



THE WAY FORWARD



JANUARY 2024

GEMADEPT NEWS

"Docking for Information"



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PREAMBLE

Since the early of 90s, when container services had just started in Vietnam; communication between Vietnam and other countries is still very limited. At that time, Gemadept's **Shipping News** has brought a lot of useful information to customers, partners and many colleagues.

As an enterprise operating in the maritime, port and logistics sectors, Gemadept News contribute to convey up-to-date statistics of Vietnam import and export, FDI status, logistics trends as well as perspectives and observations. More important, the newsletter also updates the latest information on Gemadept's activities and progress of main projects.

On the way of moving forwards, Gemadept News in 2024 is continued to be upgraded to a new format, carried on delivering specialized facts and figures to readers. Our newsletter will be released monthly in pdf. format and linked to the **website www.gemadept.com.vn**.

We always wish to receive more comments for the improvement of the newsletter and better meet the needs of readers!

May the New Year 2024 will bring you Peace, Love, and endless Possibilities!

Sincerely Yours!



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THE HOTTEST YEAR ON RECORD:

The hottest year on record: Global warming and the anticipated return of the El Nino make 2023 the hottest year since the data was recorded by scientists. According to Copernicus, the temperature deviation compared to pre-industrial times has reached 1.46 degrees Celsius, very close to the threshold limit set by the Paris Agreement (1.5°C). The 2023 temperature record is 0.13°C higher than the previous one of 2016.



RED SEA TENSIONS RAISE THE RISK OF INTERNATIONAL SHIPPING CRISIS

The recent increase in attacks by Houthi forces in Yemen on commercial vessels has prompted oil corporation BP and four of the world's largest shipping companies, including CMA CGM, Hapag-Lloyd, Maersk and MSC, to temporarily stop using the Red Sea route. This will push freight rates higher, transit times will be longer, costs will sharply go up, and inflation risks will emerge.

SLOW RECOVERY OF THE WORLD ECONOMY

Global trade continues to decline

International organizations (IMF, EU, OECD, WB) believe that world economic growth in 2023 is lower than in 2022 and this difficult trend will continue to maintain as most multinational corporations forecast that the economic growth rate in 2024 will be even lower than in 2023.



THE BIRTH OF CHATGPT – OPENAI

World 2023 witnessed a global craze for artificial intelligence (AI), with the ChatGPT tool launched by OpenAI company, opening the door to the AI booming.

According to McKinsey Global's latest survey, less than a year after its launch, more than 30% of respondents said their organization is using AI for at least one business function. Nearly 25% of surveyed directors said they were using personal AI tools for work, and 40% affirmed that they would increase investment in AI because of its benefits.

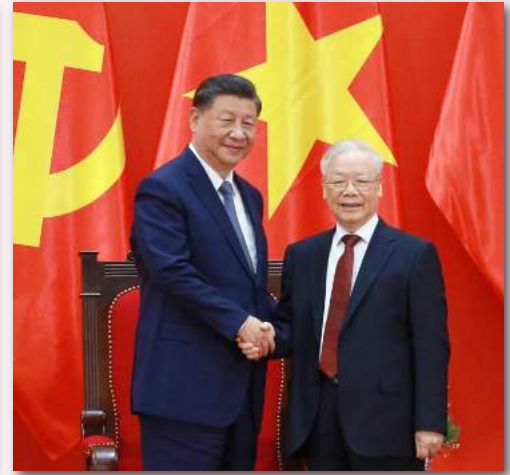
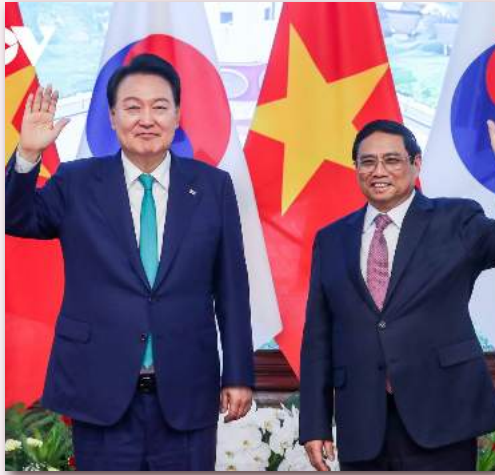


COP 28 AGREEMENT, COMMITMENT TO GETTING RID OF FOSSIL FUELS BY 2050

After 2 weeks of difficult negotiations, the draft received the consensus of nearly 200 members attending COP 28. This important agreement is expected to send a strong message to investors and policymakers that the world is now united in limiting eventually ending the use of fossil fuels - which scientists say is the last chance to avert climate disasters.



VIET NAM 2023 – EFFORT & ACHIEVEMENTS



1. FOREIGN AFFAIRS ENHANCE VIETNAM'S POSITION

2023 was a busy year of diplomatic activities in Vietnam, especially high-ranking delegation exchanges, many heads of state have paid state visits to Vietnam and signed important cooperation agreements.



2. PROMOTING INTERNATIONAL COOPERATION IN LOGISTICS (WLP)

On August 14, in Hanoi, the World Logistics Passport Program coordinated with the Ministry of International Trade and Industry to organize the Signing Ceremony and Forum "World Logistics Passport Initiative and Exploring the Potential for Logistics Cooperation between Vietnam and the United Arab Emirates (UAE)".

Accordingly, when the products and goods of Vietnamese enterprises are granted WLP by the UAE, customs clearance is facilitated, aviation tax is exempted, storage time is reduced... Commodities passing through the Dubai Silk Road will save money on storage, circulate goods smoothly from the origin place to destination.



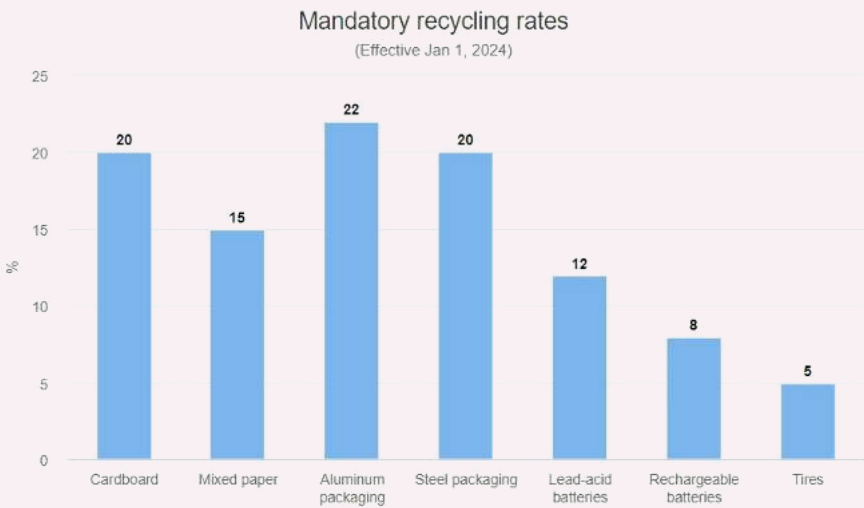
3. SET A RECORD PUTTING TO USE 475KM OF HIGHWAY IN 1 YEAR

The completion of 14 key transportation projects, including the phase 1 of North-South expressway component projects, has increased the total length of the country's highway roads to 1,892 km. This result contributes to realizing one of the three breakthroughs of the Social Economic Development Strategy for the period 2021 - 2030.

4. VIETNAM IMPLEMENTS RECYCLING RESPONSIBILITIES

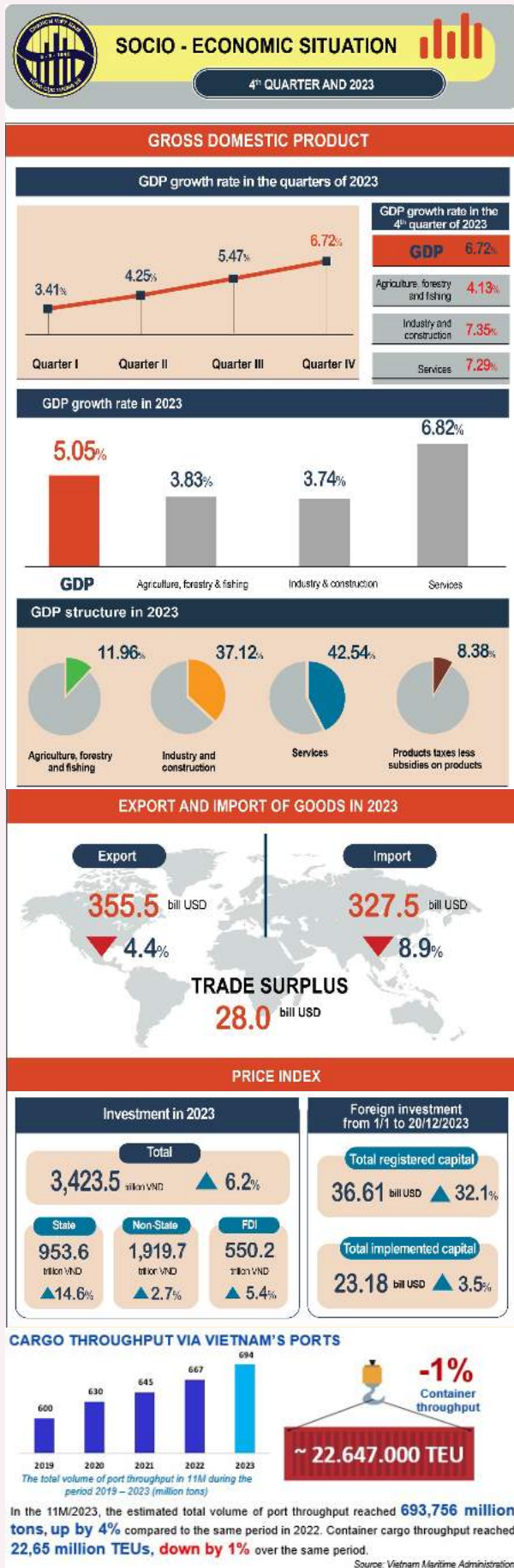
From January 1, 2024, businesses that produce and import tires, cells, batteries, lubricants and packaging of some products will have to carry out the responsibility of recycling according to the required rate and specifications.

This is part of the extended producer responsibility regulation (referred to as EPR) stipulated in the Law on Environmental Protection and Decree No. 08/2022/ND-CP of the Government, to increase manufacturer's recycling responsibility, moving towards a green economy and sustainable circular economy in Vietnam.



In addition, according to the outlined route, manufacturers importing electrical and electronic products must carry out recycling responsibilities from January 1, 2025 and manufacturers importing vehicles (cars, motorbikes) must be responsible for recycling from January 1, 2027

IMPORT AND EXPORT OF GOODS AND SERVICES IN VIETNAM 2023



1. IMPORT AND EXPORT OF GOODS:

– **Export:** turnover of goods in December 2023 is estimated 32.91 billion USD, a 5.7% increase compared to the previous month and a 13.1% increase compared to the same period last year. In the fourth quarter of 2023, the export turnover is estimated at USD 96.5 billion, marking an 8.8% increase compared to the same period last year and a 3.2% increase from the third quarter of 2023. For the entire year of 2023, the export turnover of goods is projected to reach USD 355.5 billion, showing a 4.4% decrease compared to the previous year.

In terms of the export structure in 2023, the manufacturing and processing industry group is estimated to reach USD 313.73 billion, accounting for 88.3%.

– **Import:** turnover of goods in December 2023 is estimated 30.63 billion USD, a 3.6% increase compared to the previous month and 12.3% increase compared to the same period last year. In the fourth quarter of 2023, the import turnover is projected to reach USD 90.2 billion, an 8% increase compared to the same period last year and a 6.3% increase compared to the third quarter of 2023. For the entire year of 2023, the import turnover of goods is estimated at USD 327.5 billion, reflecting an 8.9% decrease compared to the previous year.

In terms of the import structure in 2023, the raw material group is estimated to reach USD 307.32 billion, accounting for 93.8%.

– **Regarding the export and import markets in 2023**, the United States is the largest export market for Vietnam with an estimated turnover of USD 96.8 billion. China is the largest import market for Vietnam with an estimated turnover of USD 111.6 billion.

The trade balance of goods in December is estimated to achieve a surplus of USD 2.28 billion. For the entire year of 2023, the estimated trade surplus of goods is USD 28 billion (compared to a surplus of USD 12.1 billion in the previous year).

2. IMPORT AND EXPORT OF SERVICES:

In the fourth quarter of 2023, the export turnover of services is estimated at USD 5.4 billion, a 15.2% increase compared to the same period in 2022 and a 6.5% increase compared to the previous quarter. The import turnover of services is estimated at USD 8.1 billion, a 20.4% increase compared to the same period last year and a 3.4% increase compared to the previous quarter.

For the entire year of 2023, the export turnover of services is projected to reach USD 19.59 billion, showing a 44.9% increase compared to 2022. Among these, tourism services reached USD 9.2 billion (46.7% of total turnover), nearly tripled compared to the previous year, while transportation services reached USD 5.5 billion (28.1%), representing a 1.8% decrease.

The import turnover of services for the year 2023 is estimated at USD 29.06 billion (including transport and insurance fees for imported goods, totalling USD 10.38 billion), a 5.9% increase compared to the previous year. The transportation service is expected to reach 12.6 billion USD, accounting for 43.3% of the total turnover, a 0.4% decrease, while the tourism sector is projected to reach 7.8 billion USD, constituting 26.9% of the total turnover, showing a 17.3% increase.

The service trade deficit for the year 2023 is estimated at 9.47 billion USD.

GEMADEPT – OVERCOMING THE WAVES



Overcoming the challenges of 2023, Gemadept (Stock code: GMD), the leading Vietnam's enterprise in port operation and logistics industry, always promotes the spirit of pioneering and innovation. Along with a variety of outstanding solutions to promote efficiency and optimize resources, Gemadept has major contribute toward Vietnam's improvement in the global value chain.

The past three years have been a rollercoaster for the global seaport industry. Facing an extremely unpredictable market with many uncertain variables, Gemadept's unwavering spirit to conquer challenges and excel drives to continuously improve processes, enhance productivity, and embrace new technologies. This has greatly improve the service quality, achieved through close collaboration with customers and partners, sharing burdens and fostering mutual growth.

OVERCOMING THE WAVES

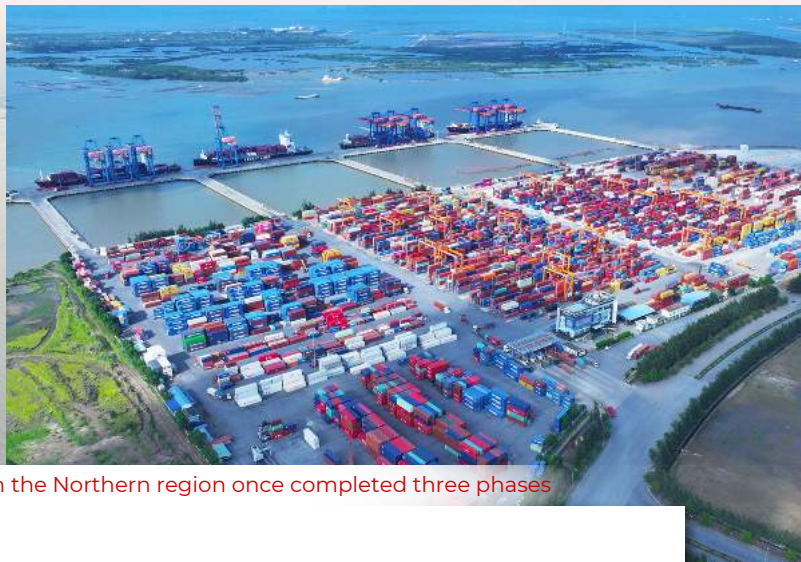
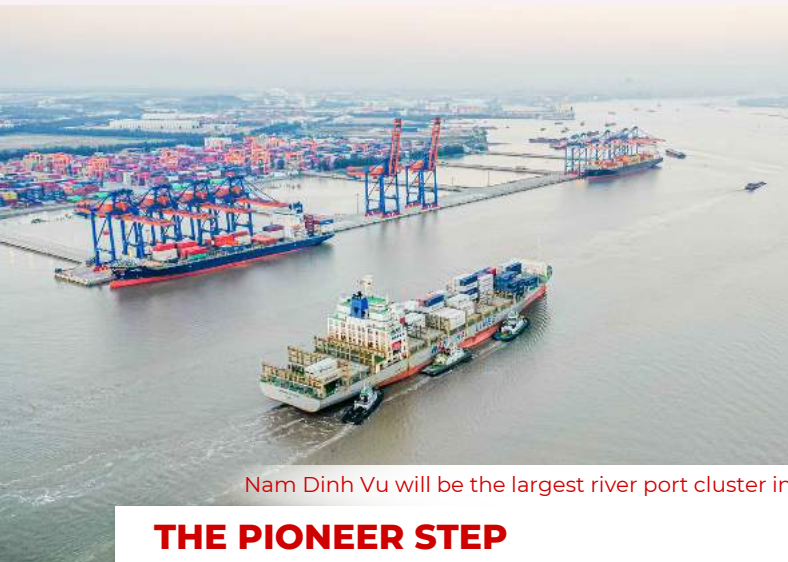
One of the remarkable milestones in 2023 is the welcoming maiden call of M.V OOCL Spain (length 399.99 meters, width 61.3 meters, carrying capacity 24,188 TEU (more than 232,000 DWT) to Gemalink Int'l Port on the maritime journey connecting Asia and Europe. **Being chosen as the first Vietnamese port of call for the M/V OOCL Spain was a great honor, not only for Gemadept but also for our country's maritime industry, and has become a source of immense pride.**

Furthermore, Gemalink has completed dredging the approach channel to a depth of -16.5 meters, while the Ministry of Transport has dredged the Cai Mep - Thi Vai channel to -15.5 meters, ensuring the port can accommodate the largest vessels. Since coming into operation, Gemalink has consistently broken operational records, achieving new records of loading and unloading productivity in the region.



The world's largest vessel OOCL Spain with the capacity of 24,188 TEU (more than 232,000 DWT) docked at Gemalink deep-sea Port, Cai Mep Thi Vai Port Cluster, Ba Ria - Vung Tau.

GEMADEPT – OVERCOMING THE WAVES



Nam Dinh Vu will be the largest river port cluster in the Northern region once completed three phases

THE PIONEER STEP

In 2023, Vietnam reached the pinnacle of its diplomatic relations by establishing "Comprehensive Strategic Partnerships" with all six of the world's largest economies: the United States, China, Russia, Japan, Korea, and India. Ongoing implementation of Free Trade Agreements (FTAs), particularly new generation agreements like **CPTPP**, **EVFTA**, and **RCEP**, promises to solidify and grow Vietnam's economic and trade ties with partner countries.

Beyond its FTAs, Vietnam boasts a skilled workforce, competitive labor costs, and a developing transportation network. This influx fuels Vietnam's manufacturing engine, creating a surging demand for efficient import and export logistics, opening doors for those ready to navigate the region's booming trade.

In parallel with this shifting trend, Gemadept has partnered with the Ministry of Transport, the Vietnam Maritime Administration, and other port businesses to actively contribute to the development of Vietnam's maritime infrastructure. In the near future, there is a project to dredge the Ha Nam canal to a channel depth of -8.5m, allowing access for 48,000 DWT vessels. This will attract many shipping lines to the Dinh Vu - Hai Phong area and position Vietnam to capitalize on the thriving intra-Asia trade route in the near future.

Furthermore, Nam Dinh Vu port phase 3 will be starting construction in 2024. Once completed, Nam Dinh Vu Port will be the largest river port in the Northern region, able to receive the largest feeder ships and intra-Asia vessels in the river port area. It will then stand as the key gateway connecting to the region's deep-sea ports.

In the South, Gemalink is actively preparing for phase 2, with meticulous research and procedural steps well underway. This expansion will see operating capacity and berth length doubled, unlocking greater trade opportunities between Vietnam and the world.



Gemalink deep-water port continuously welcomes the world's largest vessels in 2023

GEMADEPT – OVERCOMING THE WAVES



ENHANCING VALUE

Driven by a relentless pursuit of operational efficiency, enhanced competitiveness, and a commitment to meet evolving customer and partner demands, Gemadept has consistently implemented and continues to refine most state-of-the-art technological solutions. These include SmartPort application, the innovative RiverGate and SmartGate platforms.

Alongside digitalization, **"greenification"** is another key and pioneering initiative in developing Gemadept's Port and Logistics Ecosystem. This commitment to sustainability not only contributes to environmental protection but also positions Gemadept as a pioneer in the industry.

Firmly overcoming the waves, moving forward steadily in a period of many difficulties and challenges in the world, the region and the port - logistics industry, Gemadept deserves the recognition as a pioneering enterprise, actively contributing to Vietnam's ascent in the global value chain.

GEMADEPT CONQUERS PRESTIGIOUS 2023 AWARDS

APRIL 11TH 2023

CJ Gemadept Logistics was honored to receive the **Value Driver Award - Partner of the year** at the "Sustainable Development Partner" Conference organized by Suntory Pepsico Vietnam Beverage (SPVB). This is an award recognizing the Company's tireless efforts throughout the process of cooperating and providing services to SPVB in the Mekong Delta and Central Vietnam regions



JUNE 5TH 2023

Gemadept Joint Stock Company was honored by Forbes Vietnam in the ranking of "**List of 50 best listed companies**" in 2023 for the 11th time. The joy is doubled when Saigon Cargo Service Corporation (SCSC) was also honored for the third time on this list

SEPTEMBER 16TH 2023

Gemadept was honored to be in the **Top 50 Most Effective Business Companies in Vietnam 2023** organized by Nhip Cau Dau Tu Magazine (NCĐT).



GEMADEPT CONQUERS PRESTIGIOUS 2023 AWARDS

OCTOBER 26TH 2023

In Hanoi, Gemadept Joint Stock Company was solemnly honored in the **"Top 50 Excellent Profit Enterprises in Vietnam in 2023"** by Vietnam Assessment Report Joint Stock Company (Vietnam Report) in collaboration with VietNamNet electronic newspapers.



NOVEMBER 21ST 2023

Gemadept was honored by Forbes as an enterprise in the list of **"Best Enterprises with revenue under one billion USD in Asia 2023"**. Being on the Forbes Asia Under A Billion list is a proud achievement for Gemadept, affirming the company's position as one of the leading enterprises in the port and logistics sector in Vietnam and in the region.

DECEMBER 15TH 2023

the Awarding Ceremony of Enterprise Voting listed for the 16th time in 2023 was solemnly held in Cam Ranh City. At this year's Listed Enterprise Voting and Listed Enterprise Honor Ceremony, Gemadept successfully achieved 3 prestigious awards at the same time: **Top 20 Enterprises with the best Annual Reports in the non-financial category**, **The enterprise has the most reliable Sustainability Report**, and **the Sustainability Report has outstanding progress**.



GREEN LOGISTICS – HOT TREND IN 2023

Green logistics, also known as sustainable logistics, is a set of practices aimed at achieving sustainable, friendly, and environmentally responsible goals while minimizing negative impacts on the environment. It is a key element in Sustainable Supply Chain Management (SSCM).

In the past year, the green logistics trend has been effectively adopted by businesses in various areas:

- **Transportation:** Businesses are transitioning to energy-efficient modes of transportation, such as electric and alternative fuel vehicles, and optimizing delivery routes to reduce fuel consumption, materials, and air pollution.
- **Inventory management activities:** Businesses are optimizing inventory levels and reducing excess raw materials.
- **Packaging:** The use of environmentally friendly materials and packaging design helps reduce resource consumption and contributes to waste reduction. Logistics companies are increasingly adopting sustainable packaging practices.
- **Warehousing:** Implementation of energy-efficient lighting, heating, and cooling systems helps reduce energy consumption and operating costs.
- **Reverse logistics:** Involves the return and recycling of products and materials. Implementing reverse logistics processes can significantly reduce waste and contribute to sustainable operations.

Green logistics is crucial due to the substantial environmental impact of the logistics industry, manifested through carbon dioxide (CO₂) emissions and energy consumption. It not only demonstrates environmental responsibility but also brings economic benefits, such as:

- Cost savings for businesses in the long term
- Attraction of environmentally conscious consumers
- Improvement of corporate image

It is forecast that this trend will continue to be a key factor in the logistics industry in 2024 and beyond.





THE WAY FORWARD



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