

Greater Mekong Subregion
The 23th Meeting of the Subregional Transport Forum

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**EXPERIENCES ON HIGHWAY/EXPRESSWAY
DEVELOPMENT IN VIET NAM**

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MAIN POINTS

I. INFORMATION ABOUT VIET NAM

**II. MASTER PLAN ON DEVELOPMENT OF
VIETNAM'S EXPRESSWAY NETWORK**

III. COMPLETED AND ON GOING PROJECTS

IV. INVESTMENT CAPITAL SOURCES

V. POLICIES AND MECHANISMS

VI. WAY FORWARD



I. INFORMATION ABOUT VIET NAM



- Viet Nam is located on the eastern Indochinese Peninsula
- Total area: 331,212 km² (65th)
- Coastline is 3,260 km long
- Population: 96.2 million (15th)
- GDP: 241 billion USD (47th)
- Growth rate: 6,7% in 2018
- Per capita: 2,726 USD (129th)
- Capital: Hanoi
- Largest city: Ho Chi Minh

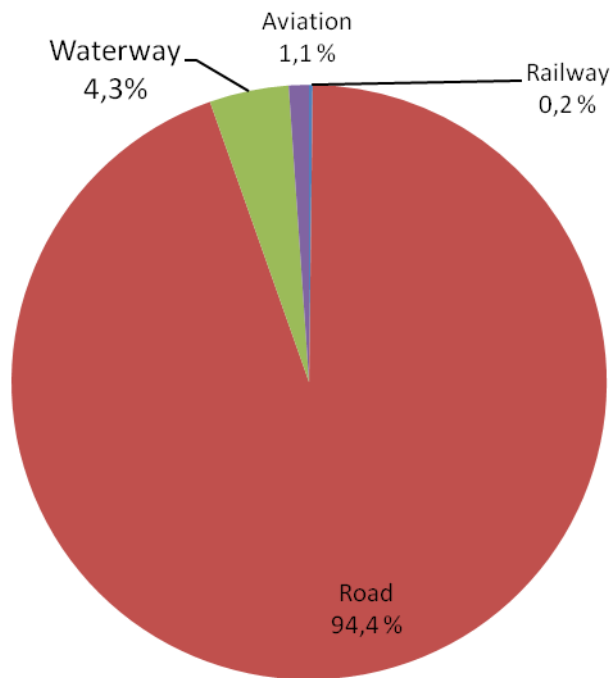


I. INFORMATION ABOUT VIET NAM

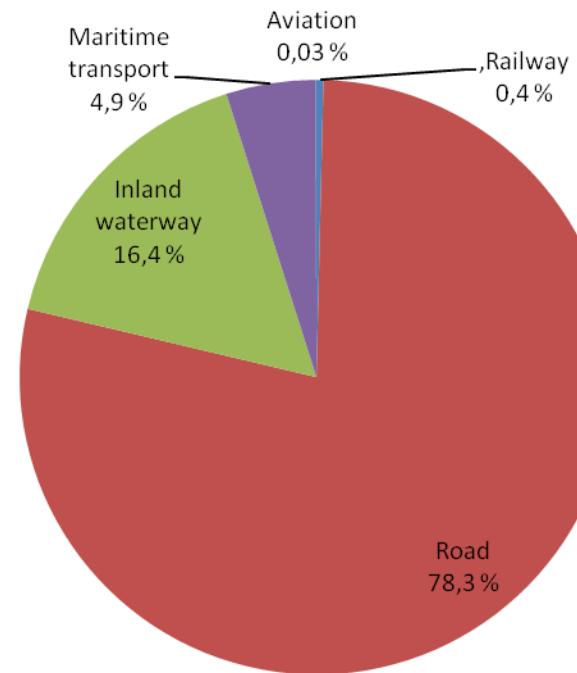


Transport sector

Number of passengers carried
by types of transport
(mill. persons) *



Volume of freight carried
by types of transport
(thous. tons)*



* Source: General Statistics Office of Viet Nam (2018)

I. INFORMATION ABOUT VIET NAM



Road network



Current status

- Expressway : 981 km
- National Highway : 24.598 km
- Provincial Road : 27.941 km
- District Road : 56.135 km
- Urban Road : 27.653 km
- Commune Road : 163.330 km
- Rural Road : 293.708 km
- Special Road : 7.859 km

Total : 602.201 km

Future plan

- Expressway: 21 routes of total 6411 km by 2030;
- Continue to maintain important national routes;
- Upgrade routes connecting with Laos, Cambodia, China and GMS, ASEAN.

II. MASTER PLAN ON DEVELOPMENT OF VIETNAM'S EXPRESSWAY NETWORK

Master Plan

The master plan on development of Vietnam's expressway network through 2020, with orientations toward 2030 approved by the Prime Minister in Decision No. 326/QĐ-TTg dated March 1st, 2016.

The master plan sets up Vietnam's expressway network consisting of 21 routes with a total length of 6,411 km.



II. MASTER PLAN ON DEVELOPMENT OF VIETNAM'S EXPRESSWAY NETWORK

Planning on development of Viet Nam's expressway network

No.	Route/Section	Length (km)	Investment Length (km)			Investment Fund (billion dong)		
			2020	2030	After 2030	2020	2030	After 2030
1	North - South Expressway in the East (24 routes)	1814	1149	665	0	176,369	166,400	154,938
2	North - South Expressway in the West (25 routes)	1,269	347	848	74	16,680	108,500	123,380
3	North Viet Nam (18 routes)	1368	918.2	170.8	279	55,472	40,800	138,009
4	Central and Highlands Viet Nam (3 routes)	264	0	264	0	0	93,100	0
5	South Viet Nam (8 routes)	983	65	277	641			
6	Ring Road System in Ha Noi (3 routes)	425.7	136.9	274.3	15	56,264	93,966	24,054
7	Ring Road System in Ho Chi Minh City (2 routes)	286.9	87	199.9	0	37800	96420	20092.5
	Total	6,411	2,703	2,699	1,009	342,585	599,186	460,474

III. COMPLETED AND ON GOING PROJECTS

Status of existing expressways

-17 expressways on operation with total length of 981 km.

- In 2018: operate 04 routes with total length of 236 km.

-Investment type: 07 PPP projects and 10 projects funded by state budget.

No.	Route	Operated time	Length (km)	Investment type
1	Đà Lạt - Liên Khương	7/2008	19	PPP
2	Hồ Chí Minh City - Trung Lương	02/2010	40	State budget
3	Thăng Long Avenue	10/2010	30	State budget
4	Cầu Giẽ - Ninh Bình	7/2012	50	State budget + #
5	The third ring road in Ha Noi (Mai Dịch - Phù Đổng)	10/2012	28	State budget
6	Nội Bài - Nhật Tân (this section operated as expressway)	01/2015	15	State budget
7	Hồ Chí Minh City - Long Thành- Dầu Giây	02/2015	55	State budget + #
8	Hà Nội - Thái Nguyên	01/2014	64	State budget
9	Nội Bài - Lào Cai (Bát Xát)	9/2014	245	State budget + #
10	Lào Cai - Kim Thành Bridge	5/2015	19	State budget
11	Pháp Vân - Cầu Giẽ	9/2015	29	PPP
12	Hà Nội - Hải Phòng	12/2015	105	PPP
13	Hà Nội - Bắc Giang	01/2016	46	PPP
14	Đà Nẵng – Quảng Ngãi	09/2018	131.5	State budget
15	Hạ Long – Hải Phòng	09/2018	25.2	PPP
16	Hạ Long – Vân Đồn	12/2018	53.6	PPP
17	Hòa Lạc – Hòa Bình	10/2018	25.67	PPP
	Total		981	

III. COMPLETED AND ON GOING PROJECTS

Pictures of some existing expressways

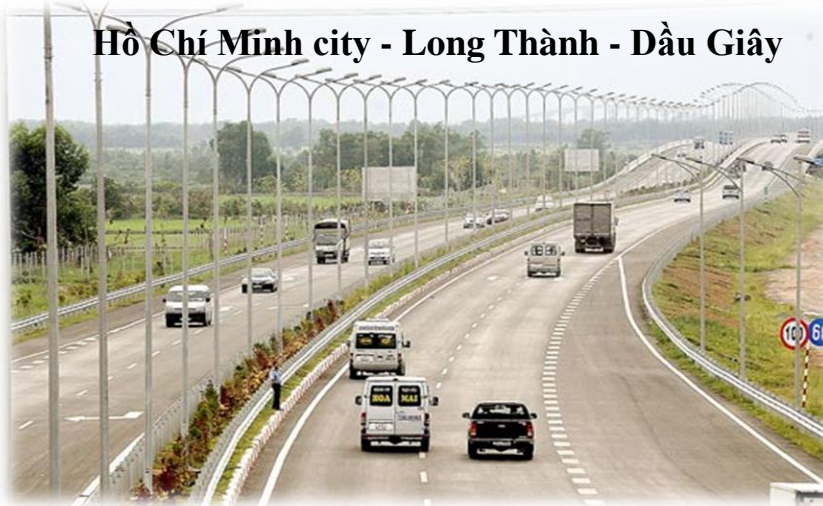
Nội Bài - Lào Cai



Hồ Chí Minh city - Trung Lương



Hồ Chí Minh city - Long Thành - Dầu Giây



III. COMPLETED AND ON GOING PROJECTS

Status of under construction expressway

-04 routes under construction with total length of 249 km.

- Investment type: 03 PPP projects and 01 projects funded by state budget.

No.	Route	Start time	Length (km)	Investment type
1	La Son - Túy Loan	22/12/2013	77	PPP
2	Bến Lức - Long Thành	19/7/2014	58	NSNN + #
3	Trung Lương - Mỹ Thuận	07/02/2015	51	PPP
4	Bắc Giang - Lạng Sơn	05/7/2015	63	PPP

III. COMPLETED AND ON GOING PROJECTS

Pictures of some expressways under construction



La Sơn - Túy Loan



Bến Lức - Long Thành

III. COMPLETED AND ON GOING PROJECTS

Overview of the eastern North-South expressway

- The expressway on the North-South economic corridor plays a central role in the master plan on development of Viet Nam's expressway network.
- The North-South transport Corridor goes through 32 provinces and cities, connecting Hanoi, Ho Chi Minh City, and 4 key economic regions (Northern, Central, Southern and Mekong River Delta regions).
- The expressway on the North-South economic corridor is about 2,109 km of length, of which 601 Km exploited and in investing.
- The transport demand on the North-South transport corridor is forecasted to exceed the total capacity of the transport infrastructure system.



The National Assembly approved the investment policy of the project to build a number of sections on the eastern North – South expressway in the period 2017 – 2020, with a total length of about 654 km.

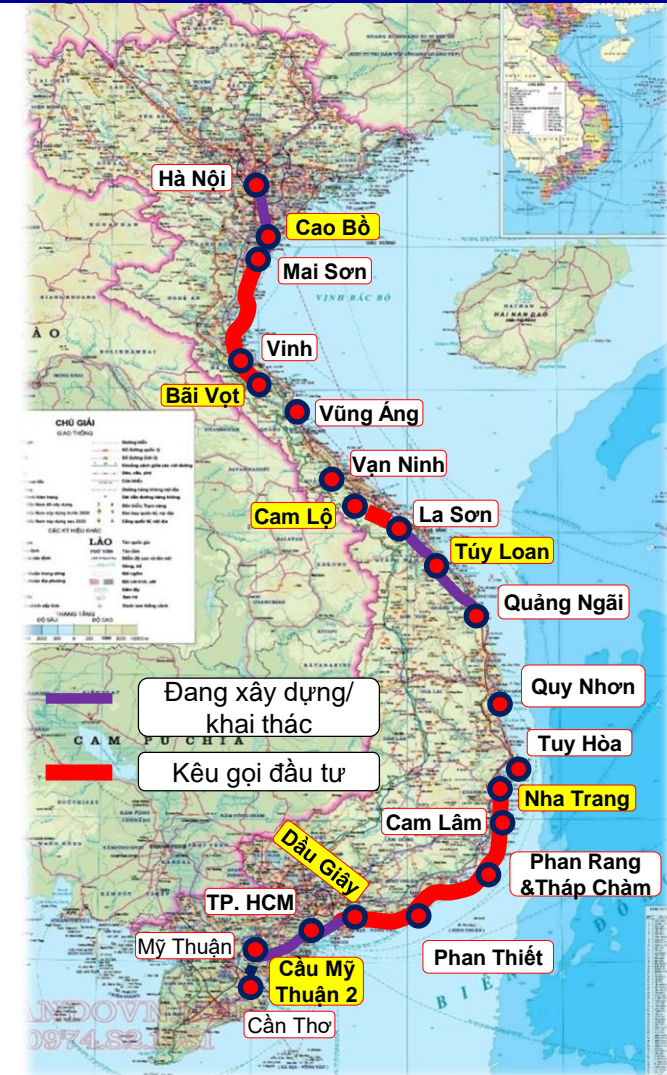
The project is expected to be completed in 2021.



III. COMPLETED AND ON GOING PROJECTS

Overview of the eastern North-South expressway

- The period of 2017-2020: prioritize investment of about 654km based on the forecast of transport demand, divided into 11 component projects including 8 PPP projects and 3 public investment projects.
- Total investment capital: 118.716 million VND (about 5.126 million USD).



IV. INVESTMENT CAPITAL SOURCES

Existing expressways and under construction expressways

- Investment budget: State budget, State enterprise and Private sector (BOT, BT)

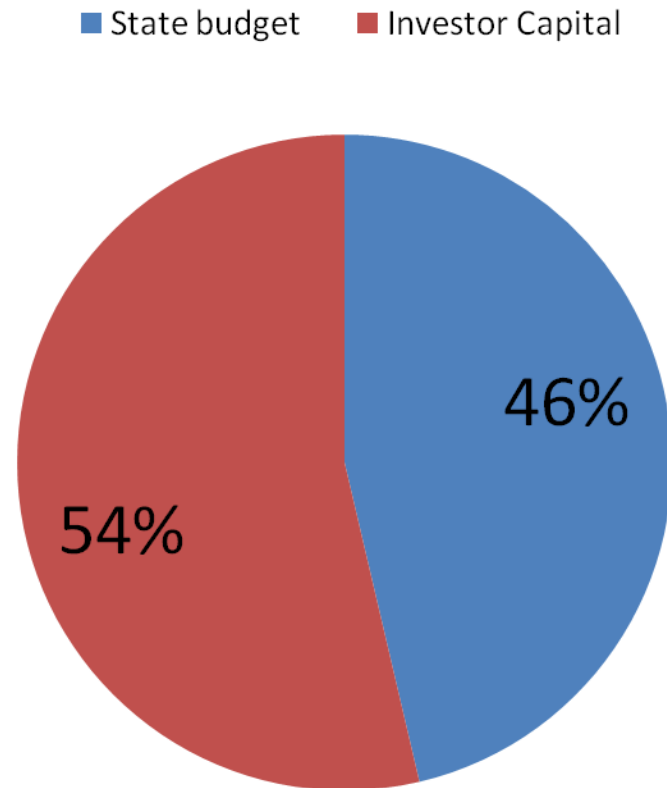
Investment budget	Existing expressways		Under construction expressways	
	Length (Km)	Percentage	Length (Km)	Percentage
State budget	327.5	33%	0	0%
State enterprise	350	36%	58	23%
Private sector	303.5	31%	191	77%
Total	981		249	
COMMENT	The investment budget from the private sector increased gradually, with higher proportion			

IV. INVESTMENT CAPITAL SOURCES

Eastern North-South expressway project

- 11 component projects.
- Total investment capital: 118.716 million VND (about 5.126 million USD).
- State capital of about 55.000 billion VND used for:
 - 03 public investment projects;
 - Supporting the whole work of site clearance;
 - Contributing a part of construction capital to ensure the feasibility of the projects.

Capital Structure for the Eastern North-South expressway project



V. POLICIES AND MECHANISMS

Political policies on PPP investment and development of transport infrastructure

- **Resolutions of the Party in consecutive terms (11th, 12th)**

- **Resolution No.13-NQ/TW dated 16/01/2012**

- Resolution No. 13-NQ / TW advocated the socialization of investment to mobilize resources outside the state budget, considered as an indispensable trend and an effective solution to meet the demand for capital to develop traffic infrastructure and improve service quality in the transport sector

- **Resolution No. 05-NQ/TW dated 01/11/2016**

- Resolution No. 05-NQ / TW dated 01/11/2016 of the 4th Conference of the Central Committee of the Communist Party of Vietnam (12th term) defined the task of "accelerating the implementation of investment projects in the form of PPP, ensuring the transparency; having a mechanism for supervising, managing, and efficiently using investment capital for each project."

V. POLICIES AND MECHANISMS

Legal corridor to implement PPP projects in Viet Nam

LAW

- Construction Law
- Investment Law
- Public Investment Law
- Bidding Law
- Law on Management and use of public assets

DECREE

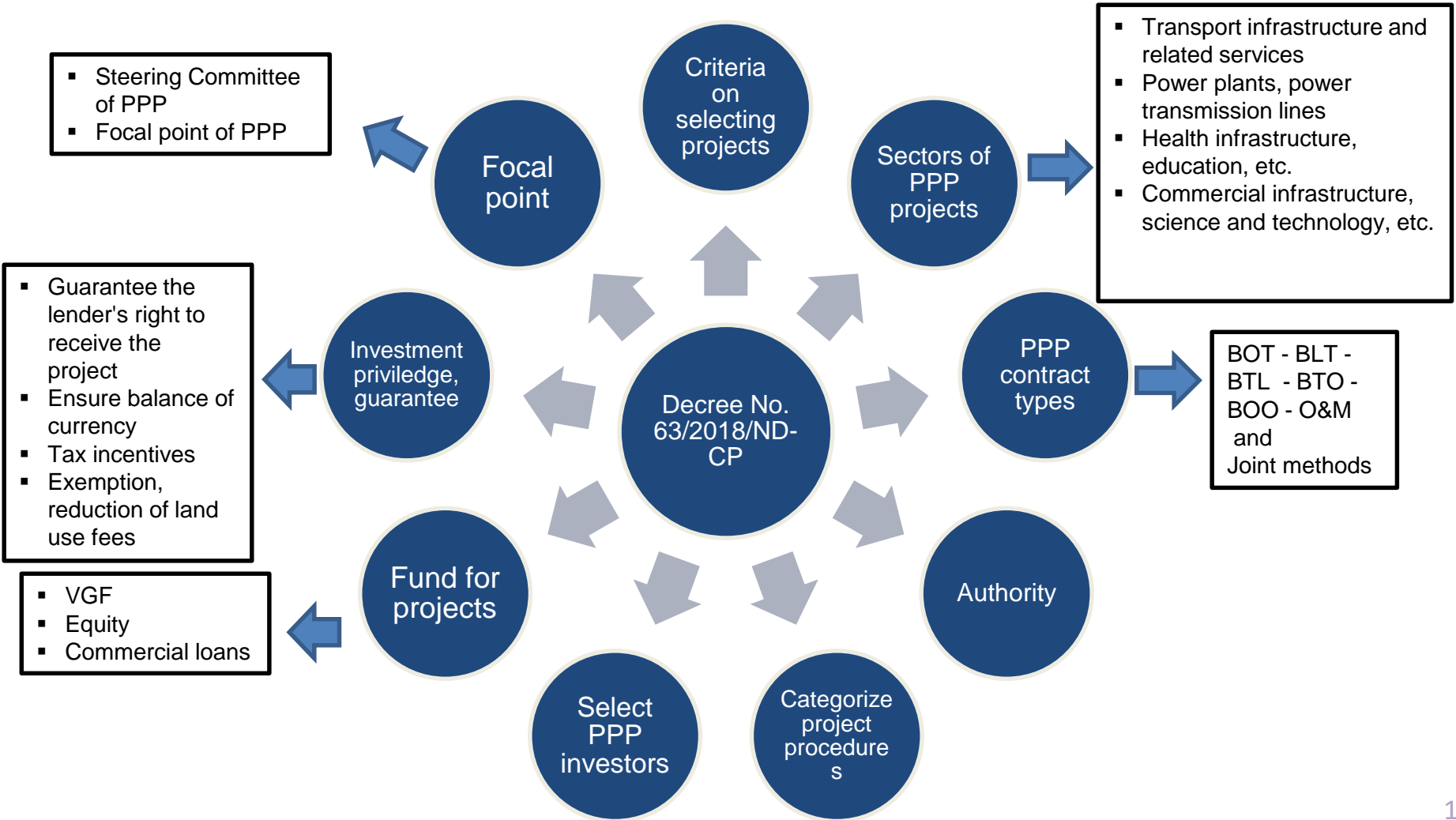
- Decree No. 63/2018/ND-CP dated 04/5/2018 on PPP Investment (replacing Decree No. 15/2015/ND-CP)
- Decree No. 30/2015/ND-CP dated 17/3/2015 on guiding the implementation of Investment Law on selecting investors

CIRCULAR

- Circular No.55/2016/TT-BTC on financial management of PPP projects
- Circular No.75/2017/TT-BTC on amending several articles of Circular No.55/2016/TT-BTC
- Circular No.02/2016/TT-BKHDT guiding on selecting projects, making, appraising and approving project proposals and F/S in PPP model.
- Circular No.86/2015/TT-BGTVT on investment sectors and contents of F/S report of PPP transport projects

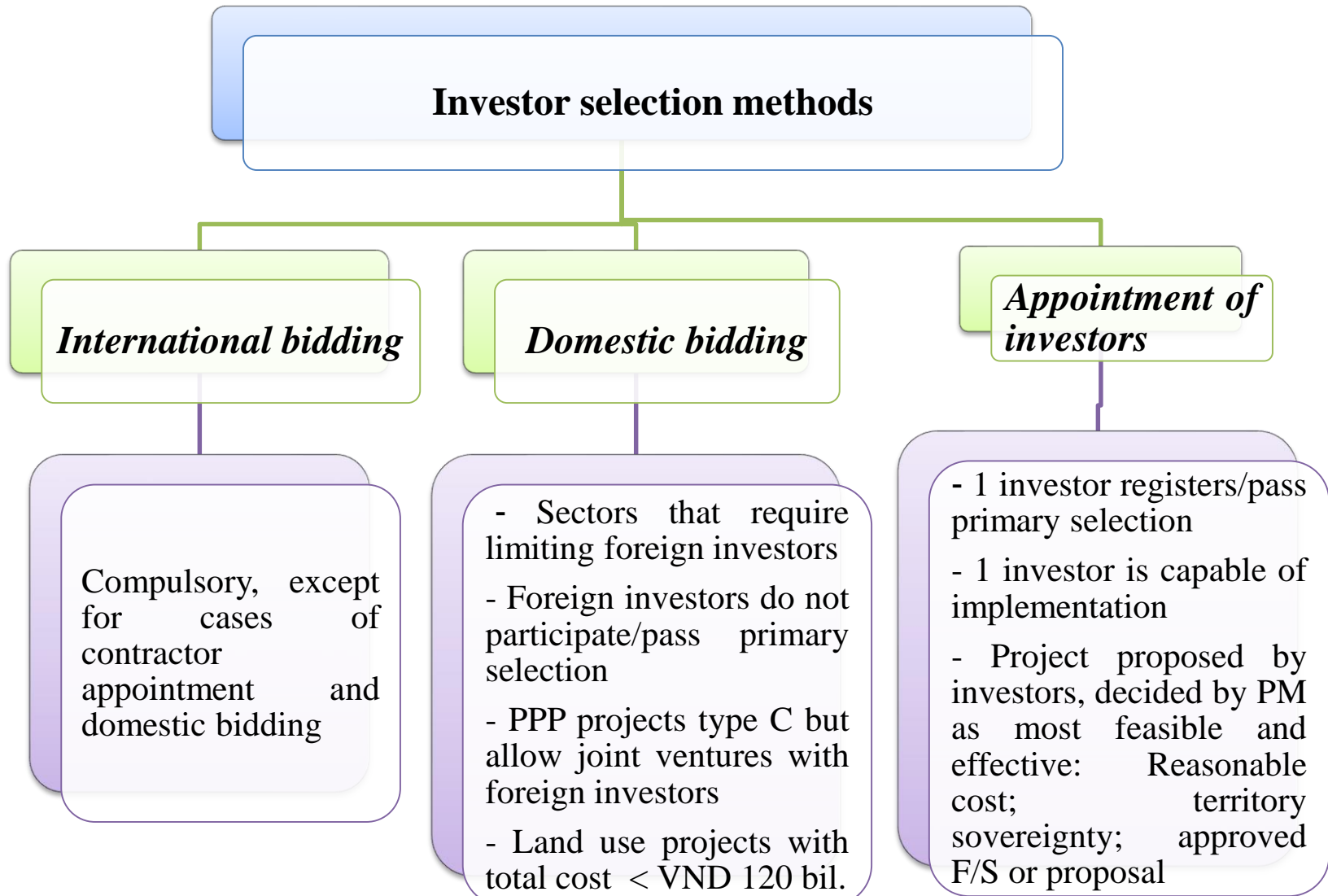
V. POLICIES AND MECHANISMS

Decree No. 63/2018/ND-CP of the Government



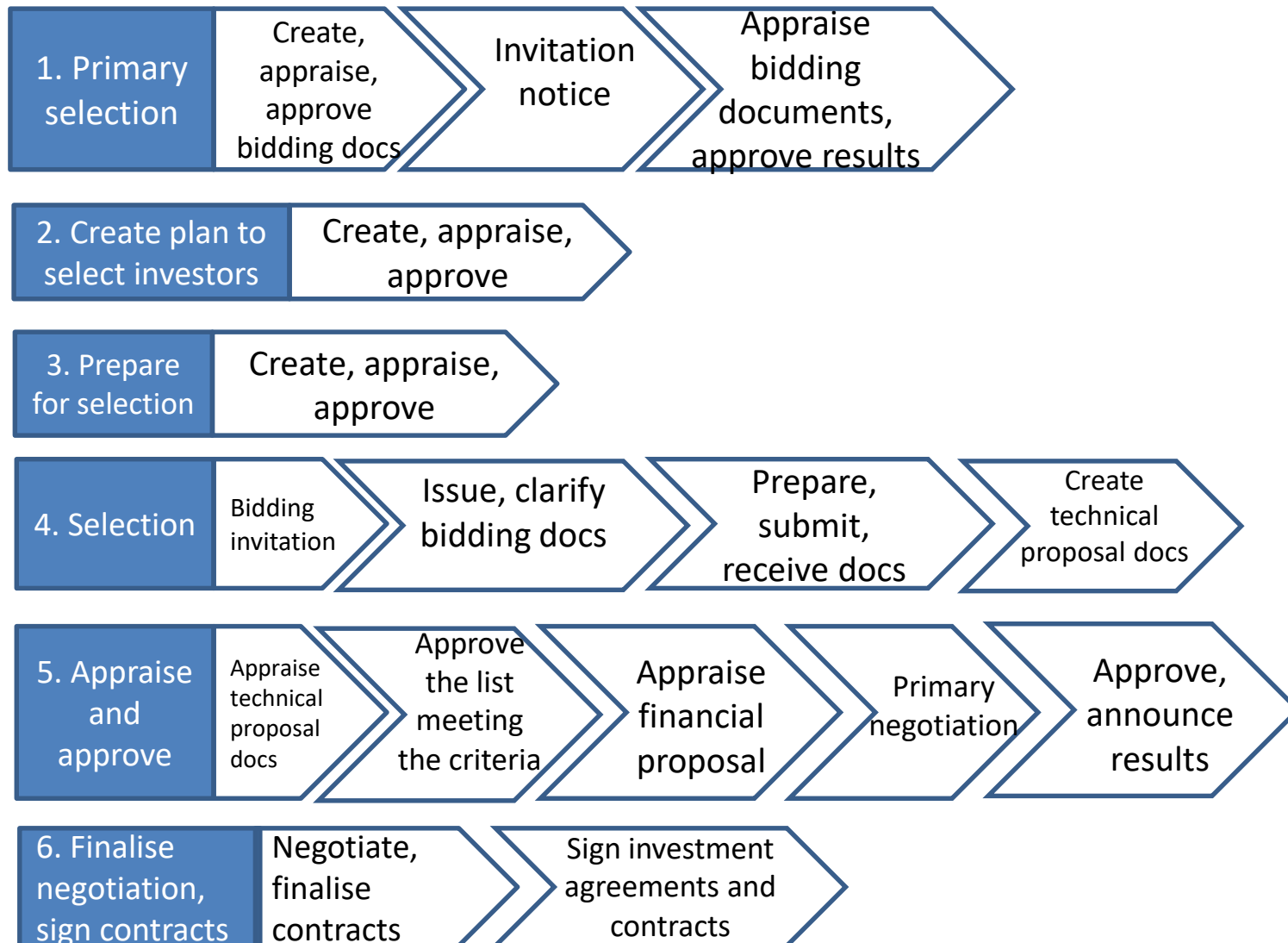
V. POLICIES AND MECHANISMS

Decree No.30/2015/ND-CP of the Government



V. POLICIES AND MECHANISMS

Overview of bidding procedures – Decree No.30/2015/ND-CP



VI. WAY FORWARD

Difficulties and challenges

Legal corridor

- The legislation system is not complete
- Price policy, price is inadequate
- Public debt increase.

Fundings

VGF
Domestic investment credits decrease
Mobilize equity

Credits

- Control interest rates
- Manage foreign exchange
- No guarantee or restriction on loans.

Projects

- Site clearance
- Bidding to select investors
- Manage and inspect fee collection

VI. WAY FORWARD

Tasks to be implemented

Legislation

- Study and propose to the National Assembly for issuance of the PPP Law
- Complete investment policies and investment incentives
- Reduce administrative procedures in investment

Fundings

- Find solutions to remove difficulties for domestic and foreign capital mobilization channels
- Pilot test and gradually legislate guarantee mechanisms to mobilize foreign capital

Contracts

- Standardize sample contracts in each field.
- Develop a method to determine the profitability of investors in line with international practices

Others

- Improve the quality of human resources of the Government in PPP management
- Strengthen the application of science and technology
- Disseminate and publicize information to reach consensus from users of services and professional associations.



Thank you very much!