



THE WAY FORWARD

GEMADEPT NEWS

"Docking for Information"
May 2025

Ha Nam Canal - a key project
promoting supply chain connectivity with Hai Phong





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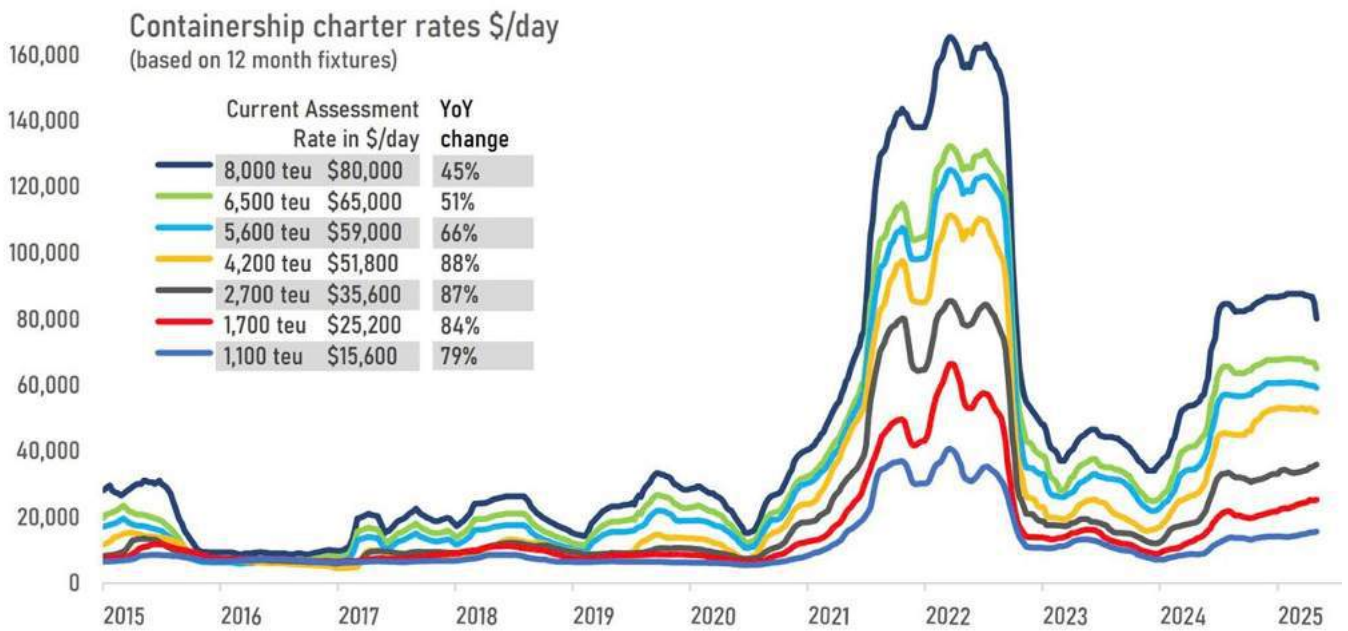
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THE RISE OF NEARSHORING: A STRATEGIC SHIFT AWAY
FROM RESHORING TO THE U.S.

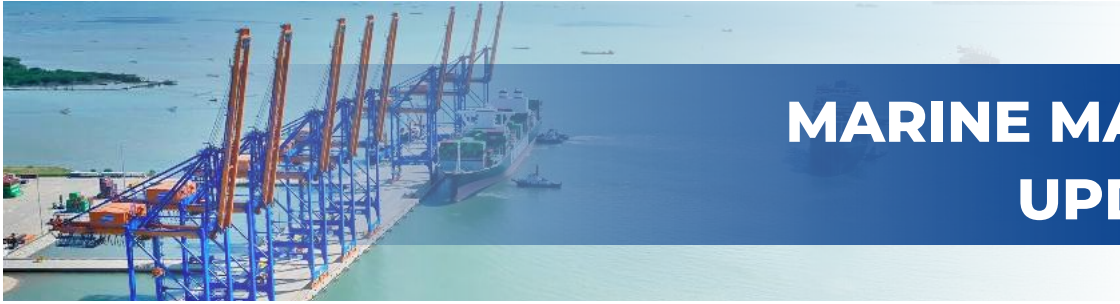


MARINE MARKET UPDATES

The de-escalation in the Sino-US trade war came earlier than expected after the 2 countries agreed to lower reciprocal tariffs to 30% for Chinese exports to the US for 90 days from 14 May 2025 while tariffs on US exports to China is lowered to 10%, setting the stage for a surge in Transpacific cargo volumes in the next 3 months. The volume rebound will coincide with the traditional summer peak season, with freight rates set to surge as a result. Carriers have pre-announced provisional transpacific peak season surcharges of \$1,000 to \$2,000 per FEU that would apply as early as 15 May that will push rates to the US West Coast above \$3,500 again. Freight rates on routes outside of the US are also expected to benefit as vessel capacity is drawn back to the transpacific. EC freight futures hit their daily upper limits across all forward contracts in the next 12 months, and the buoyant market sentiment is also expected to spread into the charter market with charter rates expected to recover their earlier strength as carriers put back the tonnage removed from the US in the last 4 weeks.



Charter rates have tumbled in the larger sizes with a large number of relets appearing in the market in the last 2 weeks, with panamax units now available on short notice and rates dropping by more than 10% over the period. Charter rates for smaller sizes below 3,000 teu are holding up relatively better, as they have been less affected by the recent turmoil on the Transpacific route and availability is still limited.



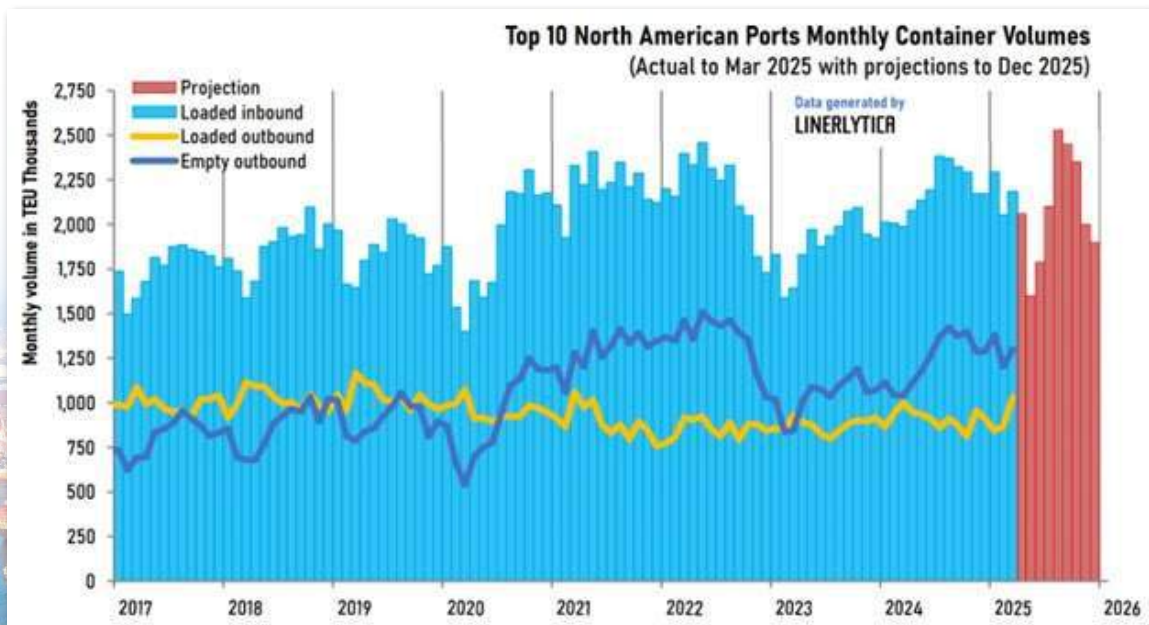
MARINE MARKET UPDATES

Transpacific peak season surge expected after Sino-US trade deal

The 115% cut in US tariffs on China was larger than expected amidst signs of severe strain on US import volumes that would have hit store shelves in the coming weeks. This is now set to reverse, with an import surge expected over the next 3 months that could exceed the COVID-era peaks seen in 2021-2022.

However, sentiment is turning positive again after the Sino-US trade deal provided a 90 day reprieve that is expected to drive demand for ships in the short term.

Port congestion has eased over the past 2 weeks as the large number of blank sailings after the May Day holidays in Asia helped to relieve the pressure across the Far East ports. However this could return again as cargo demand in China rebounds.





SUEZ CANAL OFFER DISCOUNT FOR TRANSIT VESSEL

Egypt's Suez Canal Authority (SCA) announced on May 13 that it will reduce transit fees by 15% for container ships with a net tonnage of 130,000 tonnes or more, whether loaded or not, for 90 days from May 15, 2025.

The move, according to the SCA, is in response to the demands of many customers, including shipowners and container ship operators, and is aimed at encouraging major shipping lines to continue using the Suez Canal.

The decision was announced by Egypt in the context of a favorable and relatively stable security situation in the Red Sea region.



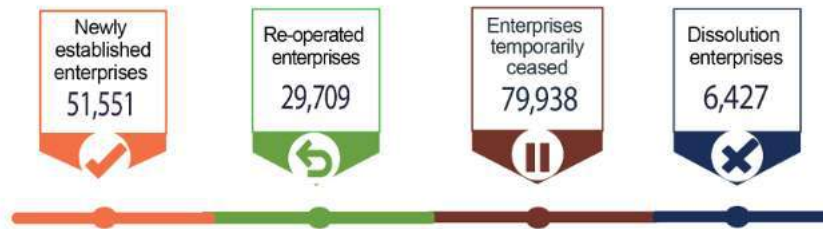
Since the conflict between Israel and Hamas in Gaza erupted in October 2023, Houthi forces have attacked Israel-linked ships, disrupting traffic through the Suez Canal and forcing major shipping lines to divert around the Cape of Good Hope - a longer and more expensive route. The disruption has caused Suez Canal revenues to fall by more than 60% in 2024, costing Egypt an estimated \$7 billion.

After weeks of US airstrikes on Houthi targets in Yemen, an Oman-brokered ceasefire was reached between the two sides on May 6, providing a significant boost to restoring stability in the Red Sea - a vital global shipping corridor.

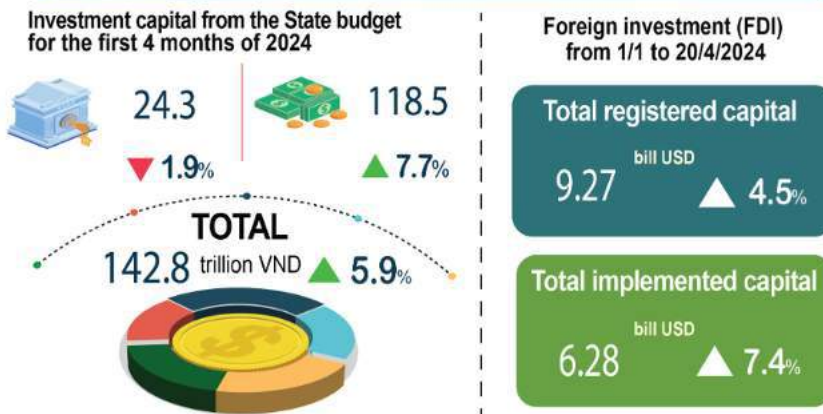
The Suez Canal handles about 12% of global trade, with tourism and remittances being important sources of foreign currency for Egypt.

INFOGRAPHIC VIET NAM ECONOMIC

ENTERPRISE REGISTRATION STATUS FOR THE FIRST 4 MONTHS OF 2024



INVESTMENT



EXPORT AND IMPORT OF GOODS FOR THE FIRST 4 MONTHS OF 2024



PRICE INDEX



VIETNAM NEWS

FOREIGN DIRECT INVESTMENT (FDI) IN FIRST 4 MONTHS OF 2025

FOREIGN INVESTMENT

- Total registered capital: including newly registered, adjusted, and capital contributions/share purchases, reached nearly USD 13.82 billion, up 39.9% compared to the same period in 2024.
- Actualized project capital: Estimated at USD 6.74 billion, up 7.3% compared to the same period, the highest disbursement level in the first 4 months of the recent 5-year period.
- Capital contributions and share purchases were vibrant with a total value reaching USD 1.83 billion, double the same period last year..

INVESTMENT PARTNERS

- Singapore led with USD 1.6 billion (accounting for 28.6% of total newly registered capital).
- Followed by China with USD 1.52 billion (accounting for 27.1%).
- Japan ranked third with USD 573.2 million (accounting for 10.3%).



LOCALITIES ATTRACTING FDI

- Bac Ninh was a prominent locality, attracting over USD 1.91 billion in registered FDI capital.
- Hanoi attracted USD 1.48 billion in FDI capital, up 31% compared to the same period.

IMPORT-EXPORT ACTIVITIES

- FDI sector export turnover: Reached USD 86.52 billion.
 - FDI sector import turnover: Reached USD 71.7 billion.
- FDI sector trade surplus: USD 14.31 billion (including crude oil).

HẢI PHÒNG DẪN ĐẦU PGI 2024

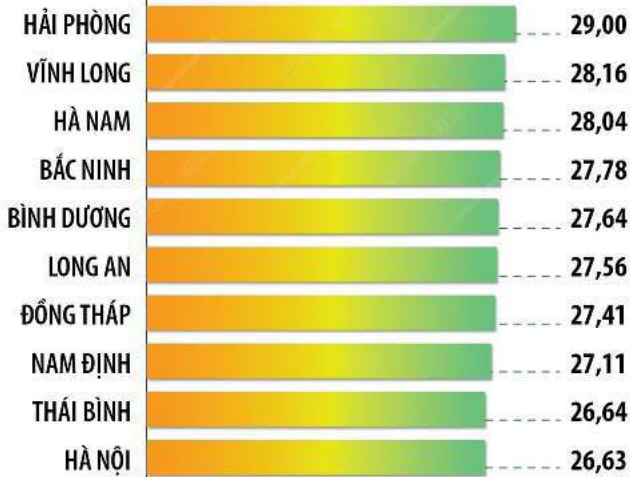


PGI: Chỉ số Xanh cấp tỉnh

Bộ chỉ số đánh giá và xếp hạng địa phương thân thiện với môi trường dưới góc nhìn từ thực tiễn kinh doanh của doanh nghiệp

Hỗ trợ chính quyền các tỉnh, thành phố nâng cao chất lượng quản trị môi trường, hướng tới định hướng tăng trưởng xanh và phát triển bền vững

10 TỈNH CÓ CHỈ SỐ PGI CAO NHẤT



Giảm thiểu ô nhiễm môi trường và tác động tiêu cực của biến đổi khí hậu (cho doanh nghiệp)

Đảm bảo tuân thủ các tiêu chuẩn môi trường tối thiểu

4 CHỈ SỐ THÀNH PHẦN

Vai trò lãnh đạo của chính quyền trong thúc đẩy thực hành Xanh

Chính sách và dịch vụ hỗ trợ doanh nghiệp trong bảo vệ môi trường

Nguồn: Liên đoàn Thương mại và Công nghiệp Việt Nam (VCCI)

<http://infographics.vn>



2024 marks an remarkable milestone when Hai Phong first established its champion position in the Provincial Competitiveness Index (PCI) Ranking, with an impressive score of 74.84, surpassing Quang Ninh - the locality that held the champion position for 7 consecutive years. This achievement reflects the city's persistent efforts in improving the investment environment, promoting administrative reform and building a modern digital authorities.

Hai Phong has made great strides in 7/10 areas of governance, including market entry, land access, transparency, informal costs, fair competition, government dynamism and legal institutions, and security and order. In particular, the city has completed 100% of administrative procedure settlement at the One-Stop Department, fully publicized the list of administrative procedures on the online system, and deployed a dedicated network connecting 100% with the administrative procedure settlement information system.

With a clear development strategy and determination to innovate, Hai Phong not only leads the PCI but also ranks first in two other prestigious indexes: the Administrative Reform Index (PAR Index) and the People's Satisfaction Index for State Administrative Services (SIPAS). This is a testament to the consensus and joint efforts of the city's government and people in building a favorable and effective business environment.

The PCI 2024 achievement is a solid evidence that Hai Phong is on the right track in its journey to becoming a leading destination for domestic and foreign investors. Hai Phong's strong growth will motivate other localities to make breakthroughs, for an increasingly competitive and prosperous Vietnam.

DRAFT REGULATIONS FOR APPLYING EMISSION STANDARDS

According to the Department of Environment (Ministry of Agriculture and Environment), the draft Decision emission standards applying for automobiles, motorbikes, and scooters participating in traffic divides automobile emissions into 5 levels corresponding to Euro standards, with level 5 being the strictest level.



The applicable levels will be classified according to vehicle's manufacture year and area of circulation.

Main content of the draft Decision: Manufactured year before 1999: Must meet Emission Level 1; Manufactured year from 1999 (1999-2016): Must meet Emission Level 2; Manufactured year from 2017 (2017-2021): Must meet Emission Level 3 from January 1, 2026; Manufactured year from 2022: Must meet Emission Level 4 from January 1, 2026 and Level 5 from January 1, 2028.

In Hanoi and Ho Chi Minh City, recent data compiled from the National Environmental Monitoring Network shows that air quality has declined significantly, with air quality at some points being at a poor level. One of the main reasons is due to emissions from motor vehicles. Therefore, it is necessary to stipulate an earlier implementation roadmap and apply stricter emission standards than in other localities. Accordingly, the draft stipulates specifically for cars registered in Hanoi and Ho Chi Minh City: Cars manufactured from 2017 must meet emission level 4 from January 1, 2026; cars manufactured from 2022 must meet emission level 5 from January 1, 2027. According to the representative of the Ministry of Agriculture and Environment, this is a requirement on emission standards and regulations for cars participating in traffic, not a vehicle ban, old cars can still be circulated if qualified.

NAM DINH VU PORT IN HARMONY WITH HISTORIC DAYS OF VIETNAM

On April 6, 2025, Nam Dinh Vu Port was honored to welcome maiden call of a new service operated by our partner - JJ Shipping, under the service name SSX. This marks a significant step in expanding maritime transport connectivity between China and Vietnam.

This new service offers outstanding benefits:

- ▶ Direct connection between Shanghai and Hai Phong
- ▶ Stable and flexible sailing schedule
- ▶ Optimized transportation costs and supply chain efficiency

The selection of Nam Dinh Vu Port as the destination for this new service once again affirms:

- ▶ The strategic position of Nam Dinh Vu Port in Northern Vietnam
- ▶ Our professional handling capacity, high-quality services, and commitment to long-term partnerships



In the end of April, joining the jubilant atmosphere across the country celebrating the 50th anniversary of the Vietnam Reunification, the bustling Nam Dinh Vu Port proudly and successfully received the first shipment of modules under the MEI/MP7 package for export, as part of the OCI Kumho Epichlorohydrin Plant Project.

This is a significant project located in the Samalaju Industrial Park, Malaysia, with SGC E&C as the EPC (Engineering, Procurement & Construction) contractor and Bumhan Vietnam as the construction contractor.

NAM DINH VU PORT IN HARMONY WITH HISTORIC DAYS OF VIETNAM



With prior experience in handling project vessels, the shipment carrying module units with a total weight of over 1,000 tons was safely loaded and exported on schedule, as required by the client, at Nam Dinh Vu Port.

Besides ensuring productivity and business operations, Gemadept is also pleased to carry out a series of activities in response to **THE 70TH ANNIVERSARY OF THE LIBERATION OF HAI PHONG** at its Northern member units, including:

- **Presenting all customers using services from May 10 to 13, 2025 with stickers and an Icing cookie set painted with the Vietnamese National Flag, the 70th Anniversary logo of Hai Phong, Gemadept logo with the message of spreading patriotism and pride from a Vietnamese enterprise pioneering in Port & Logistics eco system, contributing to improving the competitiveness of the heroic Port City.**



- **Offering incense at the city's Martyrs' Monument and the Nguyen Duc Canh Monument to express deep gratitude for the sacrifices to protect the country of previous generation.**

Participate in activities to respond to the heroic atmosphere with Hai Phong city; **decorate** in the spirit of turning towards the Fatherland in the unit's activity spaces; **create media products** to honor the unique culture of the Red Flamboyant City.



GEMADEPT NEWS

TRAINING COURSE ON "ELEGANT DEMEANOR AND PROFESSIONAL CONDUCT IN THE WORKPLACE"

On April 25, 2025, Nam Dinh Vu Port successfully organized a training course titled
"Elegant Demeanor and Professional Conduct in the Workplace."



This event not only reflects the leadership's commitment to enhancing staff competencies but also underscores the company's dedication to building a professional corporate image and elevating the quality of customer service experiences.

The training program, conducted in collaboration with **URA Vietnam Academy** and led by **Dr. Dang Bao Tram**, equipped employees with essential principles for cultivating a confident, polished, and professional demeanor, while also raising awareness about the vital role of professional conduct in today's modern work environment.

The course concluded with highly positive outcomes, reinforcing greater confidence and professionalism among the Nam Dinh Vu Port team. Also marks an important milestone in strengthening corporate culture and enhancing competitive capabilities in the market



GEMADEPT NEWS

CONNECTING TO CUSTOMERS (C2C) WEBINAR

On April 24th , 2025, Ho Chi Minh City Securities Company (HSC) coordinated with Gemadept to organize a **C2C (Connecting to Customers)** seminar with the theme **"Gemadept: Steady position - Maintain growth"**



At this seminar, representatives of Gemadept's BOD and HSC analysts helped investors learn about the main growth drivers for Gemadept, the Company's response measures to the new situation and updates on the general port industry outlook in 2025.

In the first quarter of 2025, as a leading enterprise in the port exploitation sector, Gemadept recorded billion and a 57% increase in pre-tax profit to VND 583 billion.

In the coming period, Gemadept will maximize its productivity to seize market opportunities, prioritize improving service quality at ports to promote output growth. The company is also committed to optimizing the service ecosystem chain from Ports to Inland logistics, while paying special attention to implementing digital transformation, closely integrating Port and Logistics activities to enhance competitiveness and maximize internal strength.

In parallel with this orientation, Gemadept is actively seeking investment opportunities in core activities to enrich the connecting ecosystem. With the expectation of adjusting deep-water port's tariff by 10-15% in the coming time, Gemadept and port businesses will have more resources to reinvest in developing Green and Smart ports, thereby better meeting the requirements of partner shipping lines and contributing to promoting national economic growth.

BA RIA – VUNG TAU PROVINCIAL LOGISTICS AND PORT ASSOCIATION

On April 24th, 2025, the inaugural congress for the establishment of the Bà Rịa – Vũng Tàu Provincial Logistics and Port Association was successfully held, with the participation of Mr. Lê Ngọc Khánh, Vice Chairman of the Provincial People's Committee.



With over 55 founding members, the Association aims to become a strategic bridge connecting businesses, regulatory agencies, and local government, fostering collaboration, sharing best practices, and advancing innovative solutions.

The Association is committed to protecting the legitimate rights and interests of its members, while also cultivating a favorable environment for the sustainable development of the logistics and port industry.

Additionally, the Association sets its sights on enhancing the industry's competitive capabilities, contributing to the goal of positioning Bà Rịa – Vũng Tàu as a national maritime economic Hub, a Southeast Asian Maritime Service Center, and a key logistics gateway for the Southeast region by 2030.

On this occasion, Mr. Cao Hồng Phong, Deputy CEO of Gemalink, was elected as the Association's first-term President.



LOGISTICS SPOTLIGHT

THE RISE OF NEARSHORING: A STRATEGIC SHIFT AWAY FROM RESHORING TO THE U.S.

CONTEXT: TARIFFS AND THE EXPECTATION OF SUPPLY CHAIN SHIFTS

The aggressive tariff measures implemented by President Donald Trump's administration since April 2025 have prompted many global enterprises to reconsider their supply chain strategies. While reshoring—bringing manufacturing back to the U.S.—was widely anticipated, in reality, a different trend is gaining traction: nearshoring, which involves relocating production to neighboring or lower-cost countries that remain close to the major consumer market—the United States.

WHY IS NEARSHORING GAINING GROUND?

High Manufacturing Costs in the U.S.

According to a CNBC survey, 57% of businesses cited cost as the primary barrier preventing them from bringing production back to the U.S. Rebuilding domestic supply chains may cost twice as much compared to maintaining or relocating operations to lower-cost countries like Mexico or Vietnam.

Complexity of Supply Chain Restructuring

41% of surveyed companies estimate that rebuilding supply chains in the U.S. would take at least 3–5 years, while one-third expect the process to take over 5 years. The lack of clear policy guidance from the U.S. government further increases the risk associated with long-term investment decisions.

Skilled Labor Shortages

21% of companies reported difficulties in recruiting skilled workers in the U.S. Meanwhile, tax incentives ranked only 14th among the criteria for selecting manufacturing locations—indicating that labor availability and operational feasibility outweigh fiscal benefits.

NEARSHORING: A MORE VIABLE AND FLEXIBLE SOLUTION

Rather than reshoring, many companies are opting to move their supply chains to strategically located countries such as Mexico, Vietnam, or India. These destinations offer advantages in labor costs, favorable trade policies, and increasingly sophisticated logistics infrastructure.

IMPLICATIONS FOR THE LOGISTICS INDUSTRY

The rise of nearshoring has triggered a surge in demand for modern, flexible, and efficient logistics solutions:

- Development of multimodal transport: Integrating road, rail, air, and sea freight to optimize delivery time and cost.
- Technology investment: Leveraging AI and Big Data to enhance forecasting, optimize routing, and automate operations.
- Expansion of bonded warehouse networks: Allowing businesses greater flexibility in storage and distribution before entering the U.S. market.

CONCLUSION

Under the pressures of tariff policy and global instability, reshoring appears increasingly impractical due to cost, labor constraints, and lengthy transition periods. In contrast, nearshoring has emerged as a logical strategy—enabling firms to maintain supply chain flexibility while staying close to core markets. The logistics industry must rapidly adapt to this shift to remain a critical enabler of global production networks.





THE WAY FORWARD



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