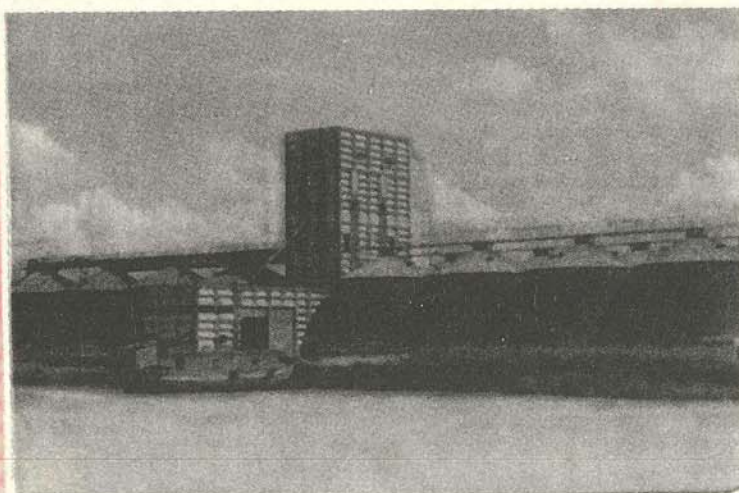
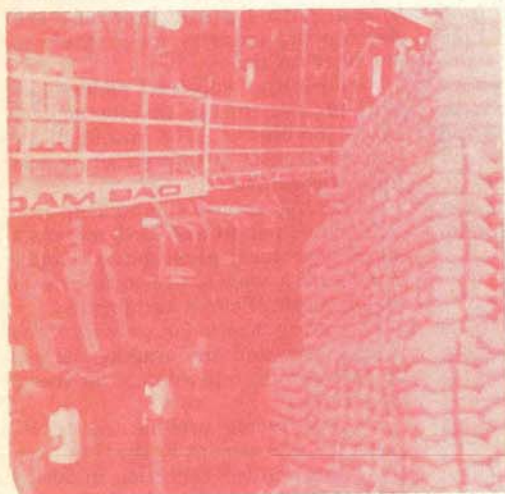


A PLAN FOR THE CẦN THƠ PORT

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In the Plan and Strategy for the Mekong Delta VIE87/031, the Government stressed the development of the Mekong Delta should be combined with the development of Cần Thơ as a hub of the whole delta. Trade between Cần Thơ and other provinces and foreign partners is considered as essential to the sustainable development of the Delta. In addition, the project to dredge the Định An river mouth with a view to allowing 10,000-ton ships to go to Cần Thơ must be considered as necessary and important to the Plan and Strategy for the Mekong Delta. The Định An Project can help develop Cần Thơ and surrounding provinces, promote trade between Cần Thơ and Phnom Penh, and realize the International Agreement of Sustainable Development for Mekong Region signed in 1995 by Vietnam, Cambodia, Laos and Thailand under supervision of the Mekong Commission.

1. Facing the problem

In the past ten years, the rice output in the Mekong Delta has increased by 3.5 times. From one mil-

lion tonnes in 1991 to some 3.5 million tonnes in 2001, and the Delta also consumed large quantities of agricultural materials and fuel. The Cần Thơ Port has become a center for foreign trade of the whole Delta. Our calculations show that exporting rice from Cần Thơ instead of from Saigon would reduce the cost by US\$5 per tonne. To achieve this aim, we must dredge the Định An estuary in order to help 10,000-DWT ships to reach Cần Thơ and upgrade Cần Thơ port facilities.

In 2001, the agricultural output from the Delta reached VND46,113,998 million, the rice output was 16,071,849 tonnes and transport tonnage was 31,581,000 tonnes. These data show that the Cần Thơ Port is much needed for promoting trade and export of the Mekong Delta.

In the Strategy for the Socioeconomic Development in the Mekong Delta, the Government intended to tap local potentials (geographical position, water and forest resources, cheap labor, fertile soil, etc.) to promote the production and export of

farm products. The Delta could produce from 15 to 16 million tonnes of high-quality rice a year. To promote the export of rice from Cần Thơ, harvesting, processing and storing techniques and facilities must be improved. After that, big investment must be put in warehouse and transport.

On his visit to Cần Thơ on Aug. 4, 2001, PM Phan Văn Khải said that the Cần Thơ government had to pay attention to tasks of "improving and upgrading the Cần Thơ Port, dredging the Định An estuary, and studying possibility of building the Cái Cui Port". The PM asked the Cần Thơ government, Ministry of Transport and Communication and other relating government bodies to complete these tasks in order to be able to export rice from Cần Thơ by 2005.

2. Measures to develop the Cần Thơ Port by the Định An River

The volume of goods handled by Vietnamese ports increased over years reaching 91,415,974 tonnes in 2001 rising by 10.26% over 2000. Many ports gained high growth rates

in 2001, such as Hải Phòng (11.8%), Đà Nẵng (21%), Saigon (3.1%), while the volume handled by the Cần Thơ Port fell in the past two years (360,000 tonnes in 2000 and 320,000 tonnes in 2001) because the Định An River wasn't dredged regularly. That is why Mekong provinces had to buy imported agricultural materials from HCMC while rice exporters had to transport rice to HCMC and rent port facilities there. And as a result, the production cost was high and profit reduced.

The Cần Thơ Port includes the following facilities:

- The main wharf with an area of 2.67 hectares, a 3,200 - sq.m warehouse and 6,000- sq.m yard: There are 10 quays for 20,000-tonne ships. Loans from the WB have been used for upgrading the wharf: US\$426,000 in infrastructure; US\$975,000 in facilities and 158,000 in managing authorities. The wharf could handle some one million tonnes of goods a year. In the coming years, it is still the main port for Cần Thơ and the whole delta.

- Cần Thơ Container Port: The Vietnam Navigation Corporation has asked the Saigon Port Authority to undertake the task of building this port beside the main wharf on an area of 2,942 sq.m provided by the Military Zone 9 Headquarters. The project is capitalized at VND73.3 billion supplied by two phases (phase 1: VND47.7 billion and phase 2: VND25.6 billion).

There is a plan to build the Cái Cui Port for the Hưng Phú IP. This port includes a system of warehouses and mills by the Hậu River undertaking the task of processing rice from the Delta for export. All sources of finance will be mobilized, especially investment from both the central and local governments, to ensure that the rice from the Delta will be exported directly from this port.

Besides Cần Thơ and Cái Cui ports, there are wharves built by Petro Mekong Company, Hậu Giang Petroleum Company, Military Zone 9 authorities and Total Gas by the Hậu River. They make Cần Thơ an export center in the future. This is an advantage that no other province enjoys and it also poses a heavy task for the Cần Thơ government.

The Ministry of Transport and Communication has also made plan to upgrade and dredge all canals leading to the Hậu River, such as Tri Tôn, Rạch Sỏi, Quản Lộ, Phụng Hiệp, Trắc Bàng, Thới Bình, Lấp Vò, Măng Thít and Tháp Mười, with a

view to facilitating the transport from Mekong provinces to Cần Thơ.

According to the PM's Decision 202/1999/QĐ-TTg dated Oct. 12, 1999 approving the Master Plan to Develop the System of Ports in Vietnam by 2010, the Cần Thơ Port would be developed into the most important port in the Mekong Delta. After the plan was completed, however, the volume of goods handled by this port decreased, not increased as expected because of the shallow waterways to Cần Thơ. The Định An River is a convenient waterway leading to Cần Thơ. It is dredged once a year (between March and May). In 2001, this task cost the Vietnam Navigation Corporation some VND9 billion. According to the estimate by the Belgian Haecon Advisory Firm in

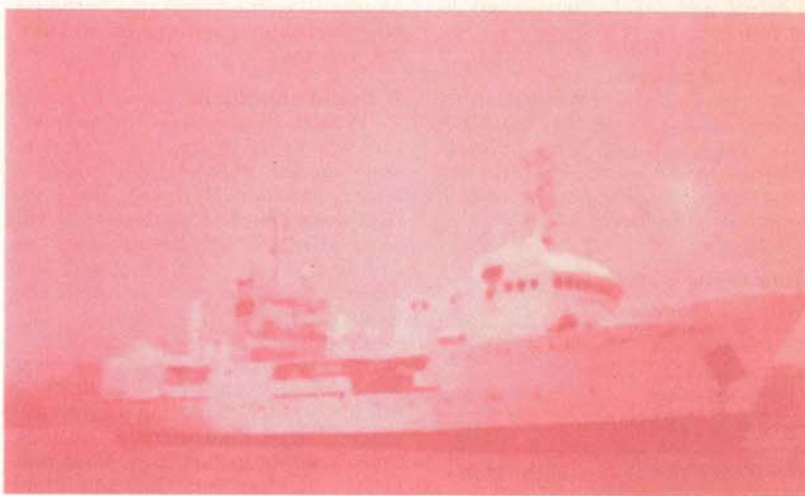
Delta, encourage the commercial farming and generate changes in the structure of industry in this Delta.

3. Some opinions about the development of the Cần Thơ Port

- Local governments had better supply information about potentials of the Cần Thơ Port and encourage exporters and importers, especially state-owned ones, to use port facilities there to import agricultural materials and fuel or export rice and other farm products.

- Food trading authorities at both central and local levels had better make plan to build silos and rice processing factories in the Mekong Delta to promote the export of farm products.

- At Cái Cui Port, the central food



1999, to make the Định An river navigable for 10,000-DWT ships requires an initial investment of US\$9 billion and some US\$8 million to clear some 4,750,000 cubic meters of earth a year.

If this estimate is correct, the Cần Thơ Port Authority will have to spend some US\$8 million a year, not to mention expenditures on dredging other waterways connecting with the Định An, and it could save from US\$8 to 10 million when exporting 2 million tonnes of rice from this port instead of transporting them to Saigon Port. The prospect seems gloomy. The plan to dredge the Định An waterway, however, is the most suitable to the present condition. The central government had better invest in this plan and put the work out to tender by both local and foreign companies. What we gain from this plan is an opportunity to accelerate the economic growth in the Mekong

trading authorities had better build factories to process rice for export and a system of silos to store rice for the national food safety purposes. Investment in the Cái Cui must be coupled with investment in the infrastructure needed for development of the Cần Thơ City, Hưng Phú IP and communication with surrounding provinces.

A busy port will facilitate changes in the structure of industry of a region. The Cần Thơ Port could serve as a lever to accelerate the economic development of the whole delta. The Cần Thơ government has made nine programs and seven projects to boost the economic growth in Cần Thơ and neighboring provinces. We hope that the building of Cần Thơ Port, Cần Thơ Bridge and Trà Nóc Airport in the near future will make Cần Thơ a real economic center of the Mekong Delta. ■