECTOR'S PARTICIPATION

Ministry of Transport of Viet Nam
Beijing, 26 September 2024

CONTENT

- I. DEVELOPING LOGISTICS INFRASTRUCTURE
 - II. CROSS-BORDER TRANSPORT
 - III. STRENGTHEN PUBLIC-PRIVATE DIALOGUE
 - IV. GREEN ENERGY TRANSITION AND EMISSION REDUCTION
 - V. UPCOMING COOPERATION
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I. DEVELOPING LOGISTICS INFRASTRUCTURE

Vietnam's logistics sector from 2017 to 2022 achieved notable results, with the **Logistics Performance Index (LPI)** in 2023 reaching **3.3 points**, ranking 43rd out of 154 countries and territories, and 5th among ASEAN countries. The revenue growth rate for logistics services was relatively high at **14%-16% per year**, with an estimated market size of around **40-42 billion USD annually**.

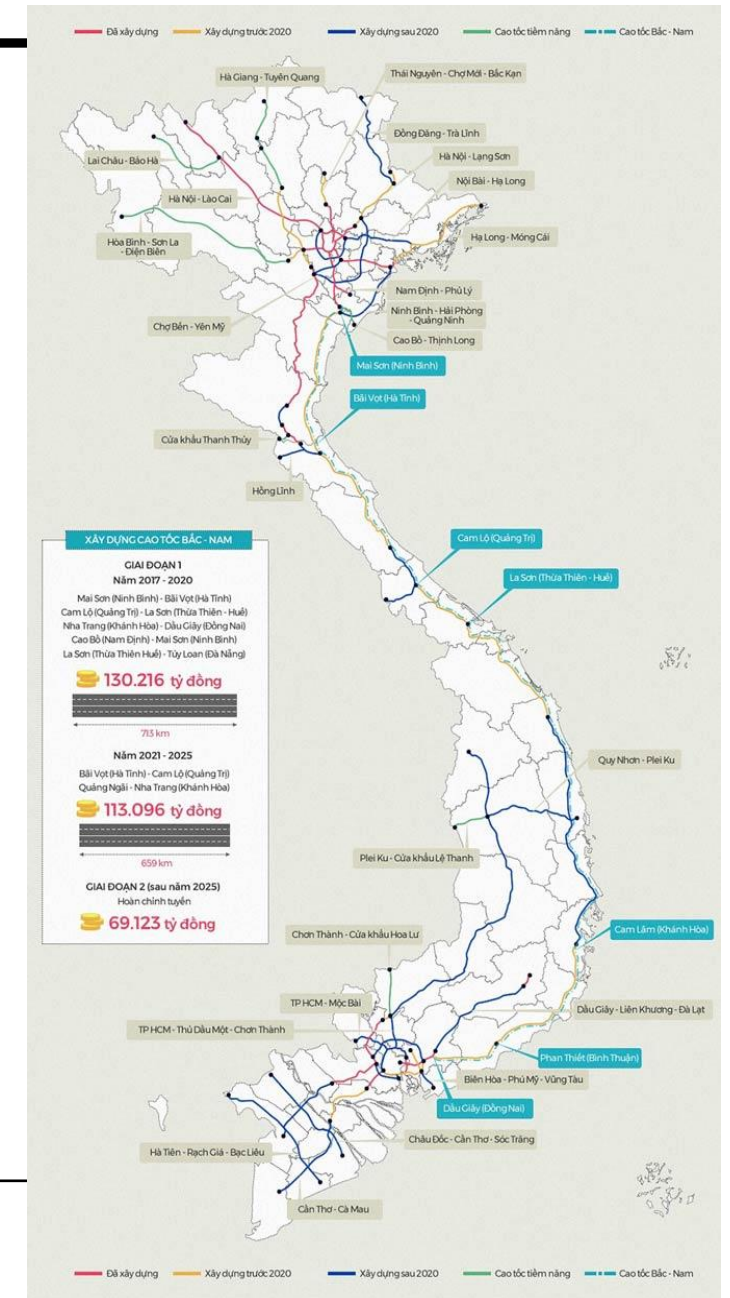
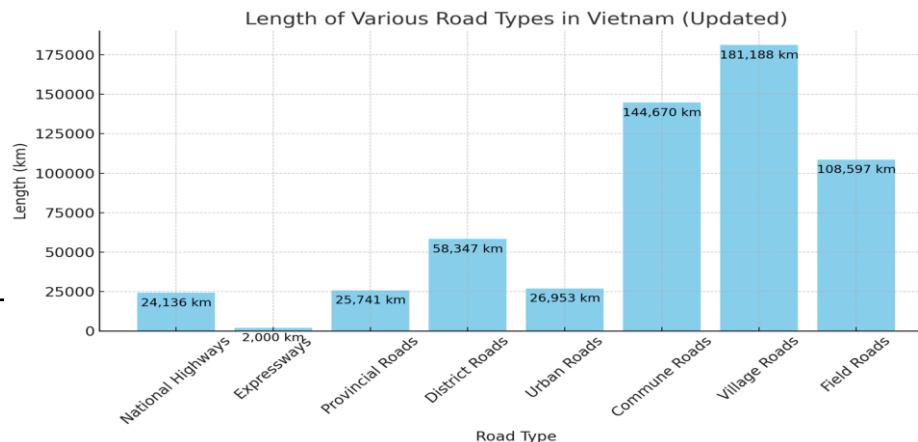
Average Growth Rate of Freight Transport (%)

Period	Total Sector	Railway	Road	Waterway	Maritime	Airway
Transportation						
1991-2000	9.7	10.3	10.2	7.8	13.6	27.4
2001-2010	13.6	2.3	15.0	9.7	14.8	15.4
2011-2019	8.7	-4.7	9.6	7.7	2.6	10.0
2020-2022	5.7	3.0	6.1	4.1	5.0	-14.2
Turnover						
1991-2000	12.1	8.7	12.5	19.1	10.1	39.5
2001-2010	14.6	7.3	16.3	8.2	16.6	14.1
2011-2019	3.4	-0.6	9.1	6.5	0.7	11.8
2020-2022	-9.1	6.7	5.5	-17.4	-16.1	-0.7

Source: GSO

I. DEVELOPING LOGISTICS INFRASTRUCTURE - ROAD

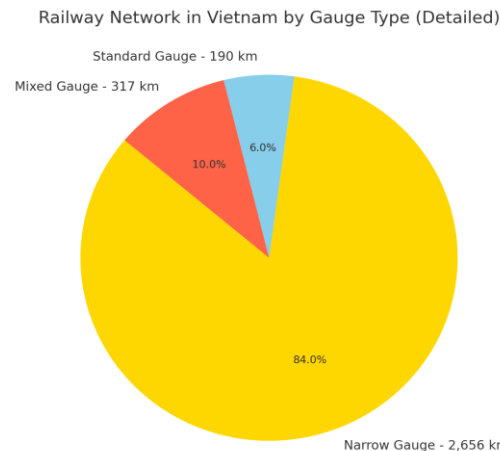
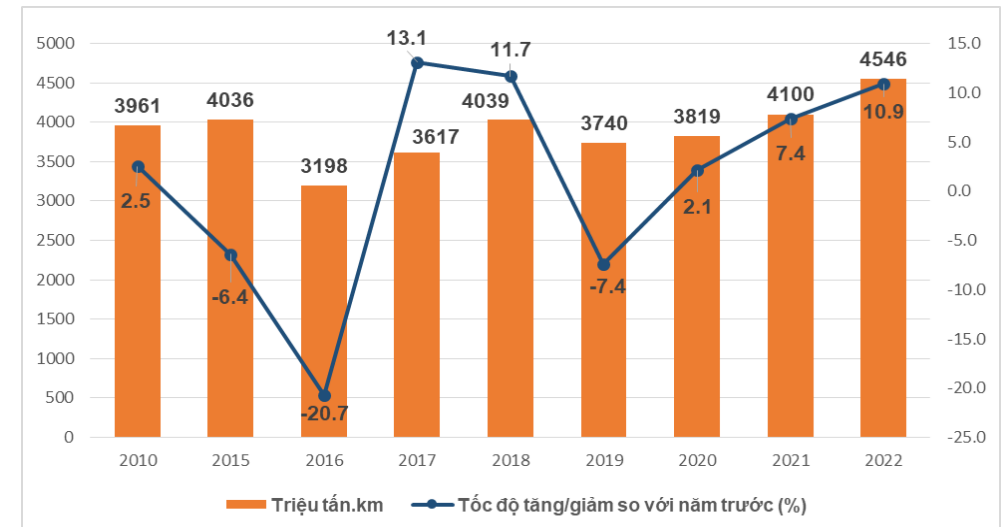
- The current road network has improved; however, **congestion and lack of safety** result in an average speed of only **50 km/h** on national highways.
- Decision No. 1454/QĐ dated September 1, 2021, by the Prime Minister approved the **Road Network Master Plan** for the period 2021 - 2030, with a vision to 2050, identifying key projects: i) **North-South Expressway on the Eastern Side**; ii) **Ring Roads and Connecting Highways** (Hanoi and Ho Chi Minh City); iii) **Key National Highways** (international connections and inter-regional connectivity).
- Up to now, **11 North-South Expressway projects** on the eastern side have been put into operation, with a total length of 634 km, increasing the total length of the North-South expressway to 2,000 km.



I. DEVELOPING LOGISTICS INFRASTRUCTURE - RAILWAY

- The average speed of freight trains is **50-60 km/h**, while passenger trains operate at 80-90 km/h.
- Railway still uses **diesel fuel** and has faced chronic **underinvestment**, with **only 3%** of the total infrastructure budget allocated to railways.
- **Decision No. 396/QD-TTg dated April 17, 2023** approved by the Prime Minister outlines the plan, policies, solutions, and resources for implementing the railway network planning for the period 2021-2030, with a vision to 2050

Railway Freight Turnover from 2010 to 2022

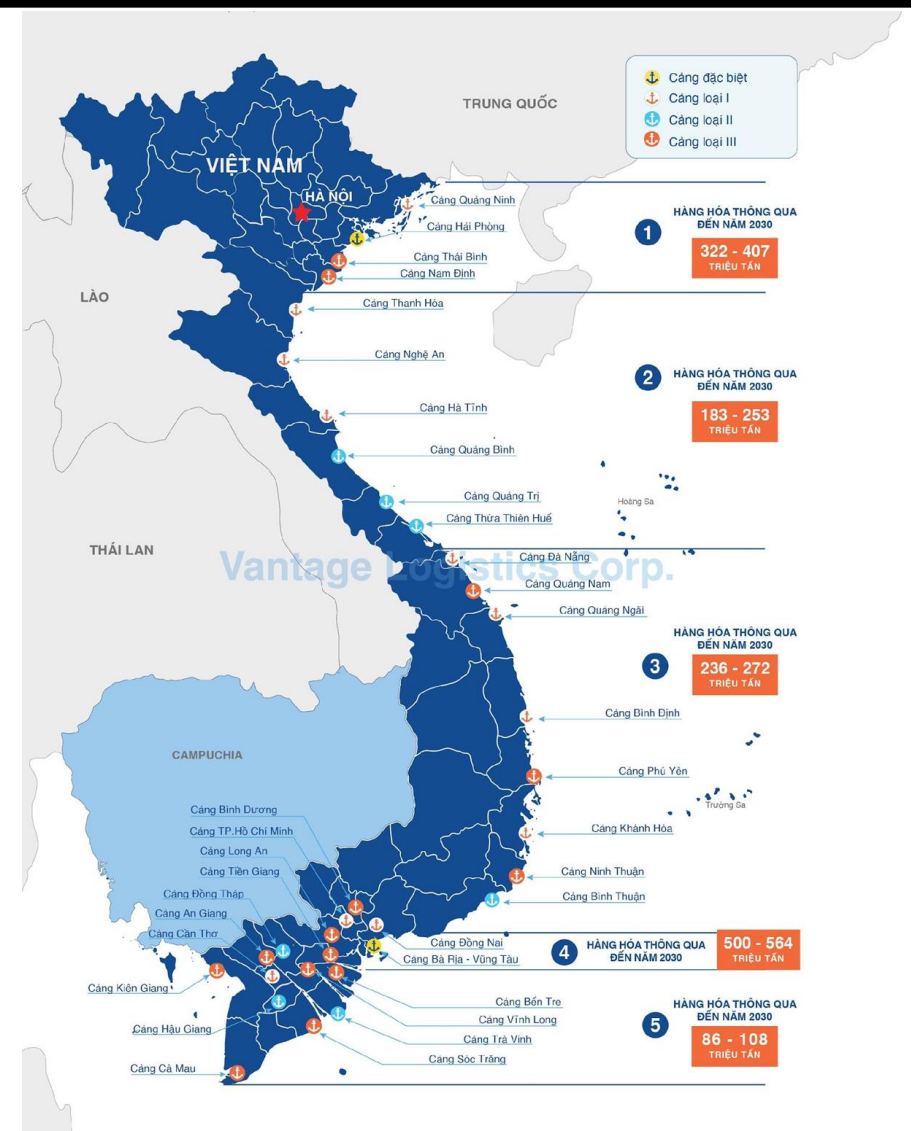


Key Railway Investment Plans:

1. **Preparation for the High-Speed Railway on the North-South Axis:**
2. **Preparation for Key Railway Lines:**
 - **Ho Chi Minh City - Can Tho Railway.**
 - **Railway lines connecting major transport hubs:**
 - Bien Hoa - Vung Tau Railway, connecting to the Cai Mep - Thi Vai International Port.
 - Thu Thiem - Long Thanh Railway, connecting to Long Thanh International Airport.
 - Hanoi - Hai Phong Railway, connecting to Lach Huyen International Port.
3. **Construction of New Railway Segment:** Connect Lao Cai Station with Ha Khau Station, establishing international rail connections with China and other countries.
4. **Preparation for Yen Vien - Pha Lai - Hạ Long - Cai Lan Railway Line.**

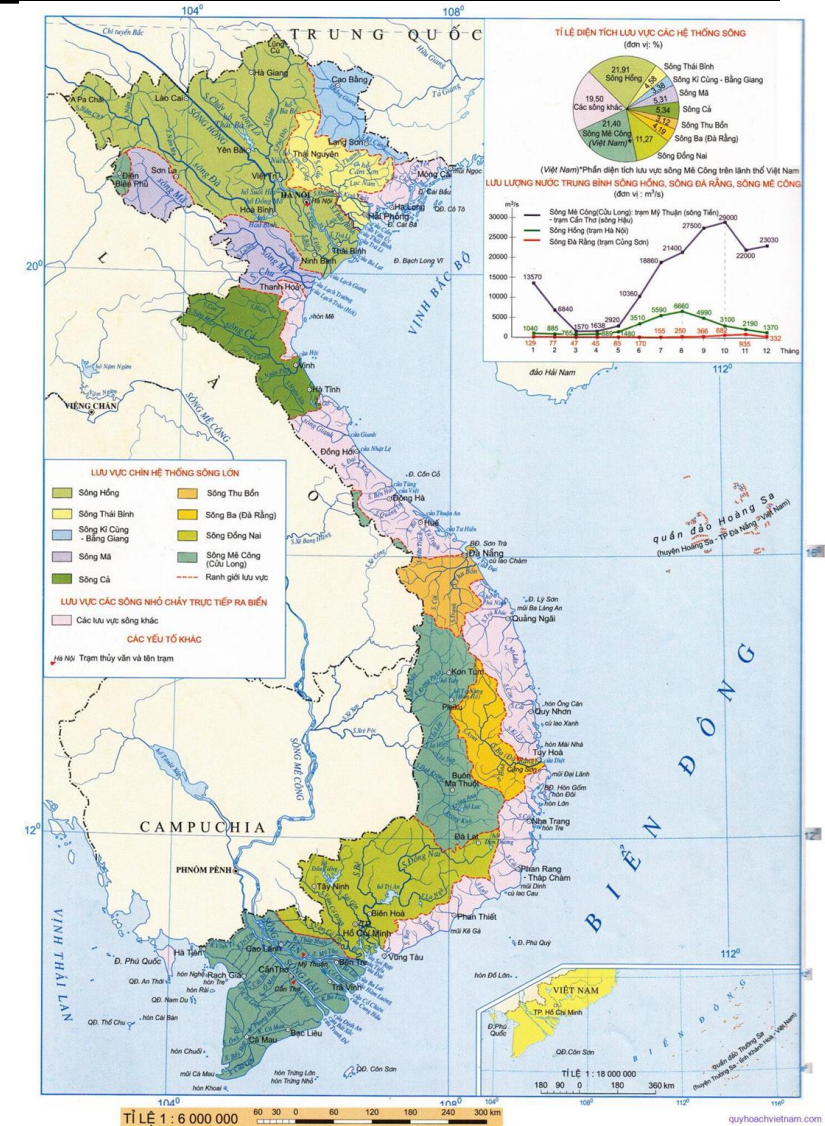
I. DEVELOPING LOGISTICS INFRASTRUCTURE – SEA PORTS

- Vietnam currently has a total of **45 seaports**, including 02 special-class ports, 11 class I ports, 07 class II ports, and 14 class III ports. The total capacity of Vietnam's seaport system was approximately **692.2 million tons of cargo in 2020**.
- **Decision No. 1579/QĐ-TTg dated September 22, 2021:** Approved by the Prime Minister, this decision outlines the master plan for the development of Vietnam's seaport system for the period 2021-2030, with a vision to 2050.
- Key improvements:
 - Investment in **Lien Chieu Port** (Da Nang city),
 - **Dredging of several key maritime channels**, such as: the Cai Trap Channel Project, Rach Gia Channel, Hai Phong Channel (Lach Huyen segment), Hai Thinh Channel, Cua Lo Channel, Da Nang Channel, Sa Ky Channel, Soai Rap Channel, Saigon - Vung Tau Channel, and the Hau River Channel for large-tonnage sea vessels.



I. DEVELOPING LOGISTICS INFRASTRUCTURE – INLAND WATERWAY

- The total length of inland waterways under management and operation is approximately 17,253 km, accounting for 41.2% of the total length of national waterways. By the end of 2017, there were 271 ports nationwide, including 258 cargo ports and 13 passenger ports.
- Currently, there are about 10,772 inland waterway wharves, of which over 8,000 are used for loading and unloading goods. Inland waterways carry approximately **4.7% of passengers and 17.8% of freight**, making it the second most popular mode of transport after road. However, **inland waterways receive only 1% of the total investment** in the transport sector.
- **Decision No. 1829/QĐ-TTg dated October 31, 2021:** Approved by the Prime Minister, it focuses on planning the inland waterway infrastructure for the period 2021-2030, with a vision to 2050.
- **Key inland waterway development:**
 - Completion of the **Construction Cluster Connecting Day River and Ninh Co River;**
 - **Renovation and Upgrading of Inland Waterway Routes:**
 - + Northern Region: 7/17 routes with a total length of 949.5/2,265.5 km (41%).
 - + Central Region: 1/10 routes with a total length of 63.5/480.5 km (13%).
 - + Southern Region: 9/18 routes with a total length of 2,303.9 km/3,426.4 km (67%).
 - **Development Project for Southern Waterway and Logistics Corridors:** The financing agreement with the World Bank is expected to be signed by the end of 2024.



I. DEVELOPING LOGISTICS INFRASTRUCTURE - AIRPORT

- **Aviation:** 22 operational airports (12 international airports and 10 domestic airports).
- **Decision No. 648/QĐ-TTg dated June 7, 2023** outlines the master plan for the development of the national airport and airfield system for the period 2021-2030, with a vision to 2050.
- **Limitations:** Some airports are still used for **both civilian and military purposes**. Mobilizing social capital for airport investment under the PPP model is essential, in line with the policy of **diversifying investment sources** for the airport system according to the plan.



Source: VITRANSS 2



Long Thanh International Airport

I. DEVELOPING LOGISTICS INFRASTRUCTURE - ICD

Decision No. 979/QĐ-TTg Master Plan for the Development of the Inland Container Depot (ICD) System for the period 2021 - 2030, with a vision to 2050: “Develop the system of cargo transfer and distribution, combining the provision of services to make the ICD system become hubs for transport organization and cargo distribution, meeting approximately **30% - 35%** of the import-export cargo transport demand along transport corridors...”



11 ICDs in operation.
4.2 million TEUs per year, (southern region 3.65 million TEUs per year).

Status of Inland Port Planning

No.	Implementation Status of Planning	Quantity	Percentage
1	Announced Inland Ports	11	16.42%
2	Operational ICDs Not Yet Converted to Inland Ports	5	7.46%
3	Inland Ports in the Process of Investment/Preparation	25	37.31%
4	Inland Ports Not Yet Invested	26	38.81%
	Total	67	100%

Lao Cai – Ha Noi – Hai Phong – Quang Ninh Railway and ICDs

Source: ITST, MOT

II. CROSS-BORDER TRANSPORT

1. Facilitating Cross-Border Transport in GMS:

- **The Agreement:** The Agreement on the Facilitation of Cross-Border Transport of People and Goods in the GMS (CBTA Agreement).
- The MOT has been coordinating with relevant ministries, agencies, and localities to complete the following internal procedures: (i) Extending the validity of the "Early Harvest" Memorandum of Understanding (MoU) for the implementation of the CBTA Agreement until December 31, 2026, and (ii) Implementing the Supplementary MoU to add new routes and border crossings to Protocol 1 of the CBTA Agreement. **Framework Agreement on Railway Connectivity in the GMS:** Negotiations are currently on hold.

2. Digital Transformation

- Recently, several border provinces (adjacent to China) have been actively promoting the establishment of smart border gates, economic logistics hubs (Lao Cai) as well as enhancing cross-border trade cooperation (Cao Bang - Bach Sach)

3. Multimodal Transport Business

Applied Information Technology to issues international Multimodal Transport Business License

- Key Considerations:

- Infrastructure Development (Digital solutions).
- Smart Border Gates (ITS such as Intelligent Guided Vehicles).
- Cross-Border Economic Zones (Digital platforms)
- Legal and Regulatory Support (Evolving policies, simplify administrative procedures, and compliance with international agreements).



Kim Thành International Road Border Gate No 2 in Lào Cai Province. Lào Cai has proposed the development of a cross-border e-commerce zone –Photo of Vietnamnews

III. STRENGTHEN PUBLIC-PRIVATE DIALOGUE

1. Cooperation Forums (MOIT):

Vietnam Logistics Development Strategy Proposal until 2025-2030, with a Vision to 2045.

5th Regional Logistics Forum: Digital Transformation – A New Driver for Growth.

Specialized Government Conference on Logistics Services Development.

Research and Implementation of Outcomes from the Vietnam Logistics Forum 2023.

2. Enhance Capacity Building, International Cooperation (MOT):

- Investment Project for Enhancing the Training Capacity of Key Vocational Programs in Marine Navigation and Logistics at the Maritime College I.
 - Enhance International Cooperation on sharing on logistic policy in GMS (Laos, Cambodia, Thailand, and PRC), activities of logistics cooperation task force;
 - Enhance cooperation with private sector through logistics associations
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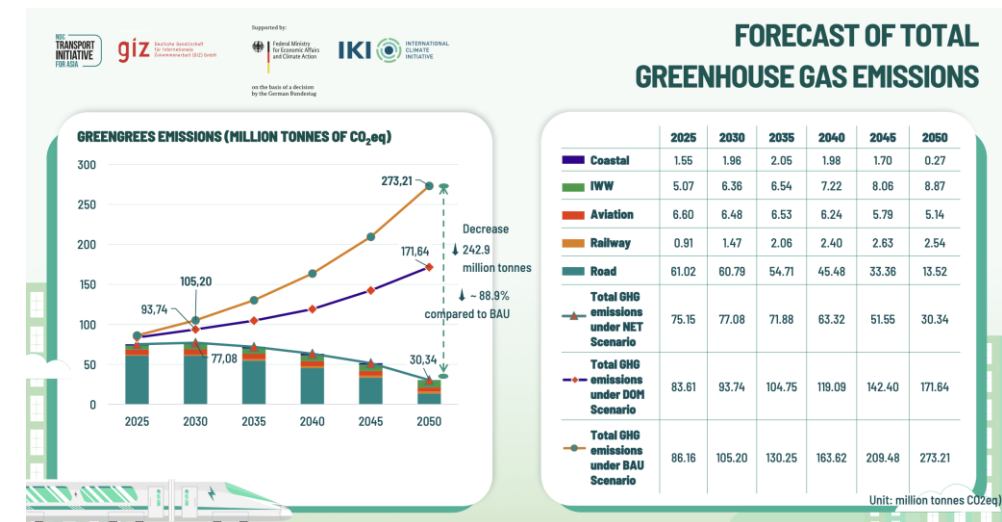
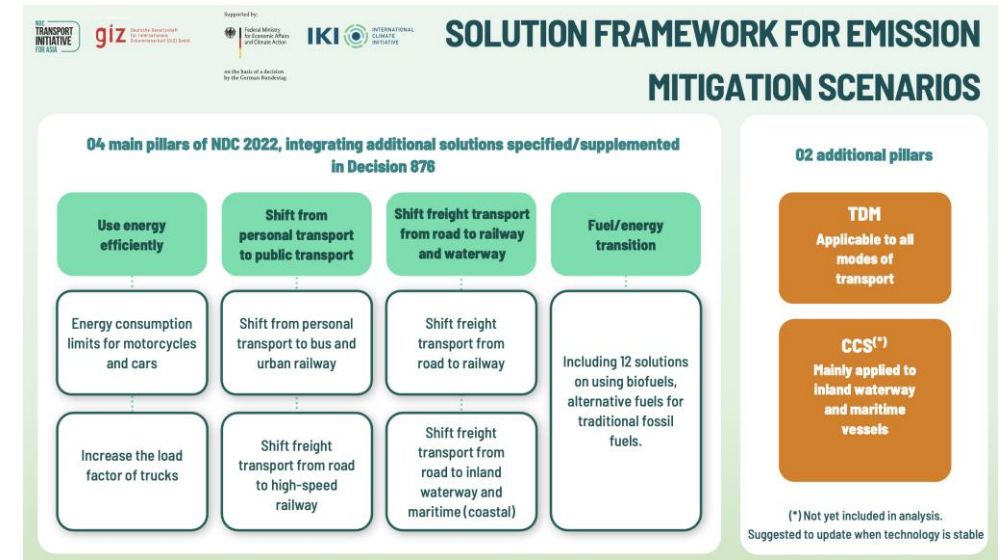


Source: MOIT , March 2024

IV. GREEN ENERGY TRANSITION AND EMISSION REDUCTION

Decision No. 876/QĐ-TTg dated July 22, 2022, by the Prime Minister approved the Action Program on Green Energy Transition, Carbon and Methane Emission Reduction in the transportation sector, with the overarching goal of developing a green transport system towards achieving net-zero greenhouse gas emissions by 2050.

- **Emission Reduction:** Align with long-term environmental objectives.
- **Electrification Targets:**
 - **2025:** 100% electric/green energy buses.
 - **2030:** 50% of all vehicles.
- **Infrastructure:** Nationwide charging network for EVs, green energy availability.
- **Urban Traffic:** Enhance public transport, promote electric buses.
- **International Collaboration:** NDC-TIA support for e-mobility roadmap.
- **Regulations and Incentives:** Support for green tech investment, EV adoption.
- **Public Awareness & Research:** Promote sustainable transport, R&D in green tech.
- **2050 Vision:** 100% electrified road transport, achieving net-zero emissions.



Source: NDC-TIA, GIZ

V. UPCOMING COOPERATION

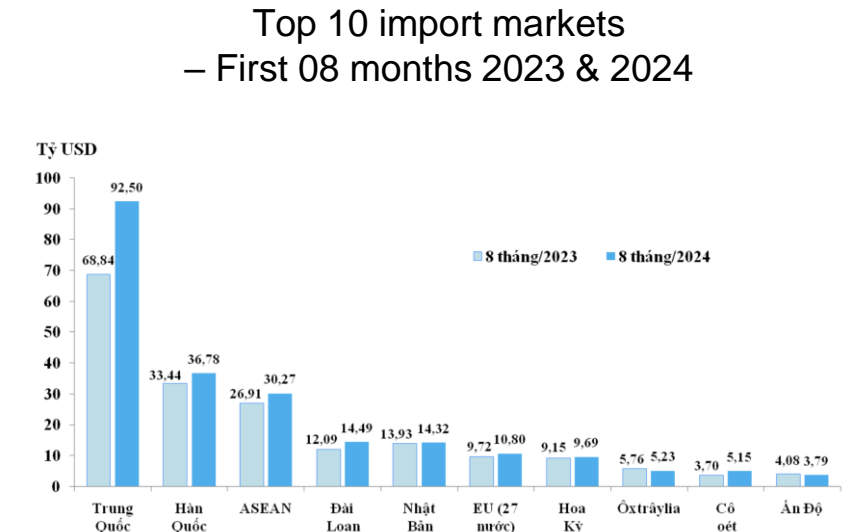
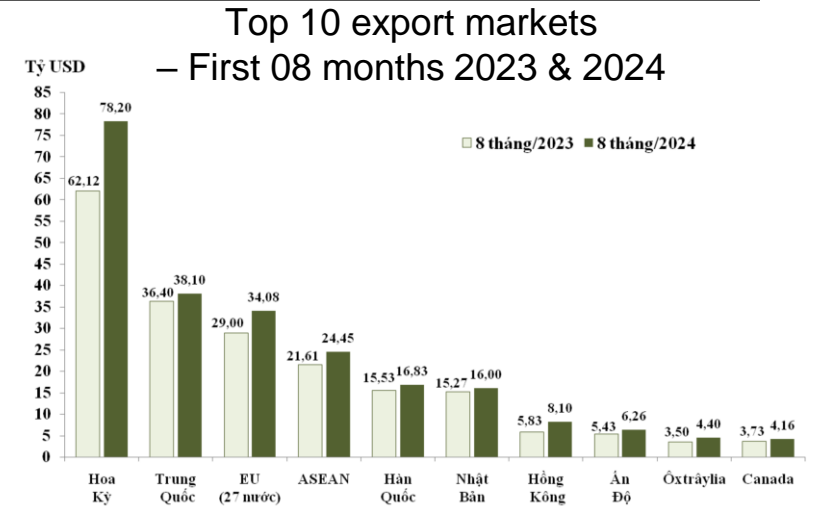
1. Develop **Decree, Circular under the Road Law 2024** (Effective from January 1, 2025): **EV for taxi, bus**; transport business; training and driving license; **Emission Limitations**

2. **Railway Law - Amendment 2024-2025**: connection of the railway network with transportation hubs, inland ports, and logistics centers

3. Potential projects for the upcoming RIF

(i) **Research on Region Logistics Service Centers**: Identify strategic inland ports in the Northern and Southern (Kien Giang, Can Tho) regions to support agricultural transport routes within the GMS (from Thailand, Laos, and Vietnam to China).

(ii) **Development of Logistics Warehousing Systems**: Explore the development of logistics warehousing systems to support international container rail transport routes (Kunming – Lao Cai, Hanoi, Hai Phong) and inland waterway transport routes (Vietnam to Guangxi, Yunnan)



Source: Custom Vietnam

Thank you for your attention

ANNEX. INSTITUTIONAL FRAMEWORK FOR TRANSPORT INFRASTRUCTURE

Road sector

- Decree No. 70/2022/ND-CP dated September 27, 2022: Amending various decrees related to road transport business activities.
 - Circular No. 05/2023/TT-BGTVT dated April 17, 2023: Issued by the Ministry of Transport, amending circulars related to road transport, road transport support services, vehicles, and drivers.
 - Circular No. 07/2023/TT-BGTVT dated May 24, 2023: Amending and supplementing some articles of circulars related to toll stations and road service fees.
 - Decision No. 2648/QD-TCDBVN dated June 22, 2022, by the Directorate for Roads of Vietnam: Announcing the technical standards for expressways.
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ANNEX. INSTITUTIONAL FRAMEWORK FOR TRANSPORT INFRASTRUCTURE

Railway

- **Decree No. 01/2022/ND-CP dated January 4, 2022:** Amends and supplements several articles of Decree No. 65/2018/ND-CP dated May 12, 2018, which provides detailed regulations for the implementation of certain provisions of the Railway Law.
 - **Circular No. 11/2023/TT-BGTVT dated June 28, 2023:** Issued by the Ministry of Transport, it amends and supplements several articles of Circular No. 26/2018/TT-BGTVT dated May 14, 2018, by the Minister of Transport, regarding the conditions, procedures, and process for the connection of urban railway tracks and dedicated railway lines with the national railway; as well as the connection of urban railway lines.
 - **Circular No. 04/2023/TT-BGTVT dated April 17, 2023:** Issued by the Ministry of Transport, it promulgates three national technical standards for components and equipment of railway vehicles.
 - **Decision No. 1143/QD-TTg dated October 3, 2023:** Issued by the Prime Minister, it establishes a Steering Committee for the development and implementation of the high-speed railway investment proposal on the North-South axis and other important national railway projects.
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ANNEX. INSTITUTIONAL FRAMEWORK FOR TRANSPORT INFRASTRUCTURE

- 1. Circular No. 21/2022/TT-BGTVT dated August 2, 2022:** Issued by the Ministry of Transport, it regulates the management and maintenance of infrastructure works under the inland waterway system, promulgated by the Minister of Transport.
- 2. Decision No. 21/2022/QD-TTg dated November 9, 2022:** Issued by the Prime Minister, it outlines mechanisms and policies to encourage the development of inland waterway transport.

ANNEX. INSTITUTIONAL FRAMEWORK FOR TRANSPORT INFRASTRUCTURE

Regarding Maritime:

- 1. Decree No. 69/2022/ND-CP dated September 23, 2022:** Issued by the Government, it amends and supplements several articles of decrees related to business activities in the maritime sector.
 - 2. Circular No. 08/2022/TT-BGTVT dated June 16, 2022:** Issued by the Ministry of Transport, it amends and supplements several articles of circulars related to business activities in the maritime sector.
 - 3. Circular No. 19/2022/TT-BGTVT dated July 26, 2022:** Issued by the Ministry of Transport, it provides regulations on the maintenance of maritime infrastructure works.
 - 4. Decision No. 1254/QD-BGTVT dated September 28, 2022:** Issued by the Minister of Transport, it approves the project for the development of Vietnam's sea transport fleet. By 2030, the goal is for approximately 30% of the total tonnage of the fleet to consist of modern ships that meet the requirements for transporting goods and passengers.
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ANNEX. INSTITUTIONAL FRAMEWORK FOR TRANSPORT INFRASTRUCTURE

Regarding Aviation:

- 1. Decree No. 64/2022/ND-CP dated September 15, 2022:** Issued by the Government, this decree amends and supplements several articles of the decrees related to business activities in the civil aviation sector. It aims to reduce and simplify administrative procedures in the field of civil aviation.
 - 2. Circular No. 19/2023/TT-BGTVT dated June 30, 2023:** Issued by the Ministry of Transport, it revises, supplements, and repeals certain provisions of the circulars related to air transport.
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Decree No. 87/2009/ND-CP dated October 19, 2009, of the Government on multimodal transport;

Decree No. 144/2018/ND-CP dated October 16, 2018, of the Government amending and supplementing decrees on multimodal transport;

ANNEX. INSTITUTIONAL FRAMEWORK FOR TRANSPORT INFRASTRUCTURE

Road Law 2024 - Effective from January 1, 2025

PPP Law - Effective from March 29, 2021

Railway Law - Amendment 2024-2025

Prime Minister's 06 Decisions approving specialized transportation sector plans for the period 2021-2030, with a vision to 2050

