



THE WAY FORWARD

# GEMADEPT NEWS

*"Docking for Information"*

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### CIRCULAR SUPPLY CHAIN - A SUSTAINABLE PATHWAY



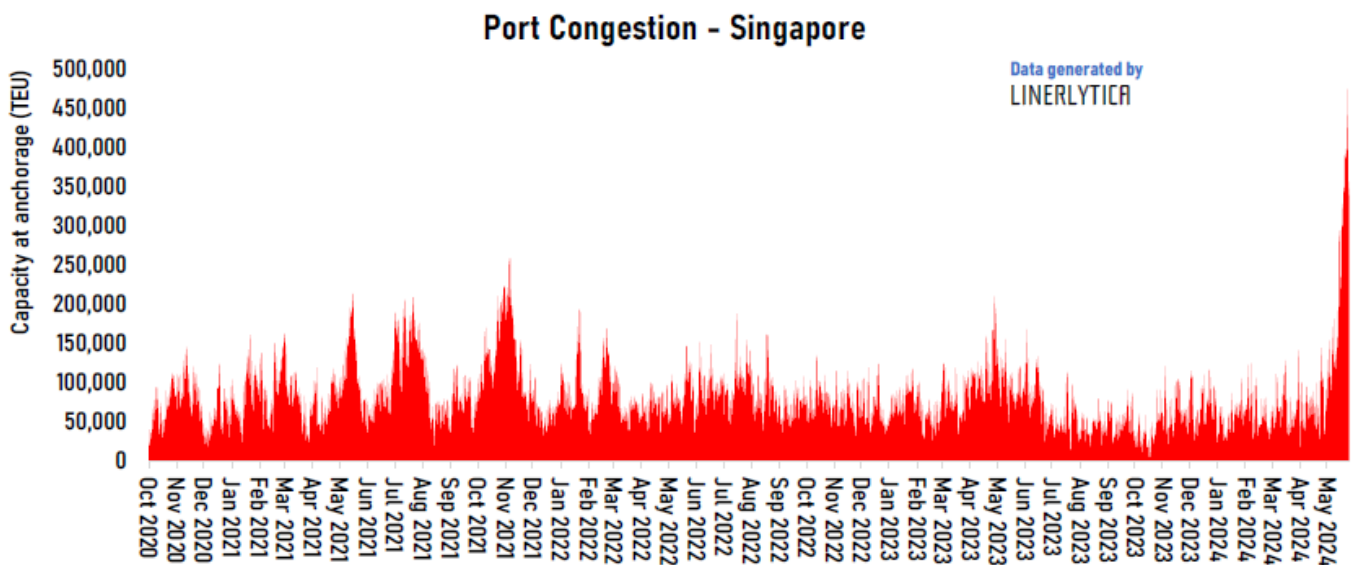
## SINGAPORE TAKES STEPS TO ADDRESS CONTAINERSHIP CONGESTION

Singapore's Ministry of Transport along with the Maritime and Port Authority of Singapore and terminal operator PSA are working to alleviate the congestion in container shipping. They outlined the steps being taken while confirming the reports earlier in the week of congestion and vessel bunching due to the impact of Red Sea diversions on carrier schedules.

Hong Kong-based market intelligence firm Linerlytica, warned this week that port congestion was mounting primarily in Asia with Singapore being among the hardest hit. They said as many as 450,000 TEU were in the queue in Singapore while reporting containerships were being forced to hold off, sometimes at distance anchorages, due to a lack of berth space. Linerlytica said the wait was up to seven days in some cases for a berth in Singapore.

The MPA highlighted that container volume is up 8.8 percent so far in 2024 amounting to 13.36 million TEUs in the first four months of the year. They said part of the reason for the strong increase was several container lines discharging more containers in Singapore as they forego some port stops to catch up on schedules.

They said efforts had begun in late 2023 anticipating the disruptions to schedules and increase in volumes. This included adding more staffing and container handling capacity to handle the anticipated volume surge.



These challenges are likely to persist well into 2024 as the carriers continue to divert from the Red Sea routes. The ships are struggling to keep up with demand while having to travel significant extra distances to reach Europe. Compounding the challenges for Singapore is the continuing introduction of ultra large container vessels (ULCVs) with 24,000 TEU capacity.

Source: <https://www.maritime-executive.com/article/singapore-takes-steps-to-address-containership-congestion>

## WORLD 'MEGAMAX' VESSEL FLEET REACHES FOUR MILLION TEU SLOTS

The global fleet of 'megamax' (MGX) container vessels at the end of last month breached the 4.00 Mteu mark in terms of overall capacity and it currently stands at 4.01 Mteu. No fewer than 186 ships of the 'MGX-24' and the slightly smaller 'MGX-23' variety are currently in service, with 43 more ships and 1.25 Mteu on order.

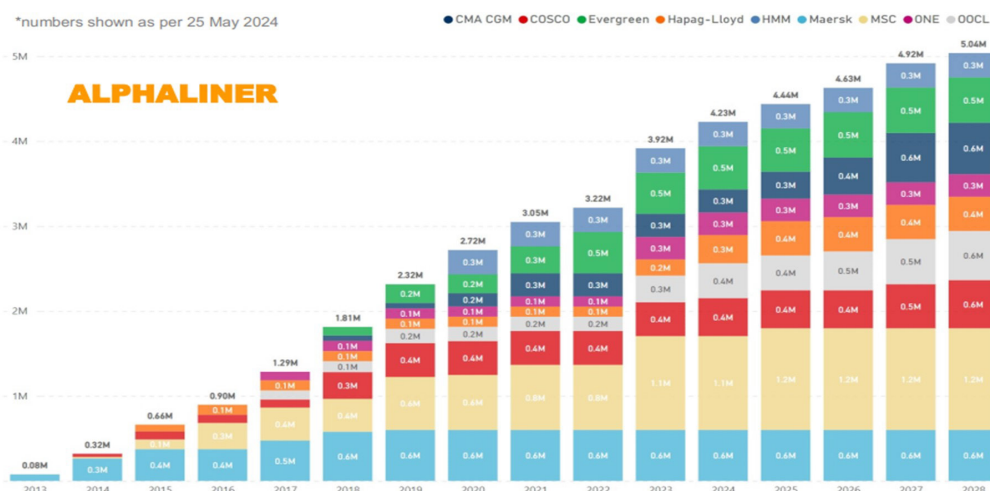
First introduced by Maersk in 2013, when the 18,340 teu MAERSK McKINNEY MOLLER joined the fleet, MGX capacity reached 1.00 Mteu in April 2017, 2.00 Mteu in July 2019, and 3.00 Mteu in Oct 2021. However, the next milestone is only expected for mid-2028 since the pace of orders for MGX ships has slowed down, carriers instead drove fleet expansion projects in the compact (335 m/14,000 teu) and maxi (366 m/16,000 teu) 'NPX' size classes, as well as in the 'middle of the market' where the 'panamax replacement' (5,500 teu) and 'compact 8,000 teu' classes gained numerous orders.

Over the past few years, MGX ships have become the backbone of the Asia - Europe trade, displacing neo-panamax ('NPX') vessels from the top-tier liner services. Combined, they make up 3.88 Mteu, about 54% of the 7.20 Mteu overall capacity deployment on this route. Only seven ships are in service between the Far East and Middle East. The longer distances and the fact that large call sizes are more 'evenly' distributed between key ports (compared for example to the US West Coast, where ships are often 'turned' in a single port), make Asia - Europe the ideal trading ground for 'megamax' vessels. Nevertheless, Alphaliner expects that some ships of the 'MGX-23' class will sooner or later enter the Asia - US East Coast trade lane.

### New propulsion options

Today, the vast majority of 'MGX' vessels are powered conventionally. Only CMA CGM (9 ships) and Hapag-Lloyd (6 ships) already operate LNG-powered MGX. The newbuilding pipeline meanwhile, looks very different: Only OOCL (3 ships) and Evergreen (2 ships) will still receive conventionally powered vessels with scrubbers.

The global 'megamax' fleet - capacity evolution since 2013



Apart from these, all 36 remaining MGX in the orderbook will come on stream as dual-fuel vessels with LNG or methanol propulsion. COSCO Group last year furthermore announced plans to convert two 20,119 teu MGX to methanol power.

In light of the carriers' ambitious decarbonization plans, it is safe to assume that all further ships of 'MGX' size will be ordered with the capability to operate on alternative 'Green' fuels.



## WORLD NEWS

### EU APPROVES NET ZERO INDUSTRY ACT (NZIA)

The Council of the European Union adopted a regulation on measures for strengthening the net zero technology manufacturing ecosystem, better known as the Net Zero Industry Act. Finally coming into force, it aims to boost the industrial deployment of net zero technologies needed to achieve the EU's climate goals and position it as a leader in industrial green technologies, according to the announcement.



#### Key points of the Act:

- Facilitate investment in green technology by simplifying permitting procedures and supporting market access.
- Upskill the European workforce in the field of green technology.
- Support the development, testing and validation of advanced technologies.
- Objectives: to have the capacity to produce net-zero emission technologies meet 40% of the EU's deployment needs and increase the global market share by 15% by 2040.

The Act will be published in the Official Journal of the EU and enter into force on the date of its publication.

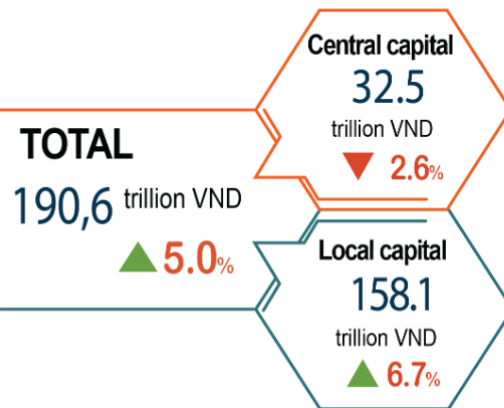
## IMPORT – EXPORT FIGURES FOR THE FIRST 5 MONTHS OF 2024

### ENTERPRISE REGISTRATION STATUS FOR THE FIRST 5 MONTHS OF 2024

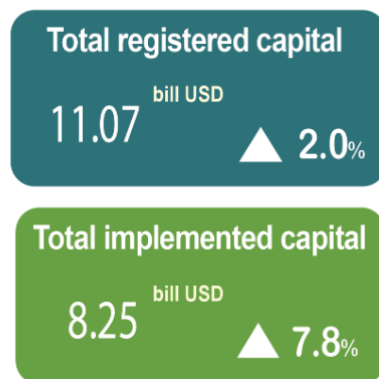


### INVESTMENT

Investment capital from the State budget for the first 5 months of 2024



Foreign investment (FDI) from 1/1 to 20/5/2024



### EXPORT AND IMPORT OF GOODS FOR THE FIRST 5 MONTHS OF 2024

Export

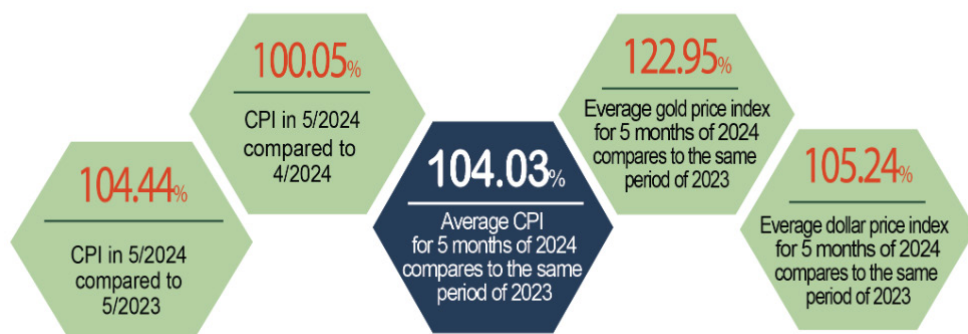
156.77 bill. USD  
▲ 15.2%

Import

148.76 bill. USD  
▲ 18.2%

TRADE PLUS  
8.01 bill. USD

### PRICE INDEX





## FOREIGN DIRECT INVESTMENT (FDI) IN THE FIRST 5 MONTH OF 2024

### Foreign Investment:

- Total newly registered, adjusted, and contributed capital and share purchase (GVMCP) capital of foreign investors (FDI) reached about 11.07 billion USD, an increase of 2% compared to the same period in 2023.
- Registered capital for new projects with 1,227 projects granted investment certificates, increased by 27.5% compared to the same period. Total registered capital reached nearly USD 7.94 billion (up 50.8% compared to the same period).
- Disbursed capital of FDI projects is estimated at around 8.25 billion USD, an increase of 7.8% compared to the same period in 2023.

### Investment Partners: traditional partners of Vietnam from Asia. In particular:

- Singapore, Hong Kong, Japan, China, and South Korea accounted for 73% of the total number of new investment projects and 73.5% of the total registered capital of the country.

### Investment Destinations:

- Ba Ria - Vung Tau, Hanoi, Bac Ninh, Ho Chi Minh City, Dong Nai, Quang Ninh, Bac Giang, Hai Phong, Thai Nguyen, and Hung Yen accounted for 74.7% of the total number of new projects and 75.2% of the total investment capital of the country in 5 months.

### Import-Export Activities:

- The FDI sector had a trade surplus of over 19.57 billion USD (including crude oil) and 18.52 billion USD (excluding crude oil).
- Domestic enterprises had a trade deficit of over 11.05 billion USD.

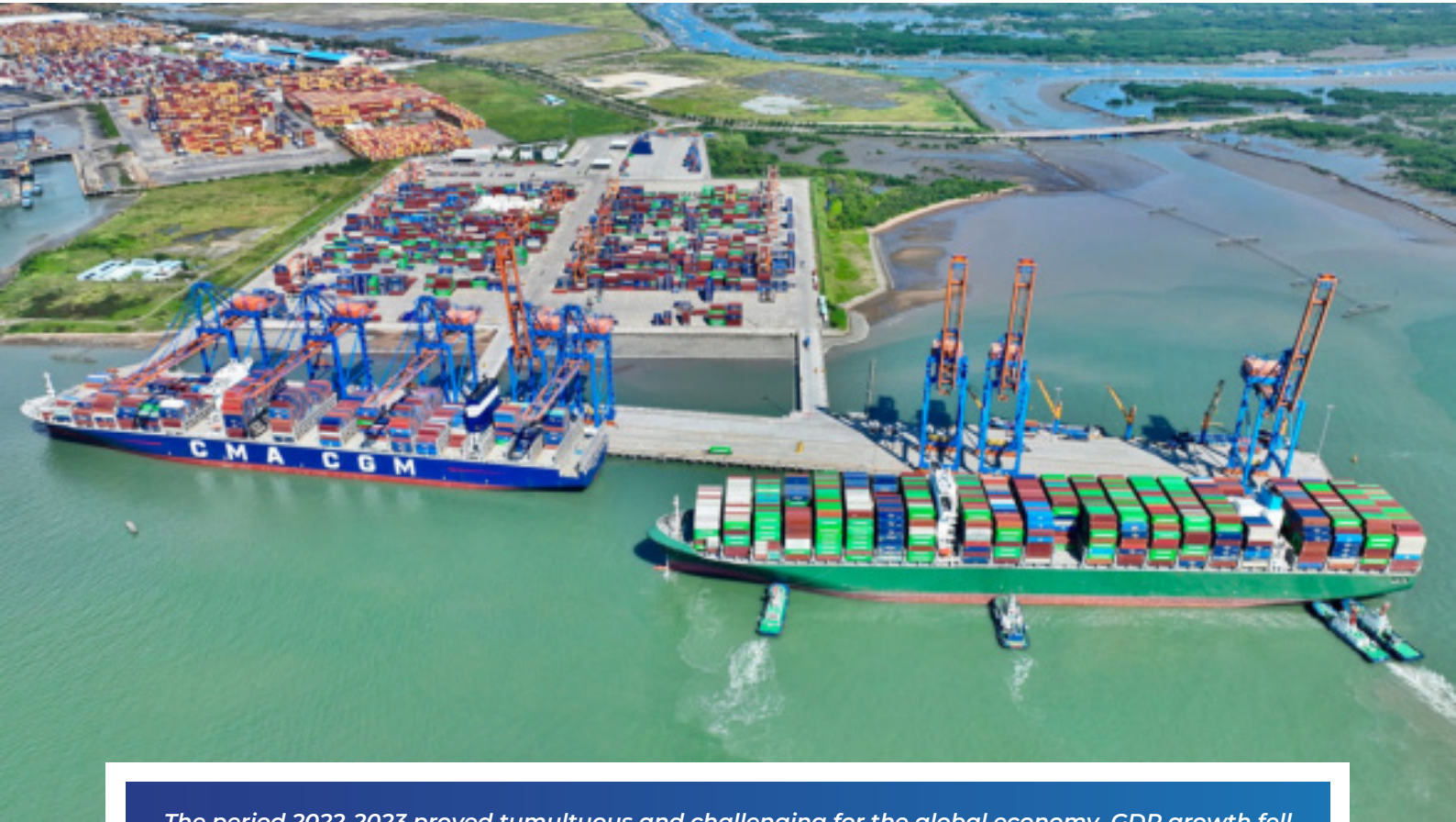
According to the General Statistics Office, industrial production in May 2024 continues to maintain a more positive growth trend. Export turnover of goods reached 156.77 billion USD, an increase of 15.2% over the same period in 2023. Notably, exports to markets with trade agreements (FTAs) all had a positive recovery.

Exports to most market areas grew well, especially markets that have signed Free Trade Agreements (FTA) with Vietnam. Specifically, exports to ASEAN increased by 10.5%; to Japan increased by 3.3%, Korea increased by 8.6%, EU increased by 15.1%, Australia increased by 22.6%.

Vietnam in the past year upgraded its "Comprehensive Strategic Partnership" relationship with two major partners, China and the United States. In which trade is considered an important pillar. Exports to China in the first 4 months of the year reached 17 billion USD, up 12.8%; to the United States reached 34.7 billion USD, an increase of 21.2%.



## GEMADEPT'S SUSTAINABLE PROGRESS AMID GLOBAL ECONOMIC CHALLENGES



*The period 2022-2023 proved tumultuous and challenging for the global economy. GDP growth fell short of expectations, supply chains faced disruption, and the trade and investment market experienced a significant decline, particularly in the first half of the year.*

Entering 2024, the global economy continues to face various challenges, but there have been certain signs of recovery. In Q1/2024, some major economies recorded slight growth, mainly due to economic stimulus measures and the recovery of the global supply chain.

However, the world still faces many uncertainties due to geopolitical fluctuations and especially the increasingly extreme impacts of climate change.

Vietnam faces unique and significant challenges. A World Bank report identifies Vietnam as one of the six countries most vulnerable to climate change. Since the beginning of 2024, complex natural disasters, including severe cold spells damaging crops in the North and prolonged record-breaking heat in the South, alongside increased saltwater intrusion in the Mekong Delta, threaten to significantly impact livelihoods and agricultural production.

In the face of this situation, the commitment to sustainable development from Vietnamese businesses becomes more critical than ever. To avert the severe and irreversible consequences of climate change, the business community must act swiftly and join forces with the Government to protect the environment for all.



## Gemadept and the sustainable development journey



Having operated for 34 years in the port and logistics industry, with Vietnam as its core market, Gemadept has prioritized balanced economic development and minimal environmental impact as its guiding principles. This ensures sustainable and long - lasting growth for both the Company and the communities it serves. The company's Board of Directors and employees are steadfast and determined to create a smarter, more sustainable future for both the business and the nation.

The highlight of Gemadept's Sustainable Development Strategy is its orientation towards international standards, ensuring that it meets the trade requirements with countries around the world.

Gemadept has been implementing greenhouse gas emission inventory and reporting programs according to ISO 14064-1 standard at its ports, while also developing Green Port models according to the TCCS 02:2022 CHHVN standard issued by the Vietnam Maritime Administration. These specific steps reaffirm Gemadept's determination in its green transformation journey, working hand in hand with the Government and the world towards carbon neutrality goals.

### Creative Innovation, Technology Application, and Green Energy

Driven by a spirit of innovation, Gemadept invests in digital transformation projects such as SmartPort, Smart Gate, and River Gate software, contributing significantly to increased productivity, reduced time and costs, and energy savings. These strategic advancements help Gemadept maintain and enhance its competitiveness in the ever-evolving market landscape.



Gemadept further promotes the adoption of renewable energy across its port-logistics ecosystem, including ports, distribution centers, and air cargo terminals. Notably, solar energy currently replaces 30-40% of the annual grid electricity consumption at SCSC Airport and Mekong Logistics cold storage warehouses.

Furthermore, the Company promotes various environmental initiatives, including planting and regenerating mangrove forests in the Mekong Delta, expanding green spaces at its ports, implementing water and electricity conservation practices, and providing training to enhance environmental awareness for employees and local communities.

## Commitment to a Green Future

Gemadep extends its commitment and determination to the community through impactful social activities. In 2023, the Company organized various activities aimed at improving the quality of life and education within the community. The annual running race, "**Gemadep Run 2023**," raised funds for a school building project in the highlands, aiming to provide students and teachers with a safe and healthy learning environment.

**Gemadep, along with member units within its ecosystem, organizes annual volunteer activities to support orphans, disabled children, flood victims, and soldiers stationed on Spratly Islands. These activities consistently generate positive social impact.**



## Paving the Path for Net Zero

Gemadep remains steadfast in its journey alongside the Government and the Vietnamese business community towards achieving Net - zero by 2050. Through concrete actions, the Company expresses its commitment to preserving a green and sustainable future for generations to come.

On the path forward, creating a green future, Gemadep and its partners are determined to overcome obstacles, bringing sustainable values to the community and society.

Click here for more information: <https://www.gemadep.com.vn>



## GEMADEPT NEWS

### HSBC VIETNAM AND GEMADEPT CORPORATION SIGN SUSTAINABILITY LINKED LOAN AGREEMENT



*In a joint effort to create sustainable value for the community, HSBC and Gemadept Corporation signed a Sustainability Linked Loan ("SLL") Agreement on May 28, 2024. This marks another "Green step" in Gemadept's development plan, securing access to Green capital and reaffirming HSBC Vietnam's commitment to supporting sustainable business practices in Vietnam.*

With 34 years of experience in operating the Port-Logistics ecosystem across key economic zones from North to South Vietnam, Gemadept prioritizes sustainable development goals throughout its business activities. Recognizing that business success aligns with the community's well-being, the company actively collaborates with the Vietnamese government and international partners to achieve Net - Zero emissions by 2050, contributing to environmental protection and combating climate change.

As part of those efforts, on May 28, 2024, Gemadept and HSBC Bank Vietnam signed a Sustainability Linked Loan Agreement. This marks another "Green step" in Gemadept's development plan, securing access to Green capital and reaffirming HSBC Vietnam's commitment to supporting sustainable business practices in Vietnam.

This event also marked the first time HSBC successfully arranged a sustainable linked loan for a Vietnamese port and logistics company. To qualify for this loan, Gemadept not only managed to demonstrate positive business results, but also underwent HSBC's strict sustainable credit assessment process while establishing clear and specific goals within Gemadept's green and sustainable development strategy. Consequently, Gemadept is currently and will continue to measure and report greenhouse gas emissions at ports within scopes 1, 2, 3, while also aiming to meet the fundamental standards regarding the criteria for green ports in Vietnam issued by the Vietnam Maritime Administration.

Driven by a pioneering spirit and a profound awareness of corporate social responsibility, Gemadept takes concrete actions to protect the environment and address climate change. Specifically, the company collaborates with the British Standards Institution and Bureau Veritas Certification Vietnam to implement training, auditing, and reporting of greenhouse gas emissions according to the international standard ISO 14064-1; Conducts assessments of environmental management systems, safety, and occupational health; Implements plans to assess "Green Port Standards" at Gemadept's ports including Dung Quat Port, Nam Dinh Vu Port, Binh Duong Port, and Gemalink Deepsea Port according to the TCCS 02:2022/CHHVN standard issued by the Vietnam Maritime Administration;

## OPENING CEREMONY: GNL JOINT VENTURE COMPANY LIMITED



*On the morning of June 6, 2024, in Hai Phong, the Depot joint venture between partner Namsung Shipping - one of the pioneer private enterprises in South Korea's maritime industry and Gemadept Corporation was officially opened.*

GNL Depot Joint Venture Company Limited, located in MP Dinh Vu Industrial Park, has a convenient location connecting with various ports in the Dinh Vu area, easy access to provincial road traffic routes and Hanoi - Hai Phong highway as well. At the same time, with the operating experience of Gemadept and Namsung Shipping's executives, customers using GNL depot's services will enjoy qualified service meeting international standards, 24/7 support.

The establishment of GNL is not only a "fruitful award" from the common strategic vision of the two parties - the desire to create better values for Customers, but also a premise to expand more cooperation opportunities in the future.



## THE PROGRESS OF HA NAM CHANNEL PROJECT



*The project "Upgrading Hai Phong maritime channel from the turning basin of Hai Phong international container port to Nam Dinh Vu port area" invested by Nam Dinh Vu port - part of Gemadept Corporation is gradually being completed.*

Officially launched from mid-Q1, 2024, by the beginning of June 2024, the project progress has reached approximately 98% of the work including: dredging construction, waste disposal, water sampling for testing and environmental monitoring, and related administrative procedures.

After completing the lowering of the channel depth from -7m to -8.5m, the Hai Phong navigation channel will officially upgrade its receiving capacity, allowing ships with a tonnage of up to **48,000 DWT** fully loaded to access, promoting economic development in the logistics value chain of Hai Phong and the region.

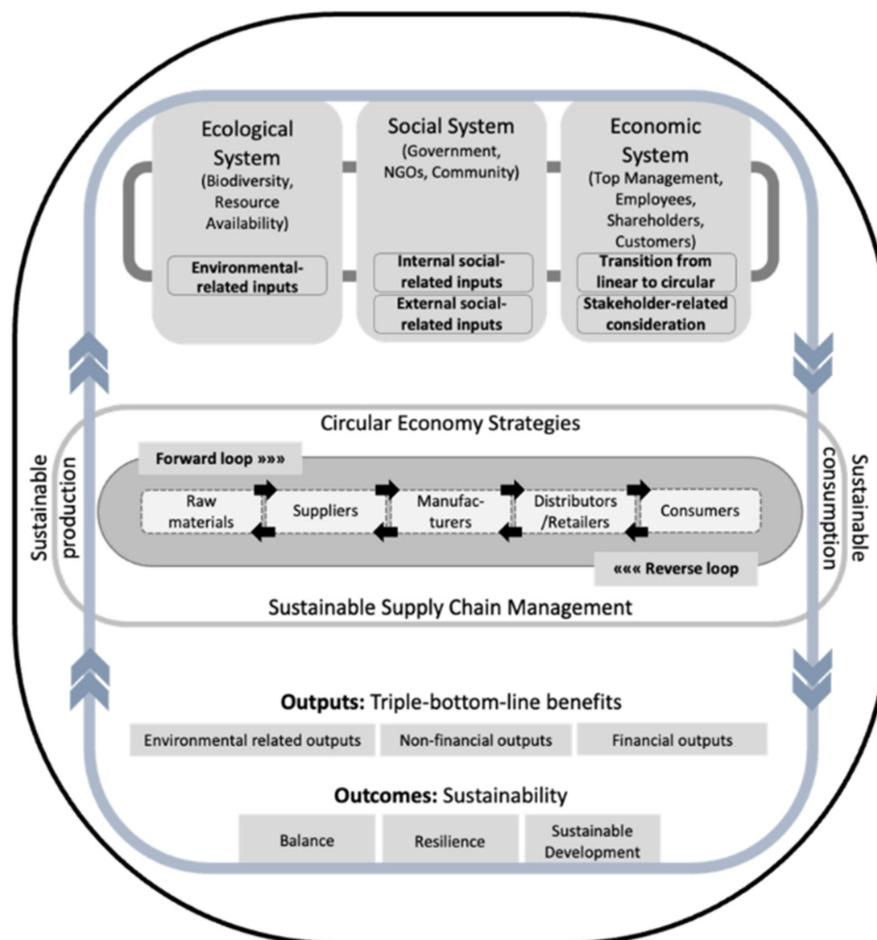
**As a pioneering enterprise in Vietnam's Port and Logistics sector, Gemadept has been contributing to the country with strategic Port and Logistics projects, committed to accompanying and supporting the development of the country in general and the maritime industry in particular.**

# LOGISTICS SPOTLIGHT

## CIRCULAR SUPPLY CHAIN - A SUSTAINABLE PATHWAY

In the context of the world facing environmental challenges, transitioning from a traditional linear supply chain to a circular supply chain has become not only a short-term trend but also a necessity in the long run.

A circular supply chain is a concept in supply chain management that describes the process in which goods or services are produced, transported, processed, and distributed in a continuous and repetitive cycle. It encompasses every step from raw materials being transformed into final products to reaching the hands of consumers, and then used products or waste being recycled or reused instead of being disposed of.



Promoting a circular supply chain, alongside environmental benefits, can also create new business opportunities and enhance competitiveness for enterprises. Companies can leverage recycled resources to manufacture new products, thus saving material costs and providing higher value products to the market.

While awareness of circularity in the supply chain is increasing, the adoption of this model still faces limitations. Typically, pioneers in this movement are large corporations committed to reducing carbon emissions. For most other businesses, the real challenge lies in identifying the starting point of transitioning from the old model to the new one and how to achieve promising results quickly.

**In a world on the brink of resource depletion, it is time for businesses to take action!**



## THE WAY FORWARD



## GEMADEPT CORPORATION

21<sup>st</sup> Floor, 6 Le Thanh St., Ben Nghe Ward  
Dist. 1, Ho Chi Minh City, Vietnam

Tel: (84 - 28) 38 236 236 | Fax: (84 - 28) 235 236

Email: [info@gemadept.com.vn](mailto:info@gemadept.com.vn)

[customercare@gemadept.com.vn](mailto:customercare@gemadept.com.vn)

[www.gemadept.com.vn](http://www.gemadept.com.vn)

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