

EE361 ECONOMICS OF CLMV COUNTRIES

# VIETNAM LOOKING FOR SOLVING THE POOR ROAD AND URBAN TRANSPORTATION

**Group 5**

# overview

The transportation and roads in Vietnam had suffered in the 1980s when the system's poor development was a serious obstacle to industrial growth, causing bottlenecks in the flow of products and supplies and restricting domestic commerce



✓ Vietnam has an overall road network of more than 20,000 km

✓ 60 percent of roads are in poor condition of rural roads hard to go to many villages

✓ During the 1990s, the transportation industry expanded dramatically





# Indicators and Economic performances

# The real national income

**The fallen rate of the real national income  
=  
slow economic growth**

ADJUSTED BY INFLATION RATE

INDICATED BY THE ECONOMIC  
PERFORMANCE

COULD BE MEASURED BY MANY  
METHODS

Growth Domestic Product (GDP)

Growth National Product (GNP)

Disposable income

# Transportation and Economic development

" Better Performance "

## **MORE OPPUTUNITIES**

Communicate

Trade

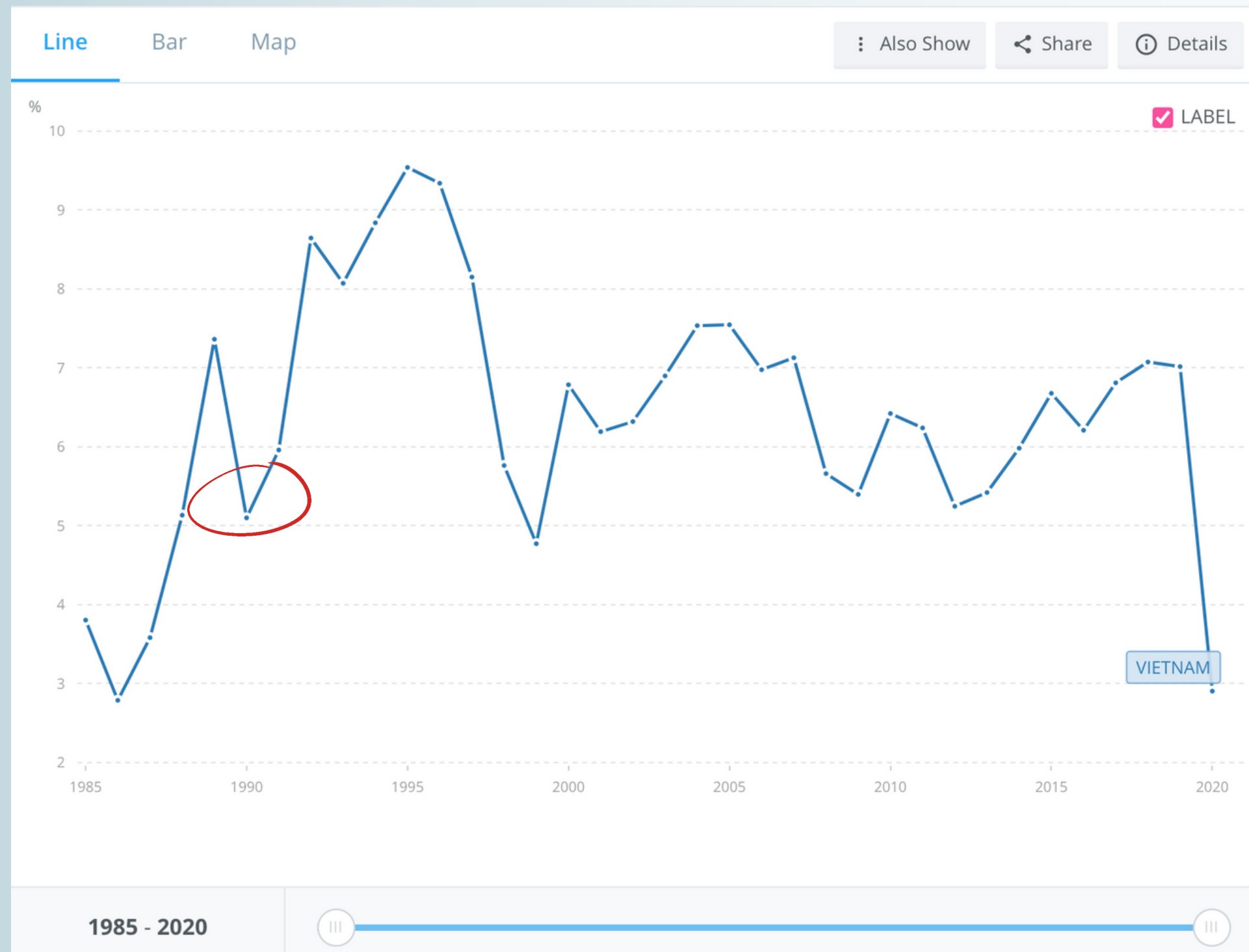
More civilization

## **ATTRACTIVE TO FOREIGN INVESTORS**

Higher rate of  
unemployment rate

## **INCREASE IN GOVERNMENT SPENDING**

Infrastructure  
construction



## **GDP growth (annual %) in Vietnam in 1985-2000**

GDP has risen since 1990 Vietnam started to develop its transportation



HANOI METRO



CHINA AND VIETNAM HIGH-SPEED RAILWAY'S TUNNEL





## Public Transportation

The transportation system is experiencing are poor public transportation services



## Traffic accidents

The number of fatalities in traffic accidents is equal to the number of deaths from the epidemic.



## Two-wheel motorbikes

Private motorbikes are the primary mode of transportation that is appropriate for socioeconomic situations.



## The low speed of infrastructure

Infrastructure development that is unable to keep up with the rise of vehicles.

# Key issues and Challenges

In Vietnam



# **PUBLIC TRANSPORTATION**





In 2015, public bus services in Ho Chi Minh City and Hanoi were only able to satisfy 7 percent and 14 percent of demand

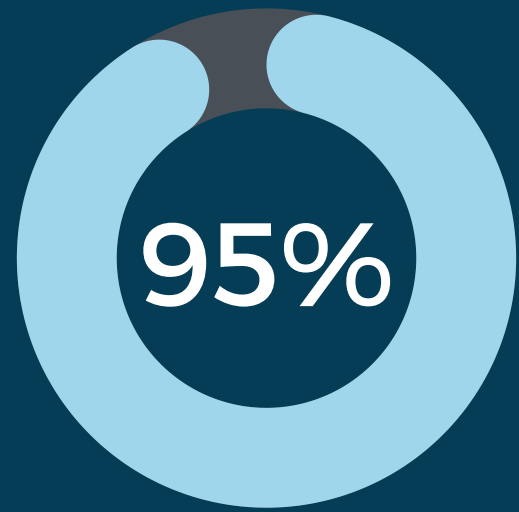


The quality of public transportation is low.

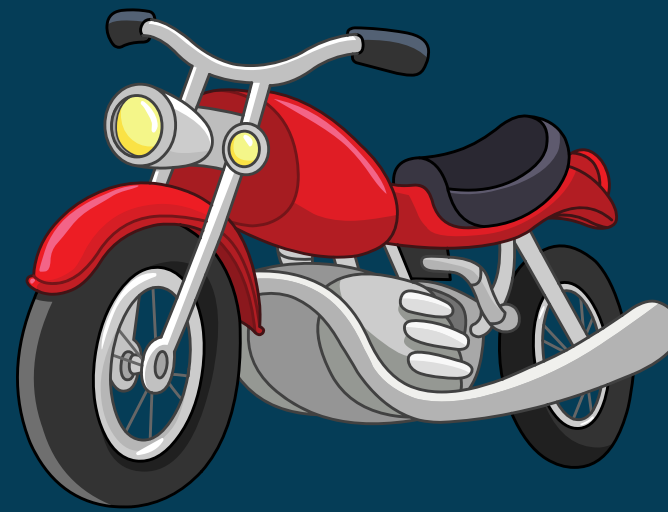


Due to the failure to improve public transportation, most individuals prefer personal automobiles instead significant increase of motorbikes

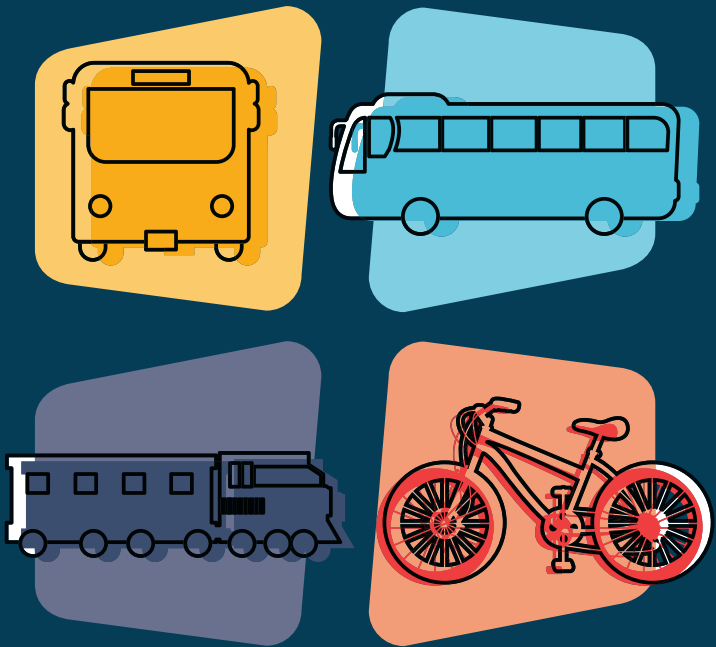




MOTORCYCLES  
ACCOUNT FOR 95  
PERCENT OF TOTAL  
VEHICLES IN HANOI  
AND HO CHI MINH  
CITY



PRIVATE MOTORBIKES ARE  
THE PRIMARY MODE OF  
TRANSPORTATION THAT IS  
APPROPRIATE FOR  
SOCIOECONOMIC  
SITUATIONS.



BUSES AND  
MOTORCYCLES  
CANNOT COEXIST

# Two-wheel motorbikes

# Two-wheel motorbikes

Year	Number of Motor-cycles/Mopeds Registered	Increase over Previous Year	Increase Rate (Percent)	Total Vehicles
2005	16,086,644	2,710,625		17,094,028
2006	18,615,960	2,529,316	15.72	19,670,689
2007	21,721,282	3,105,322	16.68	22,961,618
2008	25,481,039	3,759,757	17.31	27,097,735
2009	28,431,079	2,950,040	11.58	30,141,421
2010	31,452,503	3,021,424	10.63	33,344,344
2011	33,925,839	2,473,336	7.86	35,977,885
2012	36,102,943	2,177,104	6.42	32,205,155
2013	38,643,091	2,540,148	7.04	40,946,010
2014	41,212,965	2,569,874	6.65	43,764,558
2015	44,128,822	2,915,857	7.08	47,105,166
2016	47,131,928	3,033,106	6.87	50,535,727

Figure shows the number of motorized road vehicles from 2005 to 2016 which significantly increased over a year.

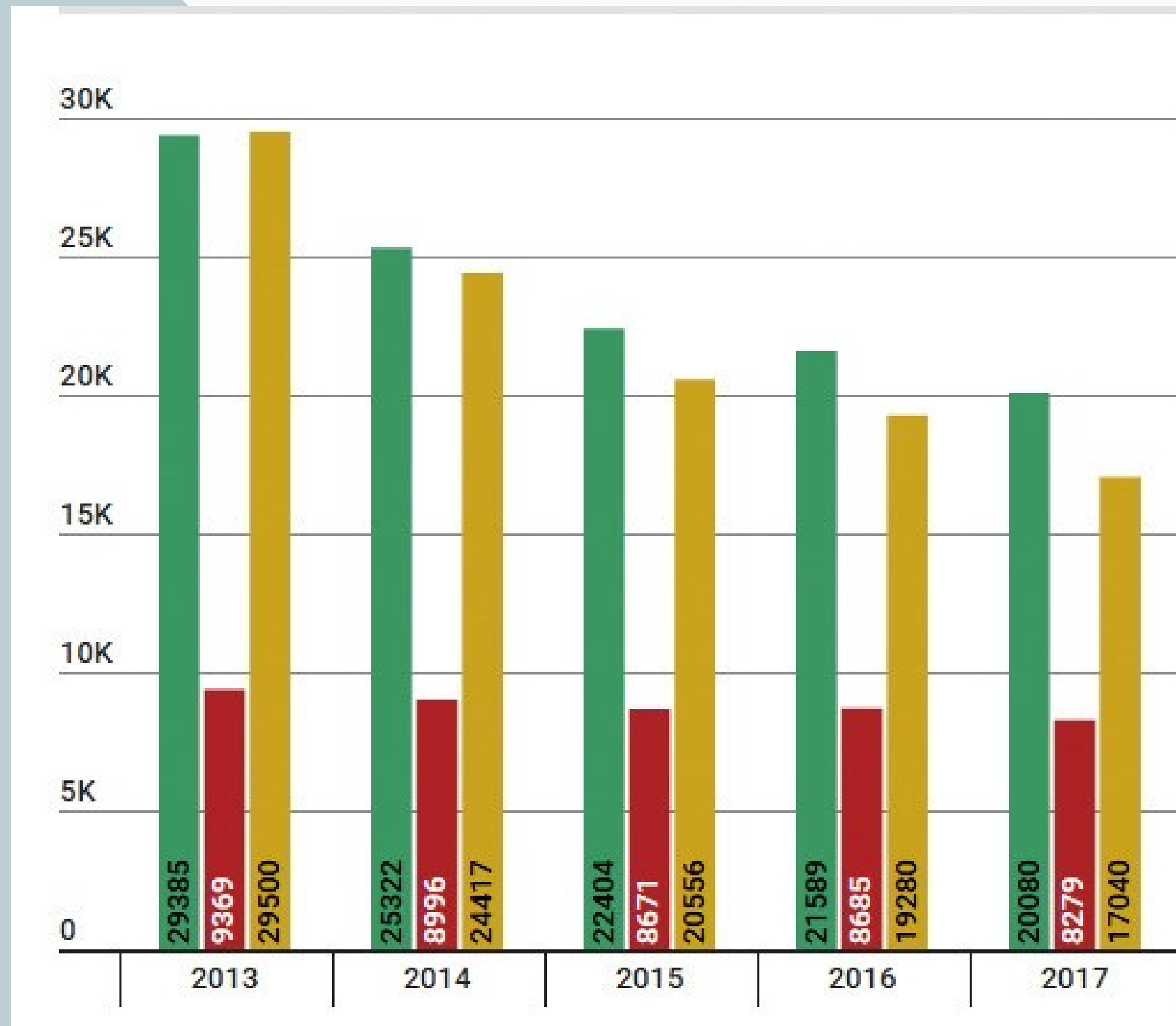
# Traffic situation

DURING THE YEAR OF 2013 UNTIL 2017



# Traffic situation

DURING THE YEAR OF 2013 UNTIL 2017



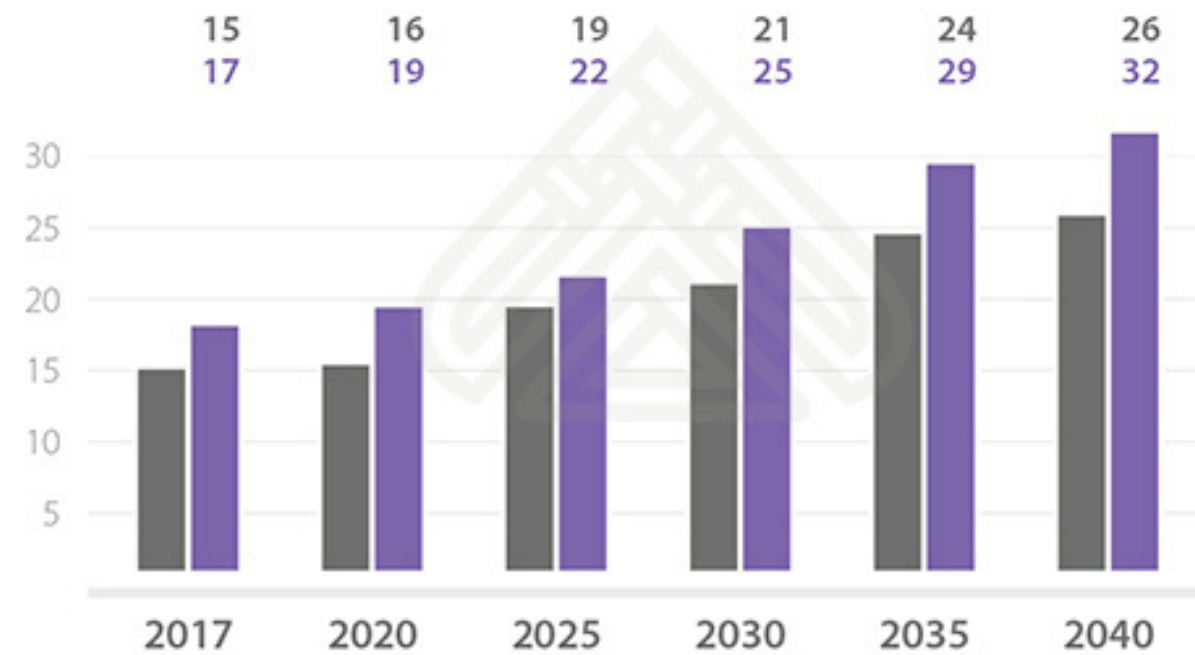
- Traffic accidents
- Deaths
- Injured

# The low speed of development of infrastructure

Infrastructure investment forecast 2016-2040 - yearly

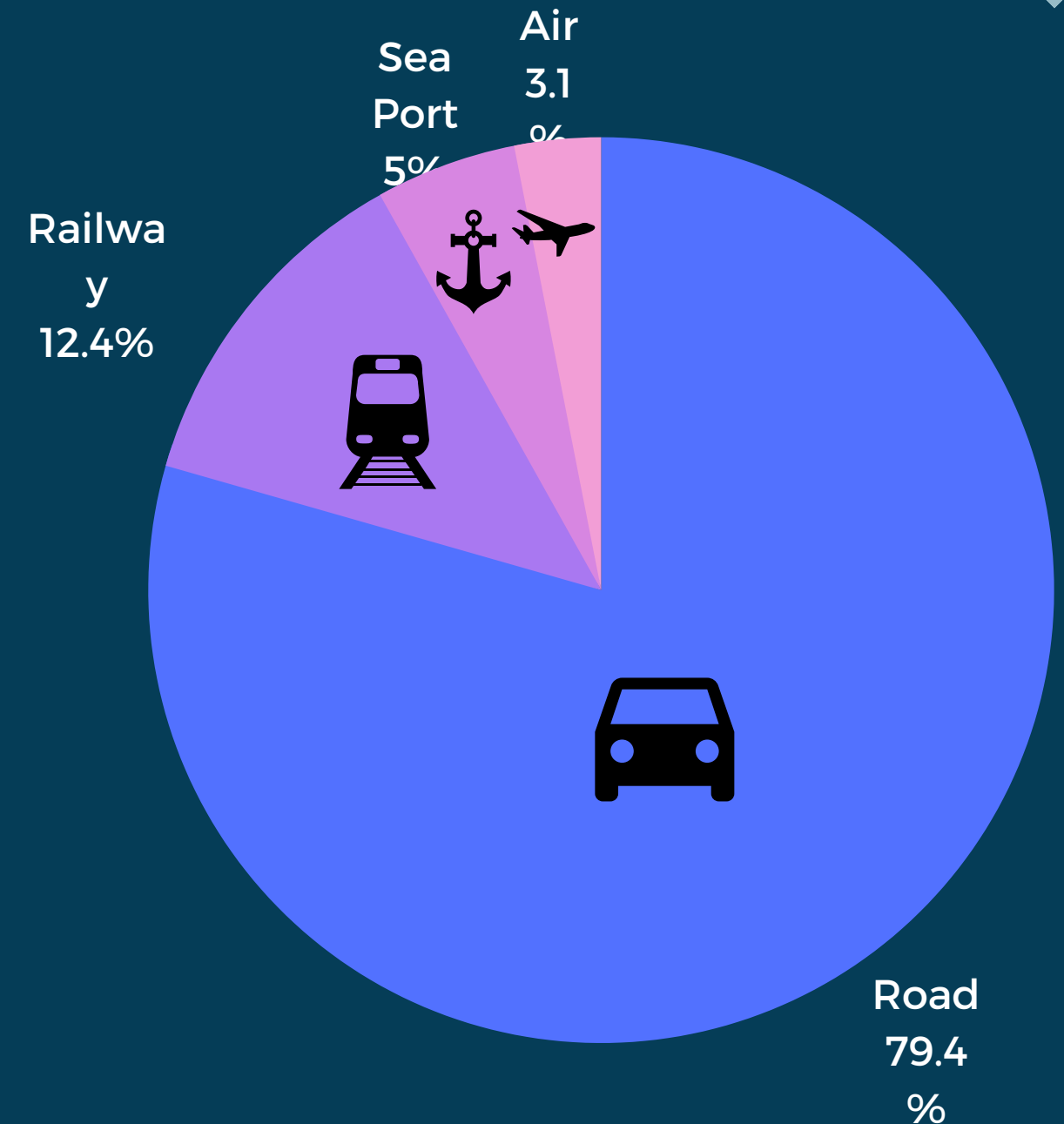
Unit: Billion USD

■ Calculated in current investment ■ Calculated in investment demand



Source: Global Infrastructure Outlook 2017

Graphic©Asia Briefing Ltd.



# The future infrastructure

In Vietnam







# **Government/State Strategies, Policies and Legislation**



## POOR PUBLIC TRANSPORTATION SERVICES

- improve public transportation
- focused on infrastructure



## TRAFFIC ACCIDENT

- eliminated of bottlenecks
- improvement rural processes



## INCREASE OF VEHICLE

- maintaining the road system
- build more modes for public transportation

# Policies

# POOR PUBLIC TRANSPORTATION SERVICE

- Government makes public transportation more accessible, safe, and economical.
- Allowing new operators to enter the market and train transporter in business skill.
- Focused on infrastructure to build a competitive and sustainable national primary secondary or tertiary road network.



## THE ROAD STRATEGY AIMS FOR

- Eliminate the bottlenecks in major network locations and improve rural processes.
- Because of the same difficulties in the sub-sector, the government is using the strategy by promoting affordable public transport services, developing and implementing a safety program,
- Preparing a design with proper standards and construction development.

# Traffic Accident

# Increases of vehicle

maintaining the road system & build more modes for public transportation

The Vietnamese Ministry of transport has announced  
A Master Plan

NOW

1

- build 5,000 kilometers of expressways
- construction of the Long Thanh International Airport in Dong Nai province

2

- completion of two high-speed trains and two railway sections connecting the Lach Huyen Port and the Tan Cang - Cai Mep Container Terminal

3

- additional railways in different parts across Vietnam

2030

*Thank  
you!*