



THE WAY FORWARD

# GEMADEPT NEWS

*"Docking for Information"*

October 2024



NAM DINH VU PORT AFTER TYPHOON YAGI

# **INDEX:**

## **I. WORLD NEWS: 3**

1. Maritime market updates
2. Top 10 carriers and the need for fleet renewal

## **II. VIET NAM NEWS: 5**

1. Infographic
2. Viet Nam im-ex figures and FDI Investment in first 9 month 2024

## **III. GEMADEPT NEWS: 7**

1. Nam Dinh Vu on the way of sustainable development process
2. Achieved ISO International Certification and Green Port
3. Gemadept Run 2024 Charity Destination

## **IV. LOGISTICS SPOTLIGHT: 10**

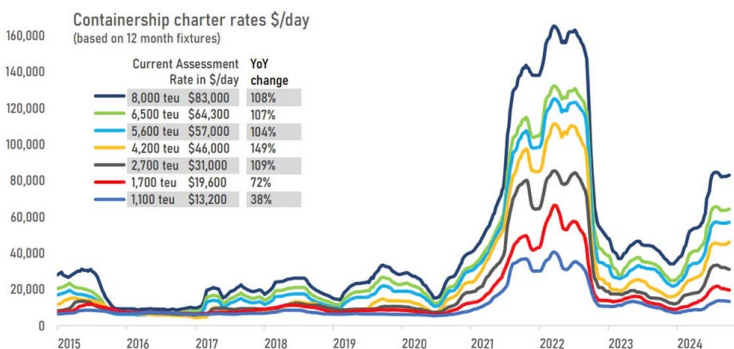
**SOUTHEAST ASIA: NEW MANUFACTURING HUB OF GLOBAL SUPPLY CHAIN**



# MARITIME MARKET BRIEF

The US East Coast dockworkers' strike ended after the ILA agreed a 61.5% wage hike over 6 years, far in excess of the 32% increase that the ILWU secured for their 2022-2028 US West Coast master contract. An extension of the current labour contract has meanwhile been agreed until 15 January 2025. This will give both parties time to negotiate other outstanding issues, particularly the delicate and important subject of terminal automation. Although congestion at East Coast ports surged to their highest levels since 2022 at the end of the 3-day strike, the vessel queue is clearing up quickly after all the affected ports resumed operations.

Congestion in other parts of the world are also easing gradually with Chinese ports in particular witnessing a drop in the number of ships waiting at anchorages around the country as vessel traffic is down sharply last week due to Golden Week holiday blanked sailings. Freight rates are expected

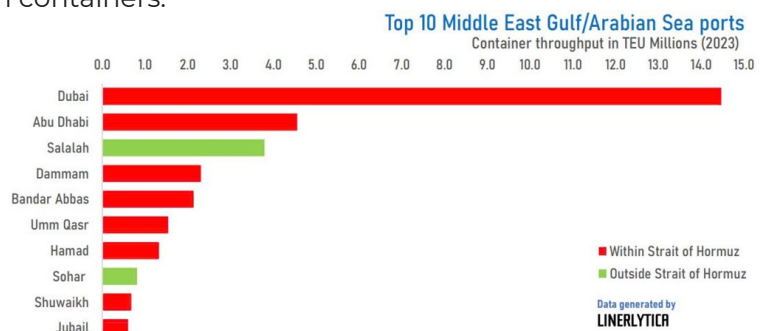


to resume their decline with most holiday season cargo for the Thanksgiving and Christmas shopping season already shipped out earlier. The weakness has not spilled over to the charter market with carriers still intent on securing tonnage as attention shifts to the launch of the new alliance networks in February 2025.

## Impact of Strait of Hormuz disruption on the container market

The escalation of conflict in the Middle East has sparked fears of a potential disruption to vessel traffic in the Strait of Hormuz. The impact on the container markets will be far less severe compared to the tanker and LNG markets, as the Middle East Gulf is mostly an import market with very little exports of any strategic importance that are shipped in containers.

In 2023, middle East Gulf ports located north of the Strait of Hormuz handled a total of 29m teu of containers, accounting for 3.2% of global volumes. The 2 main UAE ports of Dubai and Abu Dhabi account for two-thirds of the total throughput and will be most badly affected



by a potential closure of the Strait of Hormuz along with ports in Bahrain, Kuwait, Iran, Iraq, Qatar and the eastern ports of Saudi Arabia, while Salalah, Sohar and Khor Fakkan will be the only main ports that can continue to function in the region.



## TOP 10 CARRIERS AND THE NEED FOR FLEET RENEWAL

**The top 10 carriers operate 683 ships (2.6 Mteu) which are 20 years of age or older.**

Assuming 25 years as the 'normal' commercial lifespan of a sea-going cargo vessel, these numbers suggest that the top ten operators could, between them, use 44% of their combined orderbook of 5.9M Teus (431 vessels) just to replace the oldest ships in service, rather than for growth.

Current's orderbook is the largest it has ever been in terms of teu capacity, and this year's ordering frenzy was, at least in part, driven by the carriers' ambition to increase vessel efficiency and make greater use of alternative fuels such as LNG or methanol. Apart from cost reductions, the overall aim is to decrease CO2 emissions per container over a given distance.

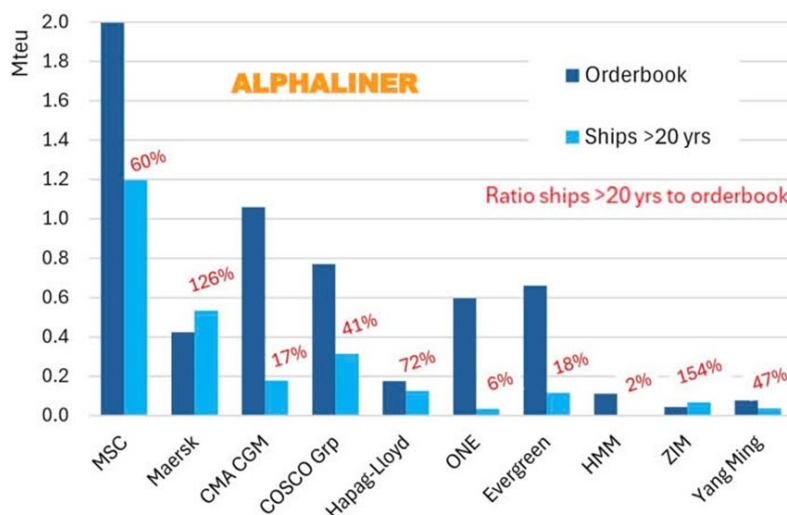
Whereas 60% of MSC's capacity on order could be used to replace ageing vessels, the percentage is much lower for some other carriers. HMM only operates a single vessel in the 'above 20 years' class, which is a chartered multipurpose ship.

The Korean carrier's orderbook of thirteen container ships is thus basically all meant to grow the size of HMM's fleet. Ocean Network Express' low 5.6% ratio of 'ageing ships to orderbook' also shows the ambition to go for fleet growth and a larger market share. The same is true for CMA CGM (16.9%) and Evergreen (17.50%).

Only one carrier has not ordered a sufficient number new ships to replace ageing tonnage: Maersk. The Danes however committed to a fleet renewal program of 800,000 teu over the coming five years, including 500,000 teu of chartered vessels. Several of these charters have yet to be unveiled, so that the 'naked' numbers are somewhat distorted to Maersk's disadvantage.

Technically, ZIM's orderbook also looks 'too small' on paper, but the numbers also do not tell the full story here: ZIM was one of the fastest-growing carriers of the last years, and it already phased-in numerous modern newbuildings in 2023 and 2024.

Orderbook top 10 carriers vs ageing fleet

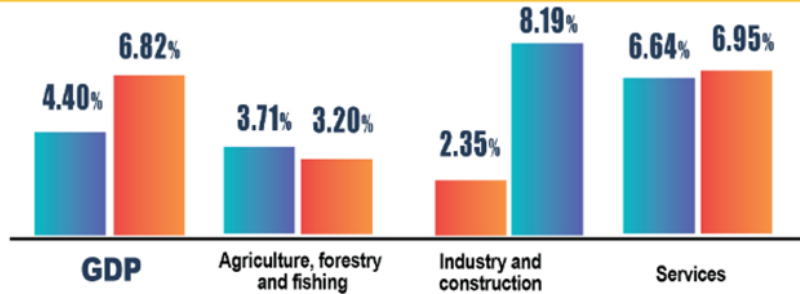


The need for replacement tonnage varies a lot from carrier to carrier

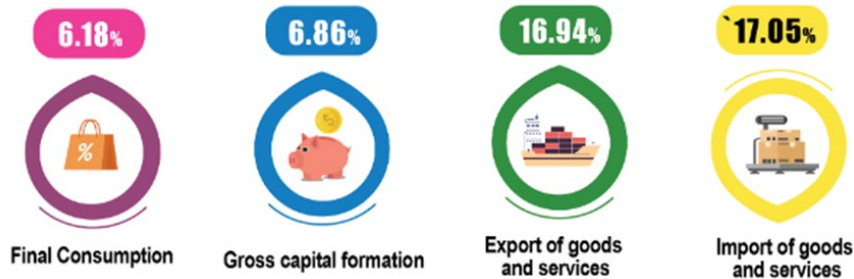
## IMPORT – EXPORT FIGURES FOR THE FIRST 9 MONTH OF 2024

### GROSS DOMESTIC PRODUCT (GDP)

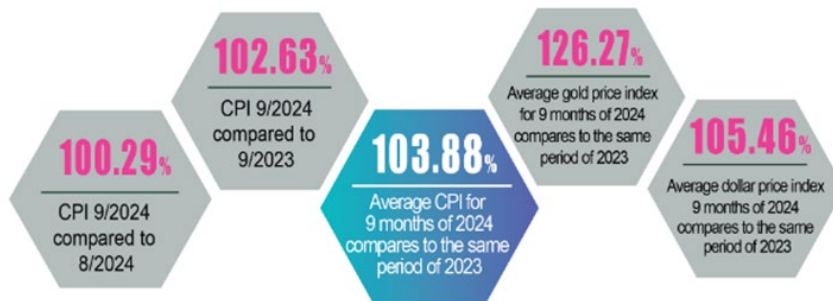
GDP growth rate in 9 months of 2023-2024



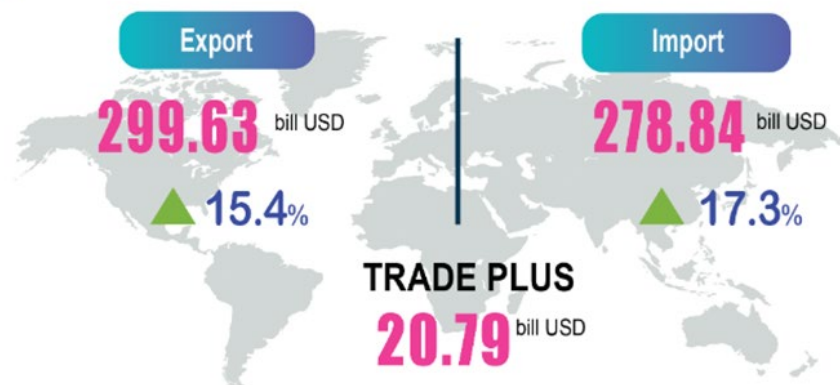
By expenditure category



### PRICE INDEX



### EXPORT AND IMPORT OF GOODS IN 9 MONTHS OF 2024





## FOREIGN DIRECT INVESTMENT (FDI) IN THE FIRST 9 MONTH OF 2024

### FOREIGN INVESTMENT

- **Total registered capital:** New registered capital, adjusted registered capital, and capital contributions or share purchases by foreign investors reached 24.78 billion USD, a 11.6% increase compared to the same period in 2023.
- **Actualized FDI:** Reached an estimated 17.3 billion USD, marking an 8.9% increase compared to the same period in 2023.
- **New projects:** 2,492 new projects were granted investment certificates, a 11.3% increase year-on-year.
- **Increased registered capital:** Over 7.64 billion USD, a significant 48.1% increase year-on-year.
- **Accumulated disbursed capital:** Approximately 314.5 billion USD.



#### Investment in 9 months of 2024

Total		
2,417.2 trillion USD ▲ 6.8%		
State	Non-state	FDI
664.7 trillion VND ▲ 4.1%	1,336.9 trillion VND ▲ 7.1%	415.6 trillion VND ▲ 10.7%

#### Foreign investment from 1/1 to 30/9/2024

Total registered capital	
24.78 bill USD	▲ 11.6%
Total implemented capital	
17.34 bill USD	▲ 8.9%

### INVESTMENT PARTNERS

- Traditional partners: Singapore, China, South Korea, Hong Kong (China), and Japan accounted for a combined 73.2% of new projects and 75.2% of total registered capital.

### LOCALITIES ATTRACTING INVESTMENT

- Bac Ninh: Attracted nearly 3.47 billion USD, Concentrated in provinces and cities: Bac Ninh, Ho Chi Minh City, Quang Ninh, Ba Ria-Vung Tau, Binh Duong, Hanoi, Hai Phong, Dong Nai, Bac Giang, and Ninh Thuan.
- These 10 localities accounted for 80.1% of new projects and 72.9% of total investment in the first 9 months.

### IMPORT-EXPORT ACTIVITIES

- FDI sector trade surplus:
- Including crude oil: nearly 38 billion USD
- Excluding crude oil: over 36.5 billion USD
- FDI sector import: over 18 billion USD

# GEMADEPT NEWS

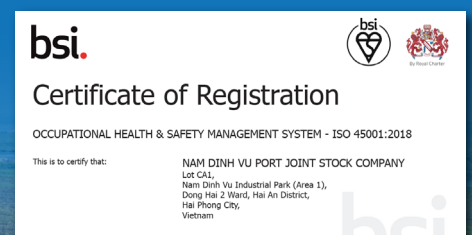
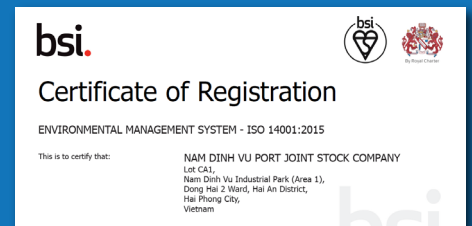
## NAM DINH VU ON THE WAY OF SUSTAINABLE DEVELOPMENT

After resuming operations after Typhoon Yagi, Nam Dinh Vu Port had an extremely intensive and energetic September. In addition to continuously welcome series of vessels, including new ones and those had been delayed by the storm, the company has officially achieved green port recognition, together with ISO 14001 and 45001 certifications for its environmental management and occupational health and safety systems (OSH), awarded by independent evaluator BSI Vietnam.

Accordingly, Nam Dinh Vu Port conducted an assessment of its current status based on the "Vietnam Green Port Criteria" issued by the Vietnam Maritime Administration (TCCS 02:2022/CHHVN), which includes: the level of commitment and readiness for green port practices, actions and implementation towards the green port model, and the effectiveness and results achieved. After the scoring and evaluation process, Nam Dinh Vu port officially met the Vietnam Green Port standards, effective until August 16, 2027.

As vital international standards in Gemadept Corporation's sustainable development roadmap, ISO 14001:2015 for environmental management systems and ISO 45001:2018 for OSH management systems were implemented and standardized by Nam Dinh Vu Port starting in 2023, with evaluations and certifications granted by BSI Vietnam a year later.

Pursuing the Eco-friendly way forward, always accompany with the community, and the country, Nam Dinh Vu Port has been, and will continue, improving its operational processes to ensure meeting international standards of the Corporation by 2025.





# GEMADEPT NEWS

## INTERNATIONAL ISO AND GREEN PORT CERTIFICATES



Implementing the sustainable development strategy (ESG), along with specific goals to improve the effectiveness of safety, environment, and service quality activities, in September, not only was Nam Dinh Vu Port recognized as meeting the Green Port criteria, Binh Duong Port also successfully completed the implementation and achieved international certifications on the Occupational Safety-Health and Environment Management System (OHSMS) according to international standards ISO 45001, ISO 14001, and the Green Port Program of the Vietnam Maritime Administration (Qualification 02:2022 VMA). All certificates are assessed and certified by the British Standards Institution (BSI), a leading prestigious international organization.



In addition, other Port entities also achieved and are continuing to effectively implement these programs, typically:

- **Gemadept Dung Quat Port:** achieved ISO 45001 and ISO 14001 certification since 2019. Following achievement of Green Port standard since 2023, qualified by Vietnam Maritime Administration (VMA), Dung Quat Port is also applying to participate in the Green Port Award of the APEC Port Services Network (APSN), expected to have results in the fourth quarter of this year.
- **Gemalink Int'l Port:** achieved ISO 45001 and ISO 14001 certification since 2023, is currently implementing ISO 9001 (quality management system), and is expected to achieve certification in the fourth quarter of 2024; is implementing green port according to VMA standards, expected to be completed and assessed by the British Standards Institution (BSI) in the fourth quarter of 2024.
- **Phuoc Long Port and Nam Hai ICD Port** also planning to implement ISO 45001, ISO 14001 from the fourth quarter of 2024 and are expected to achieve certification in the first quarter of 2025.

The implementation and achievement of ISO international certifications has marked an important step forward in the Corporation's sustainable development strategy, while contributing to providing a safe and professional working environment for employees, improving service quality and customer satisfaction.



# CHARITY PROJECT OF GEMADEPT RUN 2024

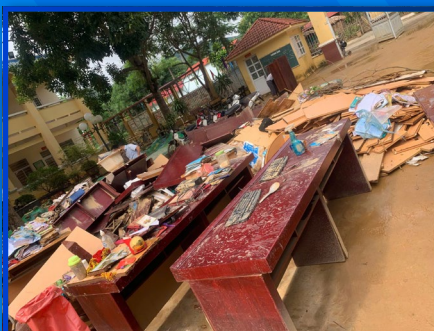
Within the 3<sup>rd</sup> season, Gemadept Run seeks to further promote the spirit of sports and healthy habits, while spreading kindness and contributing positively and sustainably to society. This is achieved through practical charitable projects in collaboration with the “Nuôi Em” (Raising Children) Ecosystem.

All donations sponsored by internal and external participants, combined with 100% of ticket sales from public registration will be dedicated to the following three educational projects:

- **Constructing a new school in a remote area (approved by the Vietnam Children's Protection Fund)**
- **Restoring a computer room that was damaged by Typhoon Yagi (Project “Computer Room for Children” - National Volunteer Center of Vietnam)**
- **Providing new computer room for school where ethnic minority students have never had access to computers (Project “Computer Room for Children” - National Volunteer Center of Vietnam)**

This is more than just a race; it's a journey to create better versions of ourselves and to bring more sustainable values to the community and society. Join **Gemadept Run** and become a special part of these **Pioneering Steps**.

Along with slogan “**Pioneering Steps - For the Future Generation**,” Gemadept Run aims to support educational development projects, aspiring to provide basic, safe, and high - quality learning conditions for children facing challenges.



# LOGISTICS SPOTLIGHT

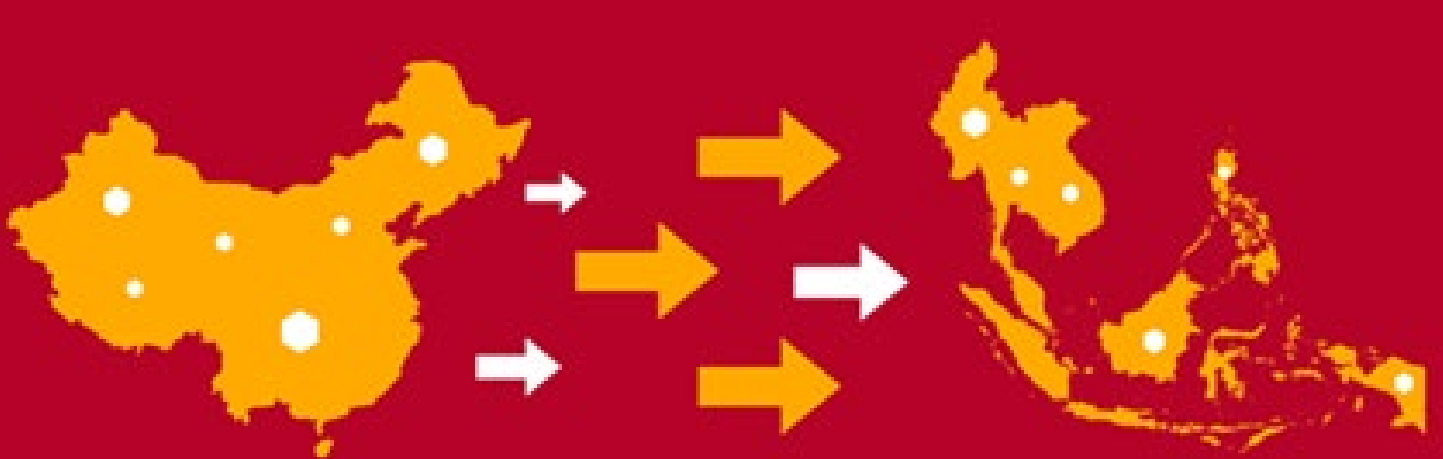
## SOUTHEAST ASIA: NEW MANUFACTURING HUB OF GLOBAL SUPPLY CHAIN

The global supply chain is undergoing a profound transformation, shifting from reliance on a single source to diversification in order to mitigate risks. As a result, global manufacturers are seeking alternative production regions, with Southeast Asia emerging as a manufacturing hub, opening many opportunities for local logistics companies. Among the standout countries are Vietnam, Indonesia, Thailand, and Malaysia.

- **Vietnam** is seen as a country with significant potential for logistics development, particularly in containerizing electronics shipments. The electronics sector has become a driving force in Vietnam's exports as increasing numbers of major investors from the U.S. and Europe establish production facilities in the country.
- **Indonesia**, with its abundant natural resources, has focused on developing downstream industries and tapping into the metal and mineral sectors. In 2023, Indonesia attracted approximately USD 33 billion in foreign direct investment (FDI) in new manufacturing projects.
- **Thailand**, though not growing as fast as Indonesia or Vietnam, remains a major regional manufacturer, especially in the automotive and electronics sectors. Thailand is making significant strides in the electric vehicle (EV) sector, with plans to expand the production of four-wheeled electric vehicles (E4Ws).
- **Malaysia** has also made its mark with impressive export growth, rising from USD 280 billion to USD 370 billion between 2019 and 2023. The electronics sector, including semiconductors, and the automotive industry have attracted large amounts of FDI.

Despite the rapid rise in manufacturing and exports across Southeast Asia, logistics infrastructure has struggled to keep pace with growing demand. Countries like Indonesia, Malaysia, Thailand, and Vietnam have announced or initiated major upgrades to transportation infrastructure, including roads, seaports, airports, and bridges. However, there remains a gap between current investments and what is truly needed to meet future trade flows.

Therefore, if Southeast Asian nations can balance infrastructure development, workforce training, and capitalize on the opportunities created by the shifting global supply chain, the region will continue to grow and solidify its role as a key link in the global supply chain.







## THE WAY FORWARD



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