

## VIETNAM FREIGHT FORWARDERS ASSOCIATION

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### Welcome All Honor Guests, Participants and Observers Attending 20<sup>th</sup> AFFA Annual General Meeting

Bangkok 8<sup>th</sup> - 9<sup>th</sup> October 2010

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## Vietnam Country Reports

**Vietnam - Land of Opportunities**  
**VIFFAS Activities**  
**GMS-CBTA &**  
**Multimodal Transport Update**

A collage of five images: the Vietnamese flag, an aerial view of a port with many ships, a woman wearing a traditional conical hat, a traditional multi-tiered pagoda, and a large cargo ship sailing on the ocean. To the right is a map of Southeast Asia showing the location of Vietnam relative to China, Laos, Thailand, Cambodia, and the Gulf of Thailand.

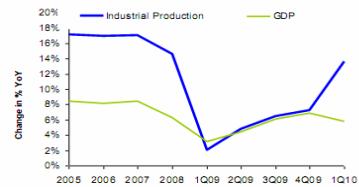
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## Vietnam Country Reports

### Vietnam – Land of opportunities

- Vietnam is expected to be the fastest growing economy in term of real GDP in East Asia only after China<sup>1</sup>
  - Real GDP growth rates averaging 7.3% from 2005 to 2009
  - GDP for 2010-11 expected to average 6.5%
  - Industrial production grew 13.5% in first 4 months of 2010 against same period 2009
- Quick recovery from the recent economic downturn



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## Vietnam Country Reports

### Vietnam – Land of opportunities

- “China plus One” Strategy: Vietnam as 2nd production base outside of China
  - Low production and operation costs advantage
  - Young and well-educated population of more than 85 million
  - Steady flow of foreign direct investment channeled into infrastructure projects as well as into a number of JVs by logistics, freight forwarding, shipping and port companies.

#### ➤ Growing Logistics Market in Vietnam

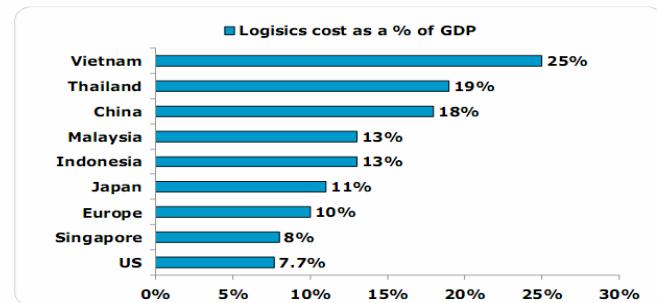
- Government initiatives to improve infrastructure: aims to invest as much as 10% of GDP on infrastructure including transport, energy and telecommunications sectors<sup>1</sup>
- Improved infrastructure developments and ancillary services such as warehousing, depots and distribution centers will further boost the demand for logistics services and create huge business opportunities for the existing and new logistics service providers

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## Country Reports of Vietnam

However its logistics cost is much higher than neighboring countries



Source:  
US figure: The Journal of Commerce Online  
China figure: The Global Rail

Europe, India, Japan figure: India Knowledge @ Wharton  
Singapore, Malaysia, Thailand figure: Frost & Sullivan

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## Country Reports of Vietnam

### Overview of Vietnam's logistics challenges



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### VOLUMES GET THROUGH VIETNAMESE PORTS

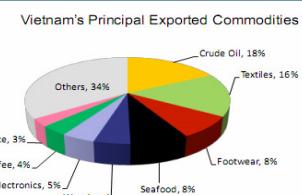
STT	Cảng vụ	Hàng lỏng			Hàng khô			Hàng Container			Hàng quá cảnh	
		Xuất	Nhập	Nội địa	Xuất	Nhập	Nội địa	Xuất	Nhập	Nội địa	Xuất TEU	Nhập TEU
1	HÀNG HẢI AN GIANG	6,346,710	77,744,805	6,917,865	20,799,689	10,043,416	16,644,443	8,980,396	10,216,996	3,650,016	873,046	869,860
2	HÀNG HẢI QUỐC TẬN	1,621,458		1,425	42,380	49,043	362,599					3,402
3	HÀNG HẢI CÀ MAU	164,964			17,262			15,500				36,421
4	HÀNG HẢI CĂ THƯỢ	10,017	604,646	107,984	99,404	116,175	465,966					11,057
5	HÀNG HẢI ĐÀ NẴNG	9,256	223,377	421,184	560,091	83,079	977,224	17,648	203,920	72,990	22,650	18,872
6	HÀNG HẢI ĐỒNG NAI	95,380	790,675	193,417	99,205	314,596	679,866					125,721
7	HÀNG HẢI ĐỒ	103,307	2,200	1,700	6,063							
8	HÀNG HẢI HÀ NỘI			373,652	9,654							
9	HÀNG HẢI HỒ CHÍ MINH											10,402
10	HÀNG HẢI KHÁM PHẠM											2,326
11	HÀNG HẢI LÂM KHẨU											47,658
12	HÀNG HẢI LÂM KHẨU											
13	HÀNG HẢI QUẢNG NGÃI											
14	HÀNG HẢI QUẢNG NINH	3,542	12,591,094	452,036	17,741	1,049,174	27,045,508	182,864	527,965	1,365	35,225	35,390
15	HÀNG HẢI QUẢNG TRỊ					4,737	100	37,957				2,055
16	HÀNG HẢI QUẢNG TRỊ											
17	HÀNG HẢI QUẢNG NAM	30,144	207,241	1,911,613	237,562	1,140,896	165,179	93,121	19,976	17,445	7,861	9,221
18	HÀNG HẢI THÁI BÌNH											
19	HÀNG HẢI THANH HÓA				231,042	82,047	1,501,269					
20	HÀNG HẢI THÁI THIEN HUẾ											
21	HÀNG HẢI THÁI THIEN HUẾ	4,591	95,471	378,042	4,175	266,107						
22	HÀNG HẢI TP HCM	159,996	2,422,100	1,227,693	2,331,937	3,868,377	2,401,234	6,955,573	6,516,581	3,526,098	685,796	705,009
23	HÀNG HẢI VŨNG TÀU	3,349,995	4,28,246	2,987,165	995,044	4,461,059	1,620,310	949,594	879,408	19,080	114,040	102,822
24	HÀNG HẢI VŨNG TÀU											

Volume upto August 2010 - 98,107,974 tons



## Country Reports of Vietnam

### Vietnam's Key Economic Indicators : Exports



Sea and Road Infrastructure important to efficiently manage key exported commodities

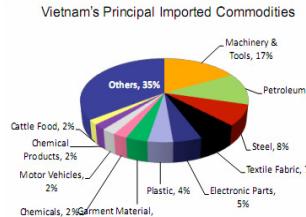
- Requires highly controlled logistics infrastructure
- Transported in large consignments
- Requires controlled logistics infrastructure
- Are essentially bulk commodities

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## Country Reports of Vietnam

### Vietnam's Key Economic Indicators : Imports



Sea, Road and Rail infrastructure important to efficiently manage imported commodities

- Machinery, Tools & Steel**   
□ High value bulk commodities
- Petroleum & Chemicals**   
□ Hazardous liquid bulk, requiring controlled logistics infrastructure
- Vehicles, Textiles & Garments**   
□ Bulk commodities
- Electronic Parts**   
□ High value commodities, may or may not require controlled logistics infrastructure

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**Logistics Performance Index (LPI ) of Vietnam in the year 2010: 53/155 (World Bank)**

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## Vietnam Country Reports

### Viffas' Membership in 2010

**There are 1200 freight forwarders, logistics service providers, transport service companies in Vietnam.**

**Up to 1st Oct. 2010 VIFFAS is of 130 members in total with 117 Ordinary members and 13 Associate members.**

**In 2010 VIFFAS admitted 25 new members and deleted name in VIFFAS member list of 8 members.**

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### Issues related to FIATA

\* VIFFAS is an Ordinary Member of FIATA and also has 61 individual members of FIATA from its members.



\* VIFFAS manages and Issues FBL printing documents on member 's request.

\* VIFFAS accredited “ **FIATA DIPLOMAT IN FREIGHT MANAGEMENT** ” by FIATA in the year 2009.

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### Viffas' Activities in 2010

#### GOVERNMENTAL RELATIONSHIP

At the private sector VIFFAS is coordinated with 6 ministries :

1. Ministry of Industry and Trade,
2. Ministry of Transport, Vietnam Maritime Bureau,
3. Ministry of Finance (Tax Bureau, Customs Department General, local tax offices...)
4. Ministry of Planning and Investment,
5. Ministry of Post and Telecommunications,
6. Ministry of Home Affairs,

**National Logistics Committee to be set up is under  
VIFFAS consideration to propose**

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+ VIFFAS suggested and Ministry of Finance agreed to delete the VAT 10% on the margin of international freight ( difference of buying and sale value)

+ VIFFAS participates continuously as a member of The Project 30 for reforming the admin procedures in Tax and Customs.

+ VIFFAS also participates many symposiums, conferences, seminars, panel discussions.. at the regional level for logistics and freight forwarding integration and enhancement.

+ Viffas attended the Vietnam National Shipper Council setting up ceremony.

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**Viffas attended many  
international seminars on  
logistics services in 2010**

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+ In 2010 Viffas organized 10 training courses of Logistics and freight forwarding services for 200 participants of VIFFAS members



+ At the present over 5-6,000 staffs of the industry need for vocational training per year.

#### Solution

+ VIFFAS urgently set up the Vietnam Logistics Institute in Oct, 2010 for research & development, vocational training in the industry.

#### Proposal

+ To call for the assistance from AFFA (or JETRO...) in training to trainers the program of the logistics management for middle manager or specialists in the industry.

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### FORCUS 2011

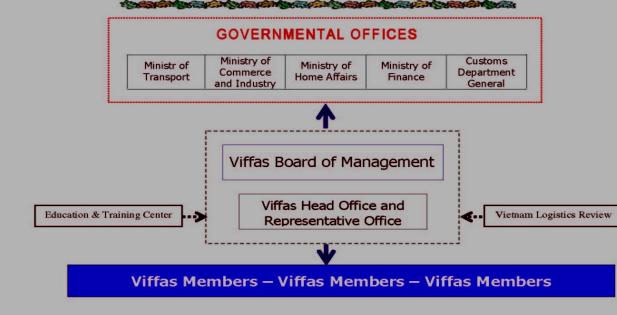
- o Viffas will complete administrative formalities to set up the centre of training and education and start 1<sup>st</sup> course in 1<sup>st</sup> quarter 2011.
- o To support members in technology and legal matters on their business.
- o To arrange 6<sup>th</sup> Congress and Election of new management board at the end of 2010.
- o To contribute comments in simplifying administrative formalities of Taxation and Customs Procedures (The Project 30)

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### Viffas Organization Structure



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## *Vietnam Country Reports*

### Contacts Addresses

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 Persons in charge : Mr. Nguyen Hung – Executive Officer  
 Ms Thu Thuy - Secretary



#### HANOI VIFFAS REPRESENTATIVE OFFICE

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 Person in charge : Ms. Nguyen Luong Binh – Secretary

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# THANK YOU

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