



THE WAY FORWARD

GEMADEPT NEWS

"Docking for Information"

APRIL 2024



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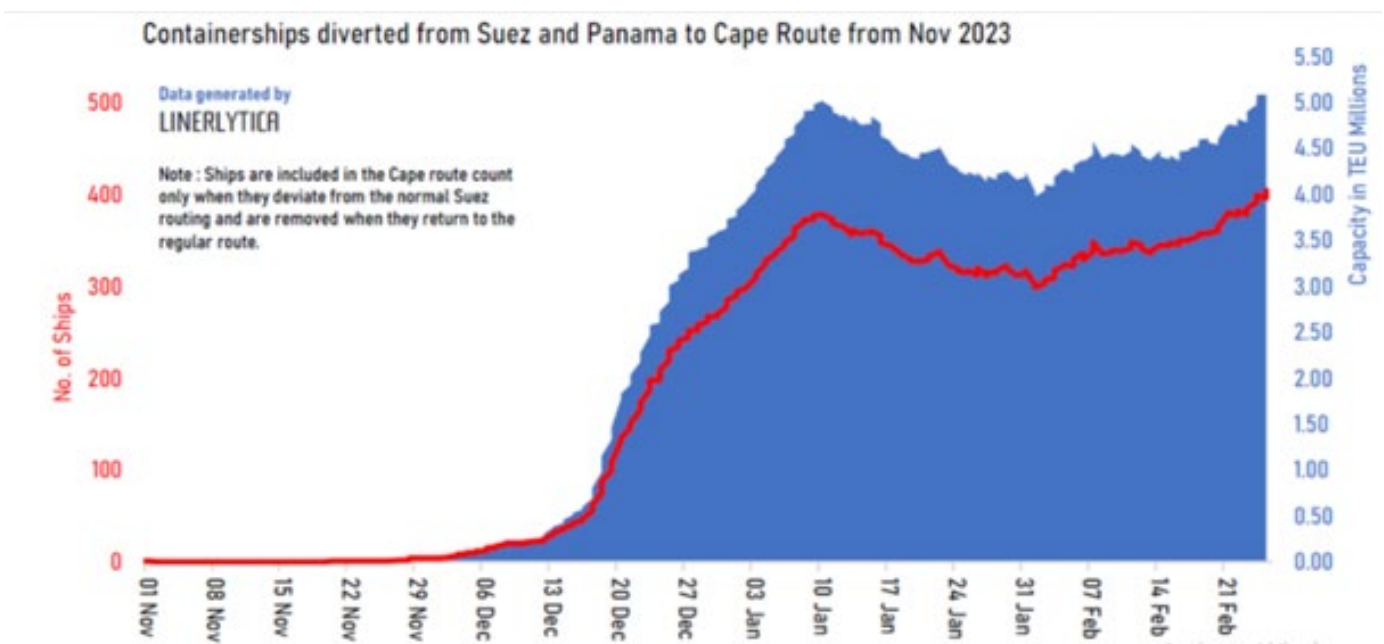
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WORLD NEWS

STRENGTHEN ASEAN CONNECTION WITH THE WORLD

In the context of prolonged geopolitical instability in many regions and the Red Sea crisis with no end in sight, global trade still shows clear signs of recovery in Q1/2024, in order to meet the increasing demand of the market, while ensuring optimal shipping routes, Main lines Operators (MLOs) have restructured many routes, focusing mainly on ASIAN ports connection.

Right in April of 2024, THE Alliance will reinstate the Asia-US East Coast 4 (EC4) service that was withdrawn in November 2023 for the winter slack season. The loop diverted from transiting the Suez Canal to the Cape of Good Hope on both east and westbound voyages, Hong Kong will be omitted, new rotation will call at Kaohsiung, Xiamen, Yantian, Cai Mep, Singapore, Norfolk, Savannah, Charleston, New York, Singapore.



In addition, on April 19th, THEA will bring back the US west coast Pacific North 3 (PN3) service that was pulled in October. It will call: Hong Kong, Haiphong, Yantian, Shanghai, Busan, Vancouver, Tacoma, Busan, Kaohsiung, add new calls at Hong Kong and Haiphong.

Amid speculation that Wan Hai Lines could replace Hapag-Lloyd in THEA, ONE is launching an Asia-US west coast (AP1) service with the Taiwan carrier in May. According to Linerlytica: "These moves aim to reassure customers that THEA carriers will continue to offer a competitive transpacific product for the new contract season, even with the departure of Hapag-Lloyd next year."

Sharing the same trend, Maersk Line also aims to improve the Asia - US East Coast route network by restarting the TP20 service, connecting Qingdao (China) - Shanghai (China) - Yantian (China). Country) – Panama Canal (Panama) - Newark (USA) – Baltimore (USA) – Houston (USA) – Panama Canal.

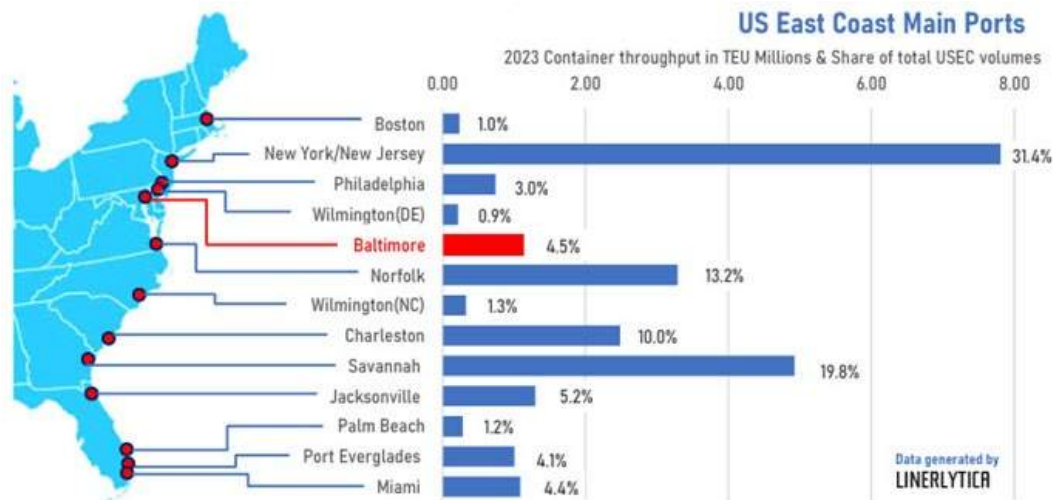
The OCEAN Alliance also restructuring all services from Asia to Northern Europe via the Cape of Good Hope with the widest range and large capacity best on this route.

WORLD NEWS

BALTIMORE PORT SHUTDOWN HAS LIMITED IMPACT ON CONTAINER VOLUMES TO US

The closure of the port of Baltimore after the 9,962 teu container ship DALI struck the Francis Scott Key Bridge on 26 March 2024 will not have a significant impact on container supply chain in the US. The port of Baltimore handled 1.12m teu of container cargo in 2023, accounting for only 4.5% of the total containers handled at the main ports at the US East Coast.

Baltimore handles 11 regular services, with an average monthly handling volumes of 94,000 teu, of which 50% are laden imports and 21% are laden exports with the remainder being empty containers, served mainly by the 4 largest carriers at the state of Maryland port -Maersk, MSC, Zim and Evergreen. However, this incident is raising the alarm over infrastructure of bridges across the United States. Statistics show that most bridges are outdated and cannot keep up with the growth rate of the logistics market, especially maritime transport with increasingly larger container ship sizes to optimize the shipping capacity.



A GLOBAL CARBON TAX ON SHIPPING IS COMING

A universal, global carbon tax on shipping is coming, as alternative blue fuels made with carbon capture emerge as a critical step in the energy transition at sea. That was the message from Christopher J. Wiernicki, ABS Chairman and CEO, during an appearance at the CERAWeek energy conference.



“We need to recognize that there is an intermediate step in the energy transition,” he said. “Last year the conversations were focused on going from oil to a green fuel economy. Today, we are seeing the emergence of the blue economy that addresses carbon management, carbon capture, carbon pricing and carbon credits and offsets, as an essential stepping-stone. The EU has recognized the importance of this intermediate economy with Fuel EU Maritime, and I believe you will see a universal carbon tax emerging as the IMO and the EU will synch together.”

Effective regulation under one global regulatory framework is going to be key to success in the energy transition at sea, he said.

“Commercial gravity alone will not get us to Net Zero by 2050. We will need ambitious measures, both carrot and stick. FuelEU Maritime is one example, and a carbon tax is another. But a global industry needs a global approach, which is why IMO regulations are foundational for shipping. IMO has given us an investable roadmap with outcomes and signposts along the way. It has also introduced the shift from tank to wake to well to wake, which puts a completely new perspective on fuel choices when looking at lifecycle emissions performance. Even though the IMO is being challenged by regional lawmakers, everything really starts and stops with the IMO.”

Shipping’s transition is still only just beginning, he added, with much still to be decided in the coming decade of change.

INFOGRAPHIC ECONOMIC SITUATION IN FIRST QUARTER OF 2024

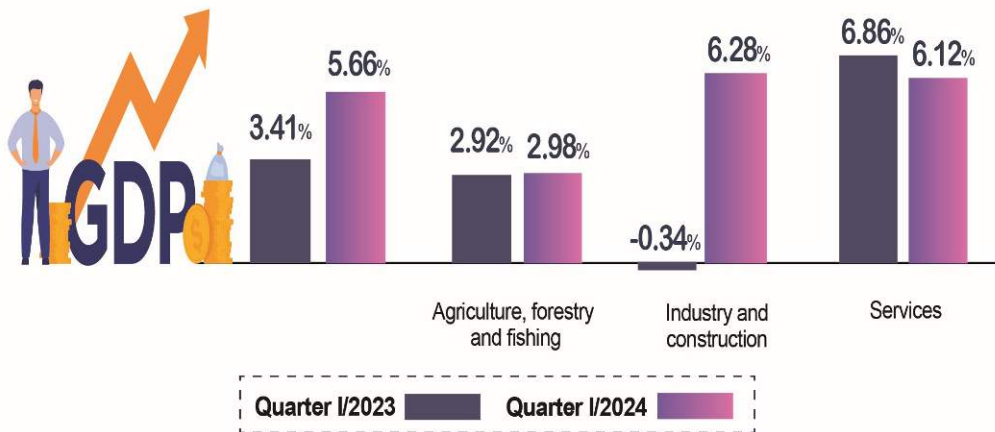


SOCIO - ECONOMIC SITUATION

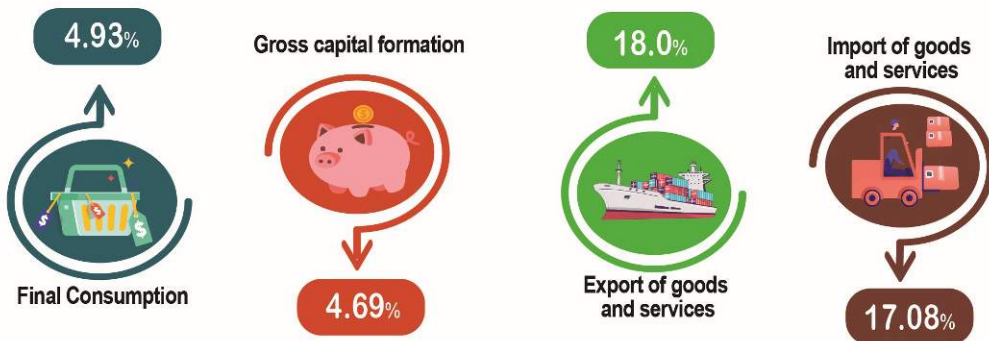
THE FIRST QUARTER OF 2024

GROSS DOMESTIC PRODUCT

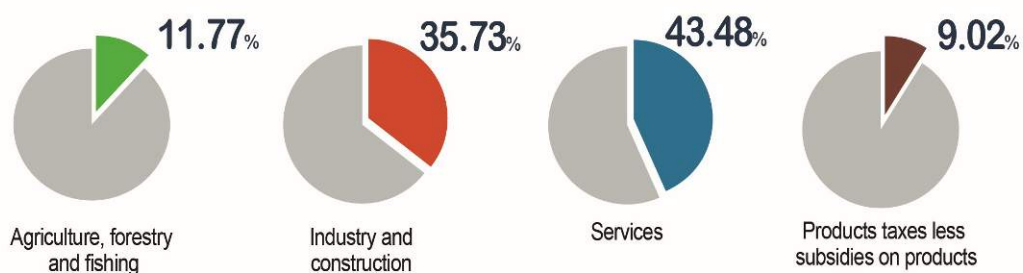
GDP growth rate in the 1st quarter of 2023-2024



GDP by expenditure category



GDP structure in the 1st quarter of 2024



INFOGRAPHIC ECONOMIC SITUATION IN FIRST QUARTER OF 2024

INVESTMENT

Investment in the first quarter of 2024

Total
613.9 trillion VND ▲ 5.2%

State
162.7 trillion VND
▲ 4.9%

Non-state
340.7 trillion VND
▲ 4.2%

FDI
110.5 trillion VND
▲ 8.9%

Foreign investment from 1/1 to 20/3/2024

Total registered capital
6.17 bill USD ▲ 13.4%

Total implemented capital
4.63 bill USD ▲ 7.1%

EXPORT AND IMPORT OF GOODS IN THE FIRST QUARTER OF 2024

Export

93.06 bill USD
▲ 17.0%

Import

84.98 bill USD
▲ 13.9%

TRADE PLUS
8.08 bill USD

PRICE INDEX

99.77%

CPI 3/2024 compared to 2/2024



103.97%

CPI 3/2024 compared to 3/2023



103.77%

Average CPI for the 1st quarter of 2024 compares to the same period of 2023



118.23%

Average gold price index for the 1st quarter of 2024 compares to the same period of 2023



103.97%

Average dollar price index the 1st quarter of 2024 compares to the same period of 2023



IMPORT – EXPORT FIGURES FOR THE FIRST QUARTER OF 2024

GOODS IMPORT AND EXPORT:

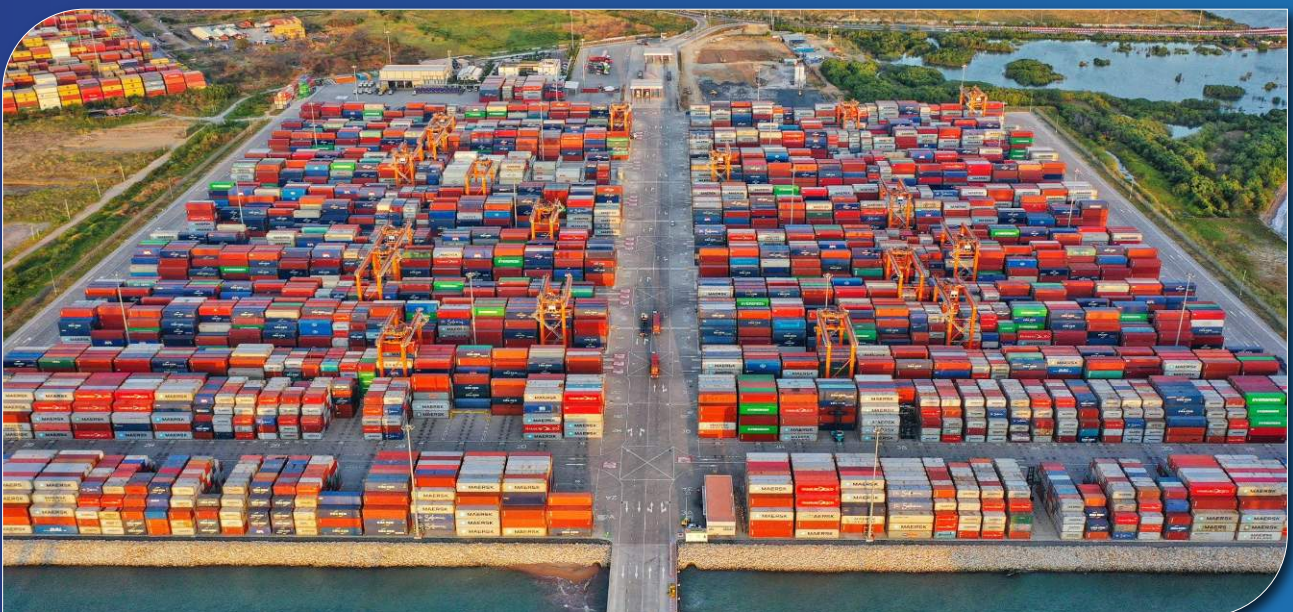
In March, the total import and export turnover of goods reached an estimated \$65.09 billion, representing a 35.6% increase compared to the previous month and a 12% increase compared to the same period last year. For the first quarter of 2024, the total import and export turnover amounted to \$178.04 billion, marking a 15.5% increase compared to the same period last year. Export increased by 17%, while import grew by 13.9%. The trade surplus for goods exports stood at \$8.08 billion.

Goods Exports: The export turnover for goods in March 2024 is estimated at \$34.01 billion, reflecting a 37.8% increase compared to the previous month and a 14.2% increase compared to the same period last year. For the first quarter of 2024, the export turnover of goods is estimated at \$93.06 billion, marking a 17% increase compared to the same period last year. Domestic economic areas accounted for \$25.21 billion, representing a 26.2% increase and constituting 27.1% of the total export turnover, while areas with foreign investment (including crude oil) reached \$67.85 billion, up by 13.9%, and accounting for 72.9% of the total.

Goods Imports: The import turnover for goods in March 2024 is estimated at \$31.08 billion, indicating a 33.4% increase compared to the previous month and a 9.7% increase compared to the same period last year. For the first quarter of 2024, the import turnover of goods is estimated at \$84.98 billion, marking a 13.9% increase compared to the same period last year, with domestic economic areas reaching \$29.7 billion, up by 14.4%, and areas with foreign investment reaching \$55.28 billion, up by 13.6%.

Market for Goods Imports and Exports in the First Quarter of 2024: The United States remains the largest export market for Vietnam, with an estimated turnover of \$26.2 billion. China is the largest import market for Vietnam, with an estimated turnover of \$29.4 billion.

Trade Balance for Goods: The trade surplus for goods in March is estimated at \$2.93 billion. For the first quarter of 2024, the trade surplus for goods is estimated at \$8.08 billion (compared to \$4.93 billion the same period last year). Domestic economic areas incurred a trade deficit of \$4.49 billion, while areas with foreign investment (including crude oil) had a trade surplus of \$12.57 billion.



FOREIGN DIRECT INVESTMENT (FDI) IN VIETNAM FIRST QUARTER 2024

FOREIGN INVESTMENT:

Total newly registered, adjusted, and contributed capital and share purchase (GVMCP) capital of foreign investors (FDI) reached over 6.17 billion USD, an increase of 13.4% compared to the same period in 2023.

Newly registered investment capital increased by 57.9%, while adjusted capital and capital contribution for share purchase decreased.

Investment Partners: 62 countries and territories investing in Vietnam in the first 3 months of 2024. Among which:

- Singapore led with a total investment capital of over 2.55 billion USD, accounting for 41.3% of the total investment capital, an increase of 51.3% compared to the same period in 2023.
- Hong Kong ranked second with over 1.05 billion USD, accounting for 17.1% of the total and nearly 2.3 times higher than the same period last year.

Investment Destinations:

- Hanoi took the lead with over 970.8 million USD (6.1 times higher than the same period).
- Bac Ninh ranked second with nearly 745.2 million USD.

Investment Disbursement and Import-Export Activities:

- Foreign investment projects disbursed an estimated 4.63 billion USD, an increase of 7.1% compared to the same period.
- The FDI sector had a trade surplus of over 2.3 billion USD (including crude oil) and 11.7 billion USD (excluding crude oil).
- Domestic enterprises had a trade deficit of over 5.6 billion USD.



VIETNAM'S GREEN PORT CRITERIA FROM 2030

The "greening" of seaports is currently a global trend, and Vietnam is no exception to this trend. Reducing emissions at seaports not only enhances the economic efficiency of maritime activities but also contributes to ensuring that enterprises have the opportunity to invest in replacing outdated production lines with high-efficiency, energy-saving technology chains that are environmentally friendly.

The Vietnam Maritime Administration (under the Ministry of Transport) has recently issued a plan to implement the Green Port Development Project in Vietnam. Accordingly, during the period of 2021-2025, mechanisms and policies supporting enterprises will be studied and proposed. By the stage of 2025-2030, national technical standards for the "green port" criteria will be developed and promulgated.

It is expected that after 2030, the "green port" criteria will be mandatory for inclusion in the planning, investment, construction, and operation of seaports in Vietnam.

"Green ports" in Vietnam will be built upon six main criteria (mainly focusing on general ports and container ports) with specific scoring scales, including: Awareness of green ports (5 points); resource utilization (15 points); environmental quality management (50 points); energy usage (15 points); information technology application (5 points); emissions reduction, climate change adaptation, and rising sea levels (10 points).

To be considered for green port certification, seaports must achieve a minimum of 60% of the points for each criterion (attaining a minimum total score of 60 out of 100 points). Enterprises must provide documentation demonstrating compliance with each criterion.



THE PROGRESS OF HA NAM CHANNEL PROJECT



PICTURES OF HA NAM CHANNEL AND DREDGING OPERATIONS

Officially commenced on January 31, 2024, the project to upgrade the navigation channel has achieved 40% of the total dredging volume with sufficient equipment and is expected to be completed and put into operation in the Q2.2024.

The construction process is being carried out by the contractor and supervised by consulting firms to ensure progress and various tasks: dredging, disposal, water sampling for testing purposes, environmental monitoring, and related administrative procedures.

Once completed, the Upgrading navigation channel project will improve the operating capacity of Nam Dinh Vu Port, being able to accommodate vessel size of up to 48,000 DWT, fully loaded.



NAM DINH VU PORT ENHANCE OOG OPERATIONAL CAPACITY



On the night of March 21, 2024, the vessel carrying a Generation 6 Konecranes Gottwald Mobile Harbor Crane arrived at Nam Dinh Vu Port awaiting deployment.

To better meet the demand for transporting oversized, overweight (OOG) and project cargo from various shipping companies, following the direction of the Gemadept Corporation, Nam Dinh Vu Port has invested in new-generation mobile crane to replace the old equipment.

The Gottwald crane from Konecranes, with its outstanding capabilities, has a maximum lifting capacity of 125 tons and outreach of 49 meters (equivalent to 15 rows), to serve container ships up to Panamax class. Additionally, the crane is powered by a modern diesel engine with optimized fuel consumption to minimize emissions.

The installation and testing process of the crane took place over 35 days and is scheduled to be officially operational from April 25, 2024.

With the upgrading and supplementation of handling equipment, along with the ongoing channel upgrade project, Nam Dinh Vu Port continuously delivers better service quality to customers, enhancing its exclusive competitive advantage in the market.





On March 25, 2024, the Nam Dinh Vu Port Management Board launched the "Tet Planting Trees" program with the participation of more than 40 employees.

The program is part of a series of ESG activities following the strategic orientation of Gemadept Corporation and subsidiaries, aiming to realize the process of building Nam Dinh Vu Port become one of Gemadept's and the region's leading green ports.

This is the initial step for a series of environmental protection activities, greenhouse gas emission reduction, and green port construction that will be implemented and maintained regularly at the port.

In addition, Nam Dinh Vu Port is also cooperating with Binh Duong Port to simultaneously implement the Green Port standard according to TCCS 02:2022 CHVN (Vietnam Maritime Administration) and international standards ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Health and Safety Management System) to achieve these important international certifications. This will contribute to effectively implementing the ESG sustainable development strategy, meeting the increasingly requirements of customers and partners.

Through these activities, Nam Dinh Vu Port will become greener, and help raising environmental protection awareness of all employees as well.



GEMADEPT NEWS

GEMADEPT IS HONORED TO ACCOMPANY VALOMA IN THE LOGISTICS TRAINING FOR UNIVERSITY AND COLLEGE LECTURERS.



Over the three days course, from March 28th to March 30th, 2024, the Vietnam Human Resources Development Association for Logistics (VALOMA) successfully organized a training program on logistics knowledge for lecturers. The program took place concurrently in Hanoi and Ho Chi Minh City, attracting nearly 100 lecturers from nearly 30 universities and colleges across the country.

As a leading industry enterprise, Gemadept is proud to collaborate with organizations and associations in gathering and attracting universities, colleges, lecturers, and logistics enterprises with the mission of enhancing the quality of logistics education. This initiative contributes to promoting the development of the industry and the national economy.



SPOTLIGHT ON LOGISTICS TRENDS 2024

DIGITAL TWIN - ADVANCEMENT IN LOGISTICS INDUSTRY IN THE 4.0 ERA

The concept of Digital Twins represents a significant technological advancement in the logistics industry during the era of Industry 4.0. A Digital Twin is an exact virtual replica of a physical device or a specific component. This digital counterpart accurately reflects not only the external appearance but also the functionality of the original, its connections with other components or machinery, and even its environmental conditions. Such simulations enable manufacturers to conduct tests, model scenarios, provide training, and observe how the equipment operates under various conditions without needing to physically operate it.

NASA has utilized Digital Twin technology to create and test full-sized replicas of space equipment. This process involves introducing new designs into real - world situations to observe their performance in space. This technology is seen as a revolutionary breakthrough over the past decades and is predicted to soon become a suitable solution for businesses and manufacturers in various sectors.

In the field of logistics, Digital Twins are increasingly being applied in areas such as:

■ Supply chain management

On - time delivery plays a crucial role in all aspects of modern life, especially for logistics organizations, e-commerce, retail, manufacturing, etc., which greatly prioritize optimizing delivery times to better meet the market demands. In the era of Industry 4.0 where technology is widely applied, customers increasingly expect faster delivery of orders and are willing to consider switching to alternative options to ensure timely delivery. Organizations seeking to enhance supply chain management efficiency can leverage Digital Twins to monitor, analyze, and improve performance in business activities such as packaging, fleet management, and identifying the fastest routes. Thus, this technology helps optimize production and distribution, reduce warehouse costs, and increase customer satisfaction.

■ Predictive maintenance

Predictive maintenance is a process causing significant changes in manufacturing. Companies can now use Digital Twins to run simulations and predict how machinery will operate in the future. This technology enables manufacturers and logistics enterprises to accurately identify the timing of production disruptions caused by malfunctions. It facilitates effective maintenance planning, reducing downtime and repair costs.

Despite being relatively new, Digital Twin technology has already had a considerable impact and is expected to become a breakthrough technological trend in the logistics sector in the near future.





THE WAY FORWARD



GEMADEPT CORPORATION

21st Floor, 6 Le Thanh Ton St., Ben Nghe Ward
Dist.1, Ho Chi Minh City, Vietnam

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

Email: info@gemadep.com.vn

customercare@gemadep.com.vn

www.gemadep.com.vn