VIETNAM MARITIME INDUSTRY
(Presentation at ASEF 9th Forum)
VIETNAM OVERVIEW

Location

- Vietnam locates on The World major shipping routes. Maritime related business is forecasted to account for 50% of national economy in 2020.

And locates in the center of the Southeast Asia, in the eastern part of the Indochina peninsula, facing the Pacific Ocean to the south east.
**General Information**

- **Area**: 343,000 km²
- **Coast line**: 3,200 km; Navigable inland waterways = 1,900 km
- **Over 4,000 years history and culture**
- **Capital city**: Hanoi
- **Population**: 90 millions (60mil in working age)
- **GDP**: 140 billions USD
- **Growth**: 6 - 9% in last 10 years

**Political stability**

**Golden Age**

**Population**

**Good market potential**

**Fast Growing economy**

**GDP (billions USD)**

- 2005: 40
- 2006: 45
- 2007: 50
- 2008: 55
- 2009: 60
- 2010: 65
- 2011: 70
- 2012: 75
- 2013: 80
Vietnam’s Master plan for seaports

- Up to 2008 Cargo throughputs reached 196.6 mil. ton (2.7 times higher than 1999), including 5.02 mil. TEU (5.3 times higher than 1999).

- The five (5) main locations that receive regular container services in Vietnam are Ho Chi Minh City (handles 72% of total cargo throughput), Hai Phong (20%), Cai Lan (4%), Da Nang (1%), Quy Nhon (1%).
VIETNAM MARITIME INDUSTRY

Demand of sea born transportation

- Vietnam has 127 ports, of which 37 are ocean cargo ships.
- Sea born trade volume forecast to be tripled in 2020.

Vietnam seaborn trade volume forecast (Mil tons/year)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2015</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>350</td>
<td>500</td>
<td>900</td>
</tr>
</tbody>
</table>
Vietnam’s Master plan for seaports

The government plan to invest **18 – 20 billion USD** in stage to 2020 to improve seaport infrastructure.

*Ho Chi Minh City Sea Port: 25th on the Top 50 World Container Ports of World Shipping Council, handling 5.15 mil TEU in 2012.*
Vietnam Shipping fleet and demand

Currently is above 1,300 vessels with total capacity of 6.5 million DWT, ranked about 30th in the world and 4th in the region.

Vietnamese flag ships have target to share about 30% volume of Vietnam import / export sea cargo.

Vietnam’s forecast to have a shipping fleet of total capacity about 9 million DWT in 2020.
Vietnam has about 20 major domestic Shipyards

**SBIC’s Shipyards**
- Ha Long shipyard
- Pha Rung shipyard
- Bach Dang shipyard
- Thinh Long shipyard
- Huyndai Vinashin shipyard
- Cam Ranh shipyard

**Other state Owned Shipyards:**
- Vinacomi shipyard
- Lilama shipyard
- Hong Ha shipyard
- Hai Long shipyard
- Dung Quat shipyard
- Song Thu shipyard
- PTSC shipyard
- Ba Son shipyard
Foreign Shipyards

Major foreign Shipyards in Vietnam.

- SBIC
- Damen
- Hyundai
- Strategic Marine
- Piriou
- Seas
- Triyards
- Emas
- Vard
Vietnam has 4 universities with maritime related degree annual graduation about 4,000 ship crews, naval architect and marine engineer:

- Vietnam Maritime University (VIMARU)
- Hanoi University of Technology (HUT)
- Nha Trang City University
- Ho Chi Minh City University of Transport

And 4 maritime vocational colleges providing annually 8,000 skilled technician.

- Hai phong Maritime College
- Hai phong Poly-Technical College
- Maritime Vocational College
- Ho Chi Minh City Maritime College
Market Potential

- Maritime industry is central focus of Vietnam development plan.
- Continuous growth of demand for shipping, port infrastructure, offshore industry.
- Good foundation of shipbuilding facilities and maritime human resource.
SBIC is the largest state-owned corporation in Vietnam in:

- Shipbuilding and ship repair
- Shipbuilding supporting industries
- Engineering and R&D in shipbuilding
SHIPBUILDING AS CORE BUSINESS

Building capacity:
- Up to Panamax size vessels
- Tanker, Bulk carrier, Container, Car carrier, LPG carrier, Cement carrier, FSO/FPSO, Tug boat, Fishing Boat, Offshore vessel.

- Delivery in 2010: 60 Vessels
- Delivery in 2011: 75 Vessels
- Delivery in 2012: 40 Vessels
- Delivery in 2013: 50 Vessels
- Delivery in 2014: 74 Vessels
- Delivery in 2015: 150 Vessels (expected)
SBIC is capable of carrying out various types of repair, conversion and modification work up to the size of Handysize.

Typical ship types: tankers, bulk carriers, LPG carriers, container vessels, offshore supply vessel, etc.

Main repair facilities:
- Northern area: Bach Dang shipyard, Pha Rung shipyard, Nam Trieu shipyard
- Southern area: Saigon Shipmarin, Saigon shipbuilding shipyards.
Support to shipbuilding and repair activities

Localization of marine equipment and accessories

Products include:
- Steel (plate and profile)
- Welding material
- Diesel Engines (low and high speed)
- Boiler
- Crane, hatch cover and other deck equipment
- Interior material
- Air conditioning system
- Switch board and Electric Cable
In-house design and testing facilities in collaboration with Design Institute & Engineering companies enables SBIC to offer research, design and consulting services including:

- Research and development of new concept
- Model test
- Basic design
- Workshop design
- Shipyard design
1996: Establishment of Vietnam shipbuilding industry corporation (VINASHIN) from Shipbuilding union. (9 shipyards; 5,000 workers; 3,000 dwt coastal vessel)

2000: First ocean going vessel (6,500 dwt) delivered to domestic owner

2001: First exported cargo vessel (10,000 dwt) to Japanese owner

2003: Modernization and new construction of Vinashin shipyards

2006: Establishment of Vinashin Group (more than 200 Subsidiaries, 30 shipyards; 80,000 workers)

2007: Delivery of the first 53,000 dwt Bulk carrier

2008: Delivery of the first 4,900 CEU Car Carrier

2009: Delivery of 150,000 dwt FSO unit
2010: Transfer of shipping division to Vinalines and several under construction industrial zones and shipyards to Petrovietnam

2011-2012: Downsize organisation to 43 subsidiaries including 20 shipyards

2013:

- Finish restructure of 2 billion USD bank loan
- Establishment of a new shipbuilding corporation, called SBIC, with 8 solely owned shipyards.
- SBIC focuses on shipbuilding and repair business only, using existing shipyard facilities and man power.
- Continue to transfer/sell remaining subsidiaries and projects to private/foreign investors to concentrate resources to develop the new corporation.
SBIC SHIPYARDS

- Ha Long shipyard
- Bach Dang shipyard
- Pha Rung shipyard
- Song Cam shipyard
- Thinh Long shipyard

- Damen - Song cam
- Huyndai - Vinashin
- Cam Ranh shipyard
- Saigon Shipmarin (SSMI)
- Saigon Shipbuilding (SSIC)
<table>
<thead>
<tr>
<th>Shipyard</th>
<th>Slipway L x B (m)</th>
<th>Dock</th>
<th>Crane (ton)</th>
<th>Quay (m)</th>
<th>Capacity (DWT)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td>New building</td>
</tr>
<tr>
<td>Bach Dang</td>
<td>184.5 x 24</td>
<td>Floating 4,500 DWT</td>
<td>120</td>
<td>200 x 18</td>
<td>Up to 40,000</td>
</tr>
<tr>
<td></td>
<td>186 x 34</td>
<td></td>
<td></td>
<td></td>
<td>Up to 10,000</td>
</tr>
<tr>
<td>Pha Rung</td>
<td>156 x 25</td>
<td>Floating 4,200 DWT</td>
<td>200</td>
<td>200 x 18</td>
<td>Up to 40,000</td>
</tr>
<tr>
<td></td>
<td>270 x 32</td>
<td>Dry 15,000 DWT</td>
<td></td>
<td>150 x 11</td>
<td>Up to 20,000</td>
</tr>
<tr>
<td>Song Cam</td>
<td>194 x 30</td>
<td>Dry 97m x 23m</td>
<td>200</td>
<td></td>
<td>Up to 20,000</td>
</tr>
<tr>
<td>Ha Long</td>
<td>350 x 48</td>
<td>-</td>
<td>400</td>
<td>Q1: 90</td>
<td>Up to 80,000</td>
</tr>
<tr>
<td></td>
<td>250 x 36</td>
<td></td>
<td></td>
<td>Q2: 200</td>
<td></td>
</tr>
<tr>
<td>Thinh Long</td>
<td>186 x 37</td>
<td>-</td>
<td>200</td>
<td>250</td>
<td>Up to 30,000</td>
</tr>
<tr>
<td>Cam Ranh</td>
<td>320 x 48</td>
<td>-</td>
<td>300</td>
<td></td>
<td>Up to 50,000</td>
</tr>
<tr>
<td>Saigon Shipmarine</td>
<td>-</td>
<td>Floating 8,500 DWT</td>
<td>150</td>
<td>Q1: 100</td>
<td>Up to 10,000</td>
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<tr>
<td></td>
<td></td>
<td>Floating 6,000 DWT</td>
<td></td>
<td>Q2: 50</td>
<td>Up to 20,000</td>
</tr>
<tr>
<td>Saigon Shipyard</td>
<td>181 x 25</td>
<td>Dry 180m x 30m</td>
<td>100</td>
<td>100</td>
<td>Up to 10,000</td>
</tr>
<tr>
<td>Nam Trieu</td>
<td>180 x 32</td>
<td>Floating 8,500 DWT</td>
<td>300</td>
<td>Q1: 353</td>
<td>Up to 80,000</td>
</tr>
<tr>
<td></td>
<td>320 x 48</td>
<td>Dry 10,000 DWT</td>
<td></td>
<td>Q2: 206</td>
<td>Up to 30,000</td>
</tr>
</tbody>
</table>
SHIPBUILDING INDUSTRY CORPORATION

MAIN PRODUCTS:

- 34,000 DWT Bulk Carrier
  Pha rung Shipyard

- 56,000 dwt Bulk carrier
  Nam trieu Shipyard

- 53,000 DWT Bulk Carrier
  Ha Long Shipyard

- 1730 TEU Container Carrier
  Bach Dang Shipyard

- 34,000 DWT Bulk Carrier
  Pha rung Shipyard
SHIPBUILDING INDUSTRY CORPORATION

MAIN PRODUCTS:

4,900 Cars PCTC
Ha Long Shipyards

150,000 DWT FSO
Nam Trieu Shipyards

14,000 dwt Cement Carrier
Bach Dang Shipyards

13,000 DWT Chemical Carrier
Pha rung Shipyards
MAIN PRODUCTS:

- 70t BP ASD TUG – Song Cam shipyard
- 4500cbm Ethylene LPG - Bach Dang Shipyard
- 3,000 m3 Hopper Dredger – Ben Kien Shipyard
- Fast Crew Boat – Song Cam Shipyard
Forming alliance

Building the quality ships in Vietnam at competitive price

- Joint venture
- Consulting
- Business Collaboration
- Shared, licenced manufacturing
- Investing on new sites
- Investing in shipyards and factories
- Foreign technology and management skill
- Transfer non core businesses to other investor

International Cooperation directions
THANK YOU!