

**PRIME MINISTER**

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**SOCIALIST REPUBLIC OF VIETNAM**

**Independence – Freedom – Happiness**

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No.: 200/QD-TTg

*Hanoi, February 14, 2017*

## **DECISION**

### **APPROVAL FOR THE ACTION PLAN FOR IMPROVEMENT OF COMPETITIVENESS AND DEVELOPMENT OF VIETNAM’S LOGISTICS SERVICES BY 2025**

#### **THE PRIME MINISTER**

*Pursuant to the Law on Organization of the Government dated June 19, 2015;*

*Pursuant to the Law on Commerce dated June 14, 2005;*

*Pursuant to Decision No. 2471/QD-TTg dated December 28, 2011 by the Prime Minister giving approval for the Strategy for goods import and export during the 2011 – 2020 period with a vision up to 2030;*

*Pursuant to Decision No. 175/QD-TTg dated January 27, 2011 by the Prime Minister giving approval for the Overall Strategy on development of service sector of Vietnam up to 2020;*

*At the request of Minister of Industry and Trade,*

#### **DECIDES:**

**Article 1.** The action plan for improvement of competitiveness and development of Vietnam’s logistics services by 2025 (hereinafter referred to as the Action Plan) is approved herein with the following main contents:

#### **I. VIEWPOINT**

1. Logistics is an important service sector in the overall structure of the national economy, plays the role in support, connection and improvement of the social – economic development of the whole country as well as that in each locality, and takes part in the improvement of the economic competitiveness.

2. Develop the logistics service sector into a high value-added service sector and associate it with the national development of goods production, import, export and commercial activities, and the development of information technology and transport infrastructure.

3. Develop the logistics service market in a healthy way to create fair chance to enterprises in all economic sectors and encourage both domestic and foreign investments in conformity with the law of Vietnam and international treaties to which Vietnam is a signatory.
4. Make the best use of the strategic geographic position and improve connections to develop Vietnam into an important regional logistics hub.
5. Attach a special importance to the increase of the competitiveness of logistics service providers. Logistics service providers shall be developed in all terms of quantity, scale and qualification of personnel with the aim of holding a high level of competitiveness in both domestic and foreign markets.
6. The Government shall take the role in support and creation of convenient environment for improving the competitiveness and development of Vietnam's logistics service sector.

## **II. OBJECTIVES**

1. By 2025, the proportion of the logistics sector in GDP will reach 8-10%, the service growth will reach 15-20%, the proportion of outsourcing logistics services will reach 50-60% , logistics costs will reduce equivalently to 16-20% of GDP, ranking 50 or above across the world according to the Logistics performance index (LPI).
2. The country will focus on attracting investment in logistics infrastructure development, constructing regional and international logistics service centers, improving the efficiency of the connection between Vietnam and other countries. Vietnam shall become a regional logistics hub.
3. Leading logistics service enterprises which are competitive enough in the domestic and international market will be formed, and existing logistics service enterprises will be supported to become modern and professional motto.
4. Production and trading enterprises will efficiently manage the supply chain, save materials and reduce production costs and time of goods movement.
5. Advanced technologies will be applied to logistics sector and professional personnel will be trained with high qualifications in logistics with the aim of facilitating the commercial development and restructuring production and trading enterprises.
6. The Government's management mechanism, including policies on support and development of logistics services, sector regulatory laws and management structures, will be revised in conformity with the development of Vietnam's logistics sector in the process of international economic integration.

## **III. MAIN GROUPS OF TASKS IN THE ACTION PLAN**

1. Improving policies and laws on logistics services.

2. Completing the logistics infrastructure.
3. Strengthening business capacity and service quality.
4. Developing the market of logistics services.
5. Training, raising awareness and quality of human resources.
6. Other tasks.

Tasks of the action plan for improvement of competitiveness and development of Vietnam's logistics sector by 2025 are prescribed in the Appendix enclosed herewith.

#### **IV. FUNDING OF THE ACTION PLAN**

1. Sources of funding for implementing the Action Plan include funds from state budget, enterprise's capital, loans provided by credit institutions, international grants and other legal sources of funding as regulated by laws.
2. The state budget funds shall be allocated according to the current division of state budget levels. To be specific:
  - a) Funds for projects/ tasks covered by Ministries, Ministerial-level agencies or Affiliates of the Government shall be derived from the Central-government state budget and included in the annual estimate of expenditures covered by state funding of each agency.
  - b) Funds for projects/ tasks covered by the People's Committees of provinces or central-affiliated cities shall be derived from the provincial-government state budget and included in the annual state budget of each provincial government.

#### **V. IMPLEMENTATION ORGANIZATION**

1. Ministry of Industry and Trade:
  - a) Take charge and coordinate with Ministries/ regulatory bodies and local governments in implementing this Action Plan; propose policies for encouraging social involvements in performing tasks in the Action Plan.
  - b) Expedite and supervise the implementation of the Action Plan.
  - c) Consolidate and evaluate annual results of the Action Plan, and make modification to the Action Plan, where necessary; submit reports to the Prime Minister.
2. Ministries/ regulatory bodies shall, based on this Action Plan, formulate, appraise, give approval and allocate state budget, and mobilize other legitimate sources of funding in

accordance with management levels and prevailing laws to perform tasks mentioned in Section III and the Appendix enclosed herewith.

3. Each People's Committee of province/ central-affiliated city shall, based on the actual development of logistics sector in such province, formulate the Plan for development of logistics services in such province, consider approval and allocate state budget to implement such plan in accordance with current regulations.

## **Article 2. Implementation**

1. This Decision shall take effect as from the date on which it is signed.
2. Ministers, Heads of Ministerial-level agencies, Heads of the Government's affiliates, Chairpersons of the People's Committees of provinces/ central-affiliated cities, logistics services associations and/or enterprises, and relevant entities shall implement this Decision./.

**PP PRIME MINISTER  
DEPUTY PRIME MINISTER**

**Trinh Dinh Dung**

## **SPECIFIC TASKS FOR IMPROVING THE COMPETITIVENESS AND DEVELOPING VIETNAM'S LOGISTICS SECTOR BY 2025**

*(Enclosed to Decision No. 200/QĐ-TTg dated February 14, 2017 by the Prime Minister giving approval for the action plan for improvement of competitiveness and development of Vietnam's logistics services by 2025)*

<b>No.</b>	<b>Tasks</b>	<b>Goals</b>	<b>In-charge agency (*)</b>	<b>Implementation/ completion time</b>
<b>I</b>	<b>Improving policies and laws on logistics services</b>			
1.	Supplement and amend contents about logistics services in the Law on Commerce	Establish legal grounds to facilitate logistics activities	Ministry of Industry and Trade and Ministry of Justice	2020
2.	Promulgate a Decree	Comprehensively regulate	Ministry of	2017

	to amend or replace the Decree No. 140/2007/ND-CP	logistics services and internalize international commitments on logistics	Industry and Trade and Ministry of Justice	
3.	Review legislative documents and policies on logistics	Propose amendments or promulgation of new policies/laws on logistics, multimodal transport and cross-border transport	Ministry of Industry and Trade, Ministry of Transport, Ministry of Planning and Investment and Ministry of Justice	2018
4.	Review and amend policies on taxes, fees and prices of logistics-related services	Apply road-user charges and seaport services fees so as to facilitate logistics activities	Ministry of Transport and Ministry of Finance	2017
5.	Review international commitments on logistics in WTO and ASEAN, and Free-trade Agreements (FTAs)	Propose measures to avoid conflicts between commitments on logistics at international forums, and avoid conflicts between international commitments on logistics and domestic laws	Ministry of Industry and Trade, Ministry of Planning and Investment and Ministry of Justice	2017
6.	Formulate plan for negotiation on commitments on logistics in future FTAs	Commitments on logistics in future FTAs should be in harmony with existing commitments and domestic laws; promote strengths of Vietnam's logistics service providers with the aim of developing Vietnam into a regional logistics hub.	Ministry of Industry and Trade, Vietnam Logistics Association, and Vietnam Chamber of Commerce and Industry	2018
7.	Disseminate Vietnam's international commitments on logistics services	Help enterprises have a good grasp of and properly apply international commitments on logistics	Ministry of Industry and Trade, Vietnam Logistics Association, and Vietnam Chamber of Commerce and Industry	2017 - 2025
8.	Enhance trade	Reform customs procedures,	Ministry of	2017 - 2025

	facilitation	reduce and simplify sector inspection procedures, standardize documents and develop WTO Trade Facilitation Agreement	Finance, relevant Ministries and Vietnam Chamber of Commerce and Industry	
9.	Enhance the application of Vietnam's single-window system	Apply the national single-window system to the conducting of all procedures for imported, exported and transit goods, outcoming, incoming and transit people and means of transport	Ministry of Finance, relevant Ministries and Vietnam Chamber of Commerce and Industry	2020
10.	Establish the Trade Information Portal	Assist enterprises in searching information relating tax rates and import/export procedures for each type of commodity	Ministry of Finance and Ministry of Industry and Trade	2017
11.	Do research on and formulate policies to support the development of logistics services of provinces	Formulate appropriate policies to support the development of logistics services in provinces in an effective way in conformity with social – economic characteristics of each province	People's Committees of provinces/ central-affiliated cities	2020
<b>II Completing the logistics infrastructure</b>				
12.	Review plans to ensure the synchronization of transport infrastructure, transport services, and the development objectives of logistics sector	Ensure the conformity of plans for transportation with strategies/ plans for industrial production, agricultural production, import & export, and provincial strategies for social – economic development, and their connection with plans for logistics centers, dry ports and bonded warehouse in a harmonious whole	Ministry of Transport, Ministry of Industry and Trade, and Ministry of Finance	2018
13.	Review and amend provincial plans/ structure of production in association with the development of logistics services and infrastructure	Ensure the conformity of plans for development of logistics services and infrastructure with social – economic development plans of each province	People's Committees of provinces/ central-affiliated cities	2018

14.	Completing policies and speed up the attraction of investments in logistics infrastructure	Promulgate appropriate policies to attract both domestic and foreign investments and encourage all economic sectors to invest in logistics sector and logistics infrastructure development	Ministry of Planning and Investment, Ministry of Finance, and Vietnam Chamber of Commerce and Industry	2019
15.	Promote the cooperation with foreign partners with the aim of improving the connection of logistics infrastructure systems	Improve the connection between the national logistics infrastructure and those of ASEAN member states, countries in the Northeast Asia and other regions in the world for the purpose of making best use of multimodal transport, cross-border transport and transit	Ministry of Transport, and Vietnam Logistics Association	2017 - 2025
16.	Invest in logistics infrastructure expansion with the aim of connecting Vietnam's ports with those of neighboring countries	Build traffic works, warehouses, and logistics centers on routes/ corridors connecting Vietnam and Laos, Cambodia, Thailand and South China	Ministry of Transport, Ministry of Industry and Trade, and People's Committees of relevant provinces/cities	2017 - 2025
17.	Speed up the development of multimodal transport and cross-border transport, especially in-transit goods transport	Increase the quantity of goods transported under the forms of multimodal transport, cross-border transport, and transit	Ministry of Transport, and Ministry of Industry and Trade	2017 - 2025
18.	Promote the transport restructuring with the aim of developing a transport market with an appropriate structure	Overcome irrational status in transport structure, increase the market share of large-volume transport modes and the connection between transport modes, reduce transport costs and improve quality of transport services	Ministry of Transport, and relevant Associations	2017 - 2025
19.	Increase the capacity	Increase the volume of goods	Ministry of	2017 - 2025

	of marine transportation	transported by sea. Amend the Plan for seaport system in the way of focusing on development of regional economic advantages. Improve the quality of services of Vietnam's fleets	Transport	
20.	Develop the transport of goods by inland waterway	Increase the volume of goods transported by inland waterway. Build inland waterway ports with modern equipment, especially ports in Mekong Delta and Red River Delta	Ministry of Transport	2017 - 2025
21.	Modernize railway system and increase the capacity of railway transport of goods	Increase the volume of goods transported by railway. Shorten transport period, and increase the reliability and quality of services. Make a strong connection between railway system and road, seaway, airway and inland waterway systems	Ministry of Transport	2017 - 2025
22.	Increase the capacity of transport and handling of goods by airway	Increase the volume of goods transported by air. Build modern cargo terminals with high cargo handling capacity and high-level automation	Ministry of Transport	2017 - 2025
23.	Rationalize road transport	Maintain the volume of goods transported by road in balance with other transport modes. Increase the reliability, prevent traffic congestion and reduce costs of goods transport by road	Ministry of Transport	2017 - 2025
24.	Develop logistics trading floors	Optimize the two-way transport of goods, container transport	Ministry of Transport, and relevant Associations	2018
25.	Improve logistics infrastructure in association with e-commerce	Develop transport systems with the aim of following development trends of e-commerce, including paying special attention to last-mile delivery	Ministry of Industry and Trade, Vietnam E-commerce Association, and Vietnam Logistics Association	2019



26.	Focus on calling for investment in construction of type-I logistics centers in Hanoi City and Ho Chi Minh City	Establish type-I logistics centers which perform the role in connecting Vietnam and foreign countries	Ministry of Transport, Ministry of Planning and Investment, and People's Committees of relevant provinces/cities	2021
27.	Focus on calling for investment in construction of type-II logistics centers in Lang Son, Lao Cai, Hai Phong, Da Nang, Quy Nhon and Can Tho	Establish type-II logistics centers which perform the role in connection between key economic regions in Vietnam	People's Committees of relevant provinces/cities, Ministry of Planning and Investment, and Ministry of Industry and Trade	2023
28.	Develop air logistics centers with attaching a special importance to prolonged logistics centers outside of airports to handle special commodities	Establish air logistics centers with specific areas for handling special commodities such as dangerous goods, high-value goods, high-tech goods and goods requiring special maintenance, etc.	Ministry of Transport, and Vietnam Logistics Association	2020
29.	Mobilize and attach investment in construction of logistics centers with the purpose of improve Vietnam's import/ export of goods to/from global markets:	Establish logistics centers in foreign countries which play the role in collecting and distributing goods from Vietnam to international markets	Ministry of Transport, Ministry of Foreign Affairs, Ministry of Planning and Investment, and Vietnam Logistics Association	2017 - 2025
a)	- East Asia: China, Japan and Korea			
b)	- Europe: Netherlands, Belgium, Italia and Russia			
c)	- America: USA, Panama, Brazil			

d)	- South Asia, West Asia and Africa: India, United Arab Emirates (UAE), and South Africa			
<b>III Strengthening business capacity and service quality</b>				
30.	Encourage and instruct enterprises in certain sectors in applying advanced supply chain management models:	Enterprises in certain sectors apply advanced supply chain management models to their production and business activities. Information technology and new logistics technologies are applied to logistics activities	Ministry of Industry and Trade, Vietnam Logistics Association, Vietnam Software and IT Services Association, and relevant associations	2021
a)	- Textile and garment industry			
b)	- Leather and footwear industry			
c)	- Timber industry			
d)	- Agricultural products – foods industries			
dd)	- Mechanical – manufacturing industry			
e)	- Small and medium enterprises			
31.	Encourage some industrial parks and export processing zones to form logistics-based industrial zone model	Some industrial parks/ export processing zones provide closed logistics services to help enterprises there shorten time and costs of delivery of materials and products	Ministry of Planning and Investment, and People's Committees of relevant provinces/cities	2020
32.	Prioritize the allocation of state funding to research, transfer and application of advanced technologies to the development of logistics services; improve private sector	Do research and apply new technologies/ technological advances to the management, operation and training in supply chain systems and logistics services	Ministry of Science and Technology, and Vietnam Logistics Association	2017 - 2025

	involvement in the development of logistics services			
33.	Promote deep integration between logistics sector and domestic agricultural production, industrial production, import/export/sale of goods, and other service sectors	Increase the quantity of production and trading enterprises using logistics services to enhance the efficiency of their business activities	Vietnam Logistics Association, and Vietnam Chamber of Commerce and Industry	2017 - 2025
34.	Speed up the development of integrated logistics services, including 3PL and 4PL logistics services	Increase the quantity of enterprises providing integrated logistics services with the use of modern technologies for improving service quality	Vietnam Logistics Association, and relevant associations	2017 - 2025
35.	Completing policies for supporting logistics service providers	Logistics service providers, especially small and medium enterprises, are facilitated in accessing to domestic and foreign sources of funding, developing market, training and accessing to information	Ministry of Planning and Investment, the State Bank of Vietnam, Ministry of Industry and Trade, and Vietnam Chamber of Commerce and Industry	2020
36.	Support the establishment of strong logistics corporations towards outward investment and export of logistics services	Establish large-scale logistics enterprises creating orientations and motives for market development	Vietnam Logistics Association, and Vietnam Chamber of Commerce and Industry	2022
37.	Assist enterprises in improving their capacity for negotiation, conclusion and performance of logistics services	Enterprises improve their capacity for negotiation, conclusion and performance of logistics services contracts, and resolution of logistics disputes	Vietnam Chamber of Commerce and Industry, and Vietnam Logistics Association	2017 - 2025

	contracts, and resolution of logistics disputes			
<b>IV Developing the market of logistics services</b>				
38.	Improve trade promotion in the field of logistics sector	Host/ organize international logistics seminars, trade fairs and exhibitions. Attend international logistics trade fairs and exhibitions. Organize research teams working abroad and invite foreign enterprises to Vietnam to discuss future investment opportunities and cooperation in developing logistics services	Vietnam Logistics Association, and Vietnam Chamber of Commerce and Industry	2017 - 2025
39.	Attract sources of goods transported from Laos, Cambodia, Thailand and South China through Vietnam to other countries and vice versa	Increase the volume of goods transported from Laos, Cambodia, Thailand and South China through Vietnam to other countries and vice versa	Ministry of Industry and Trade, Ministry of Transport, and Vietnam Logistics Association	2017 - 2025
40.	Give support to improve operating and marketing efficiency, and expand sources of goods for the Cai Mep - Thi Vai port complex	Increase the volume of goods at the Cai Mep - Thi Vai port complex, and develop this complex into a regional center for collection and transit of goods	Ministry of Transport, and Ministry of Industry and Trade	2022
41.	Enhance the development of outsourcing logistics services	Enhance the propagation of the use of outsourcing logistics services to domestic producers, importers, exporters and traders towards specialization and appropriate use of workforce in supply chains	Vietnam Shippers' Council, and Vietnam Logistics Association	2017 - 2025
42.	Orientate change of behavior in international trade, make a connection between shippers and logistics service providers	Change "buy CIF and sell FOB" term of delivery, improve awareness of shippers, and provide Vietnam's logistics service providers chance to take part in many stages of the supply chain with higher and higher	Vietnam Shippers' Council, and Vietnam Logistics Association	2017-2025

		value added content		
43.	Promote international cooperation in logistics	Promote the cooperation with logistics associations and enterprises in ASEAN and in the world. Attract lots of foreign enterprises to Vietnam to run business or cooperate with Vietnamese enterprises	Vietnam Logistics Association	2017 - 2025
<b>V Training, raising awareness and quality of human resources</b>				
44.	Promote bachelor's programs in logistics	Universities do research and formulate training programs/textbooks in logistics, and establish Logistics Departments. Accredite logistics training major.	Ministry of Education and Training, Ministry of Industry and Trade, and Ministry of Transport	2023
45.	Promote vocational training programs in logistics	Formulate the national occupational standard and qualifications framework in logistics in harmony with ASEAN and international qualifications reference frameworks Vocational training institutions organize training programs in logistics	Ministry of Labour, War Invalids and Social Affairs, Ministry of Industry and Trade, Ministry of Transport, and Vietnam Logistics Association	2017 - 2025
46.	Increase lecturers in logistics in terms of quantity and quality	Attract lecturers in logistics sector. Establish knowledge criteria and improve qualifications of lecturers in logistics	Ministry of Education and Training, and Ministry of Labour, War Invalids and Social Affairs	2017 - 2025
47.	Provide basic training programs in logistics to enterprises' leaders and regulatory bodies' officials	Provide basic training programs in logistics to enterprises' leaders and regulatory bodies' officials to facilitate them in fulfilling their duties	Vietnam Logistics Association, and Ministry of Industry and Trade	2017 - 2025
48.	Connect Vietnam's training institutions/	Cooperate with foreign training institutions to organize	Vietnam Logistics	2017 - 2025

	logistics enterprises with foreign training institutions	appropriate training courses with the aim of improving efficiency of training and drilling logistics personnel	Association, Ministry of Education and Training, and Ministry of Labour, War Invalids and Social Affairs	
49.	Organize scientific & education programs in logistics via means of mass media	Take advantage of means of mass media to popularize the role and importance of logistics sector as well as logistics enterprises	Vietnam Logistics Association, and Ministry of Information and Communications	2023
50.	Establish strong logistics research centers	Establish several centers which carry out in-depth research in logistics to do research and grasp new trends and advanced technologies in logistics, promptly and efficiently apply research findings	Ministry of Science and Technology, and Vietnam Logistics Association	2023
<b>VI Other tasks</b>				
51.	Strengthen the state management apparatus in logistics	Do research on the establishment of the National Steering Committee for Logistics, and logistics advisory boards of certain Ministries/ regulatory bodies to assist the Government in regulating logistics activities	Ministry of Home Affairs, Ministry of Industry and Trade, and Ministry of Transport	2018
52.	Strengthen and promote the role of logistics associations	Promote the role of logistics associations in order to determine the visions and orientations for developing and supporting logistics service enterprises	Ministry of Home Affairs, Ministry of Industry and Trade, and relevant associations	2020
53.	Promote the role of Vietnam Logistics Forum and establish the mechanism for cooperation and regular talks between regulatory bodies and	Expand the scope and attract the participation of logistics service enterprises and international investors in the Vietnam Logistics Forum. At the same time, establish the mechanism for cooperation and regular talks	Ministry of Industry and Trade, Ministry of Transport, and Vietnam Logistics Association	2017 - 2025

	logistics service enterprises	between regulatory bodies and logistics service enterprises for solving difficulties and other matters		
54.	Formulate and supplement standards and regulations on logistics activities	Formulate standards and regulations to standardize logistics operation process	Ministry of Science and Technology, relevant Ministries/ regulatory bodies, and Vietnam Logistics Association	2022
55.	Develop equipment for inspecting, measuring and testing measuring instruments serving logistics activities	Manufacture and develop equipment for inspecting, measuring and testing measuring instruments serving logistics activities with the aim of ensuring the accuracy and honesty in goods forwarding	Ministry of Science and Technology, and relevant associations	2022
56.	Formulate statistical indicators and collect logistics statistical figures.	Form a system of statistical indicators and collect logistics statistical figures.	Ministry of Planning and Investment, Ministry of Industry and Trade, And Ministry of Transport	2019
57.	Promulgate business registration codes for logistics services	Promulgate business registration codes for logistics services	Ministry of Planning and Investment	2018
58.	Establish a set of logistics performance indicators	Form a set of performance indicators to evaluate the performance of logistics operations in conformity with international standards	Vietnam Logistics Association, and Ministry of Industry and Trade	2018
59.	Rank and evaluate the competitiveness of logistics sector and that of logistics service providers	Do research, rank and evaluate the competitiveness of logistics sector and of logistics service providers	Vietnam Logistics Association, and Ministry of Industry and	2018 - 2025

			Trade	
60.	Prepare Vietnam Logistics Sector Report	Prepare annual report which includes general assessment of logistics sector, characteristics and developments during the year, and suggested solutions for the following year	Ministry of Industry and Trade, and Vietnam Logistics Association	2017 - 2025

(\*) Note: The agency whose name appears first shall be in charge of the task, the others are cooperating agencies.