



Industry Study Mission
Ho Chi Minh City, Vietnam
7 Dec 2019 - 15 Dec 2019



SMU

International Trading
Institute

Table of Contents

Yakult Factory	Page 3
Kimmy's Chocolate	Page 6
Wilmar CLV	Page 10
Olam	Page 13
Tan Cang - Cat Lai Port	Page 16
Lotus Port	Page 18
SSIT Port	Page 20
Acknowledgements	Page 22



Yakult Factory

Vietnam Singapore Industrial Park



By: Alice Teng & Darren Wijaya

Product Background

Yakult is a fermented milk made of skimmed milk powder, water, granulated sugar, glucose, and fermented with live *Lactobacillus Paracasei* Shirota bacteria.

First discovered and experimented in 1930, scientist Minoru Shirota attempted to culture *Lactobacillus Paracasei* strain Shirota, a unique strain of *Lactobacillus Paracasei* which is capable to survive in gastric and bile juice and to reach the intestines. Within 5 years, Dr. Shirota was able to produce the first Yakult. Yakult has then been manufactured and introduced to the market.

In 1955, Yakult Honsha was founded in order to sell and market Yakult better. Furthermore, Yakult has also expanded worldwide with its first international base in Taiwan in 1964. The products are now produced and consumed by people in 38 countries.

Despite Yakult's rich history, the company that we visited in Vietnam was relatively young. First established in 2007, Yakult Vietnam provides Yakult for Vietnam and Cambodia.



Unique Selling Point

Unlike other competitors, Yakult is renowned for its use of *Lactobacillus Paracasei* strain Shirota. With 6.5 billion bacteria in a bottle of Yakult, Yakult is able to provide health benefits such as increasing beneficial bacteria and simultaneously reducing the harmful ones, prevention of harmful substances and diseases, and improving the digestive system and the immune system as well.

The health benefits of Yakult are also supported by an independent research by a panel appointed by the Netherlands Nutrition Centre. Yakult is shown to be able to improve bowel movements and improve intestinal microflora.

Furthermore, Yakult was certified with the FOSHU (Foods for Specified Health Use) standard by the Japanese government, indicating that Yakult has brought scientifically supported health benefits to its consumers.

Lastly, Yakult does not contain any preservatives, stabilizers, nor artificial colouring, which further enhances the health benefits that Yakult can provide. The peach Yakult colour is a natural occurrence due to the reaction between pasteurization process of milk and sugar.

Yakult Việt Nam



Company Strategy

Yakult adopts two types of marketing strategies: immovable marketing and movable marketing. Immovable marketing refers to the distribution of Yakult via common retail shops, where consumers visit their local supermarket/convenience stores and purchase Yakult products themselves. Conversely, movable marketing refers to the door-to-door distribution of Yakult products by women who are referred to as Yakult ladies.

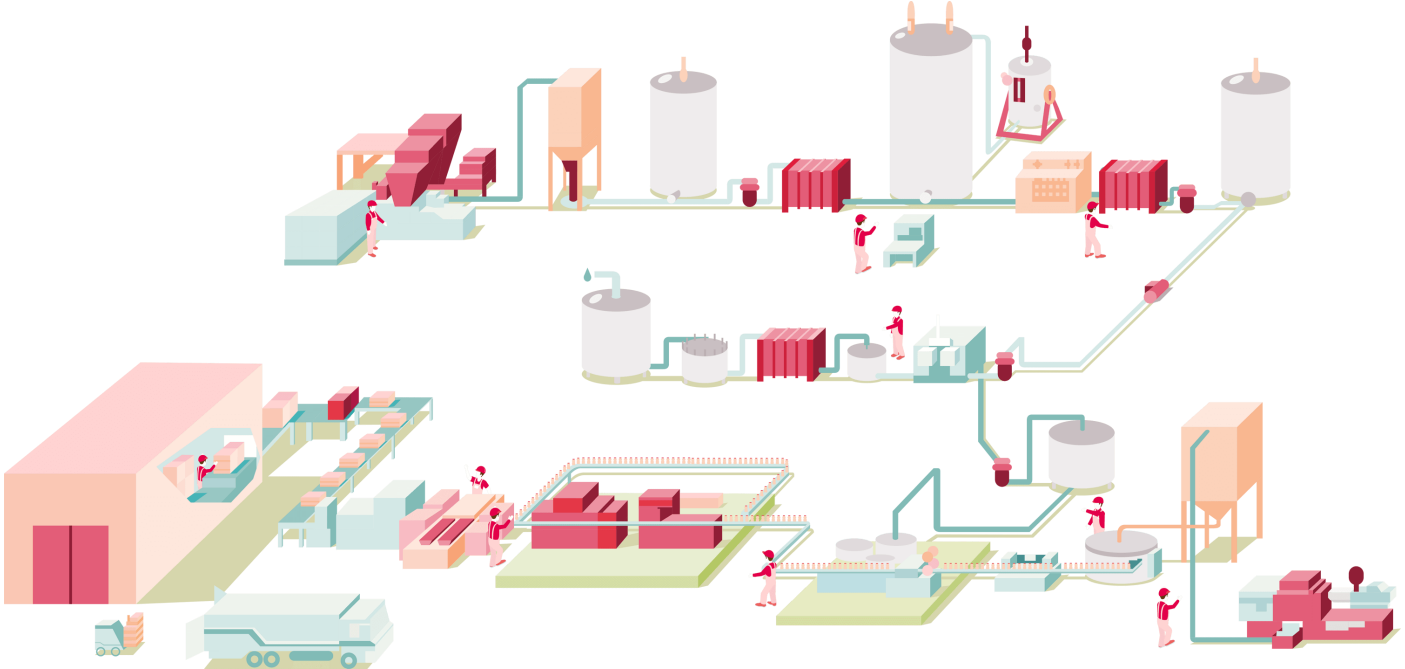
First started in 1963, the Yakult lady is mostly prominent in Asian countries, such as Indonesia and China. It initially began as a form of employment made available to housewives in Japan to supplement their family's income. Since its inception, Yakult ladies have greatly contributed to Yakult's success in expanding its market reach within Asia. Additionally, Yakult was also awarded with the METI Minister's Prize at the Second Nihon Service Award (organized by the Japan Productivity Center's Service Productivity & Innovation for Growth for its innovative Yakult lady).

Next, Yakult sources its the bacteria only from Japan and milk only from Europe. This is Yakult's strategy to uphold the quality of its products and how it is able to differentiate itself from its competitors. Yakult Factories across the world are usually located along the coast for easy access. Furthermore, Yakult has many factories in Europe since milk powder is sourced from Europe, which is later shipped to factories in Asia as a vital ingredient. The Yakult products made in a particular country are usually consumed within the country but there are exceptions like the factory we visited which caters to both demand from Vietnam and Cambodia. Usually when Yakult expands into a particular country, a factory is built within the country. This is largely due to the perishable nature (40 days) of Yakult drink products and the fact that once made, Yakult drinks are required to be stored between 0-10 degrees Celsius. Hence, it is not only more efficient but also more economical to produce Yakult products within the country it is distributing to. We learnt that geography played an integral role in its supply chain.

Lastly, Yakult also adopts localisation of its products to better target consumers in different geographical markets. In Singapore, we have another premium product, Yakult Ace Light, which contains more bacteria (30 billion) but 30% less calories and sugar, to cater to health conscious individuals. Additionally, Yakult in Singapore is sold in bottles of 100 milliliters, which perplexed us when we noticed that Yakult is packaged in bottles of 65 milliliters in Vietnam. Nonetheless, both portions of Yakult provide the necessary and sufficient amount of *Lactobacillus Paracasei* strain Shirota to keep the average consumers healthy.

Manufacturing Process

The entire manufacturing process is highly automated. Milk and plastic moulds are transported across different stations along the manufacturing line with the use of conveyor belts. The only processes that were manual, as far as we could observe, were pertaining to quality control. We also noticed that the machines automating these processes were Japanese: Sumitomo, Shikoku, etc. Due to privacy concerns, we were not allowed to take pictures of the manufacturing process.



Reflection

“Visiting the Yakult Factory in Vietnam was an eye-opening experience. It was interesting to see how the raw ingredients, skimmed milk and bacteria culture, have influenced the company's supply chain strategy. For Yakult's case, most of its raw materials were imported. Hence, factories were strategically located at coastal cities as it was easier to manage their logistics. Furthermore, due to the perishability of the raw materials and finished product, factories usually supply Yakult locally or to neighboring countries. The Yakult factory in Vietnam supplies Vietnam as well as Cambodia.”

- Alice Teng

References

- Wong, D. (2012). Yakult 65ml in Vietnam [Image]. Retrieved from https://commons.wikimedia.org/wiki/File:Yakult_65ml_Vietnam.JPG
- Yakult. (2011). Yakult logo [Image]. Retrieved from <https://commons.wikimedia.org/wiki/File:Yakult-Logo.svg>
- Yakult. (2020). Yakult Vietnam Factory [Image]. Retrieved from https://corporate.yakult.vn/public/uploads/admin/yakult_share_corp.png?1477473819372
- Yakult. (2020). Manufacturing Process [Image]. Retrieved from <https://yakult.vn/public/img/about/01.png>

Kimmy's Chocolate

From Pod To Bar



By: Edwin Sin & Isaac Chia



Background

Kimmy's Chocolate is a homegrown chocolatier based in Vietnam. The company specializes in manufacturing handcrafted chocolate bars, cocoa derivatives (powder, nib) and cocoa butter. Chocolate products are currently sold through physical stores across Vietnam. Kimmy's Chocolate is presently also looking into supermarket distribution, and further expansion on a global scale.

We were given the opportunity to visit their factory based in the Chau Thanh District (Tien Giang Province). The friendly workers showed us their entire process, from pod to packaging, and allowed us to gain a broad insight into the finer details behind the creation of this delicacy. Sales figures are unfortunately private and confidential, but implications behind their management decisions have been incorporated below.

Unique Selling Point

Kimmy's Chocolate places product quality as its top priority. To protect the health of consumers, they do not use additives and chemicals in production. The chocolate is uniquely Vietnamese, but also adheres to European and American standards.

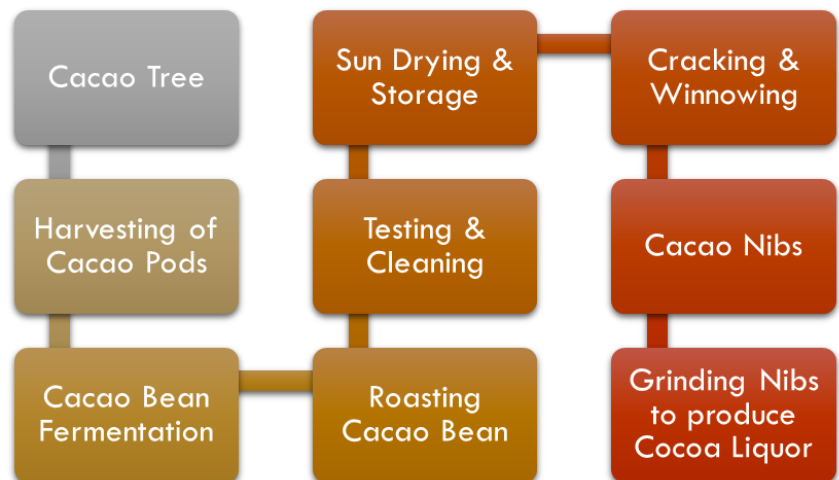
Years of production experience coupled with bespoke equipment for every sub-process has allowed Kimmy's Chocolate to constantly deliver top-of-the-line chocolates. To capture demand, prices have been competitive and company representatives also offer top-class service. As a result, they have gained accolades such as the UTZ Certification - one of the world's most coveted sustainability certifications for coffee, cocoa and tea.



Manufacturing Process

At Kimmy's Chocolate, cocoa trees are carefully planted in the region and taken care of by local farmers from the *Chợ Gạo Cooperative* in the Mekong Delta.

Cocoa trees enjoy a 100-year lifespan and begin producing cocoa after 3-4 years for around 50 years. The flowers take five months to become cocoa seeds, as a result of pollination by insects from dusk till dawn.



While initially fleshy and sour, beans in the pod would eventually become cocoa powder. After 6 days of drying and allowing for natural fermentation, the seeds begin to take on the color of chocolate. Nothing goes to waste as the seed husks can then be used as fertilizer feed, replenishing the soil's nutrients for future batches of fruit. The roasted seeds are cracked to extract cacao nibs, and these are then ground to produce the first key ingredient – cacao liquor.

Cacao liquor is then pressed to form cakes and cacao butter. After rounds of pulverizing and sifting, one can produce *cocoa powder* – the ingredient used to bake cakes or make chocolate milk! Subsequently, the cacao butter is mixed with other ingredients and undergoes conching (fine grinding) for 96 hours. After being set in molds to cool for two hours, chocolate bars are produced.

Taking a broader perspective, the company actively drives towards sustainability from its establishment. Working with Chợ Gạo Cooperative to maintain output levels, preventing price squeezes for off season periods, allows farmers to reap appropriate returns on their hard work and improves the company's standing relationships with its stakeholders. The company prides itself on its integration with prestigious international and domestic businesses, through delivering premium products and services.



Kimmy's Chocolate runs a lean operation, with a handful of staff, each specializing in their respective responsibilities. The owner of the company graced us with her presence during our tour and mentioned her relatively hands-off approach towards company management and operations. Employees generally stay relatively close to the factory, with many having to travel less than an hour per day, maximizing productivity and efficiency.



Tour & Company Strategy Reflection

Tours are available for patrons and interested parties daily, with zero entrance costs to further facilitate transparency between company and customer. Kimmy's Chocolate, while operating at a relatively small scale compared to its competitors in the market, seeks to provide authenticity and elevate its products with traditional equipment and techniques.



A pioneer in the Vietnamese Fast Moving Consumer Goods (FMCG) industry, Kimmy's commands orders globally, with quantities of over 100kg of chocolate being churned out daily, inclusive of shipments to China and Singapore during our visit. Despite being able to command premium prices for the time and effort the production requires, Kimmy's maintains a lower than market average pricing model, emphasizing on market awareness and exposure instead of optimizing profit margins.



References

Kimmy's Chocolate. (2020). Logo [Image]. Retrieved from https://yt3.ggpht.com/a/AGF-l78tWZxq6dYnJXn3R_FvzS3V7GbCoHxOqQ0R=s900-c-k-c0xffffffff-no-rj-mo

Wilmar CLV

Multi-Brand Diversification



By: Kimberly Yee

Company Background

Established in 1997, Wilmar CLV (Cambodia-Laos-Vietnam) has risen to become one of the largest leading business groups in the region food, feed ingredients, bio-ingredients, and distribution. Vietnam remains as the base for the company's 10 sales offices and factories whilst sales offices are set up in Cambodia and Laos to expand Wilmar CLV's geographical presence.



Wilmar CLV stands as the marketing and distribution arm of Wilmar International, further managing 3 brands:

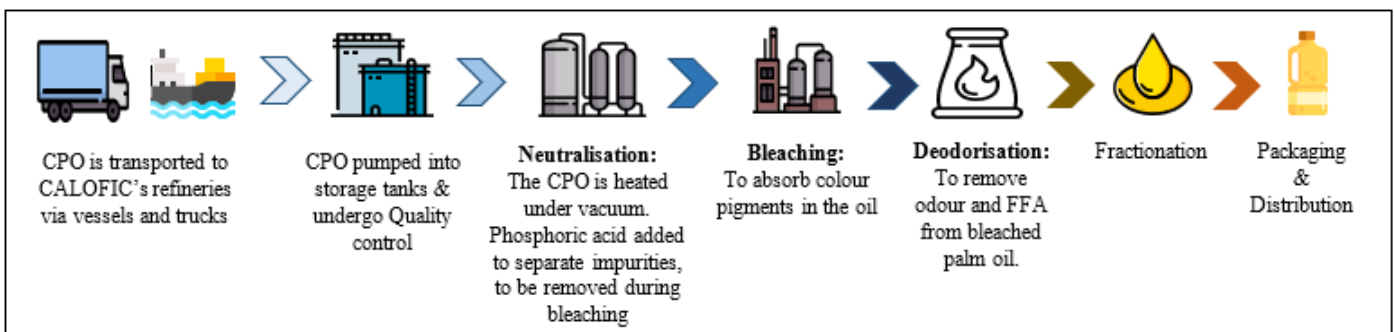
1. Cai Lan Oils and Fats Industries Company (CALOFIC)
2. Meizan CLV Corporation (MCC)
3. Nam Duong International Foodstuff Corporation (NDFC)

CALOFIC: Oils & Fats

Founded in 1996, CALOFIC is a joint venture between Wilmar International (76%) and Vietnam Vegetable Oils Industry Corporation (24%) under the Ministry of Industry and Trade. The company's total initial investment started with US\$22 million and has now increased to US\$138 million. CALOFIC currently operates 2 manufacturing plants located in Ho Chi Minh City with a total capacity of 1,400 tonnes/day. The company has become popular in Vietnam with numerous cooking oil brands under its belt: Neptune Gold, Meizan, Cai Lan and Kiddy.

CALOFIC's primary activity involves the manufacturing and packaging of edible oils (soybean oil and palm oil). Soybeans are imported from South America, and crushed in Vietnam, under Vietnam Agribusiness Limited Company (VAL) which engages in two principal business sectors: (i) soybean crushing and oil refining plant; (ii) manufacturing animal feed materials. VAL is formed from a joint venture between Wilmar (45%), Bunge (45%) and Quang Dung (10%), leading soybean meal distributor in Vietnam and majority owner of Green Feed which focuses on feed milling. The finished products are then exported to Cambodia, Laos, New Zealand, Hong Kong and Japan.

CALOFIC imports crude palm oil from Indonesia and Malaysia, with a higher proportion of the product from Indonesia. Crude palm oil is refined at CALOFIC's refinery (which runs at ~85% utilisation rate) and finished products are then packed and exported to Laos and Cambodia. The diagram below shows the process at CALOFIC's crude palm oil refinery:



MCC: Value-added Grains Food

The principal activity of MCC is to manufacture valued added products such as egg noodle, rice macaroni and flour/rice pre-mixes. MCC was established in 2015 as a joint venture between Wilmar International (50%) and FFM Berhad (FFM) (50%). FFM is majority-owned by PPB Group Berhad, the largest flour miller in Malaysia. PPB Group is listed on Malaysia Stock Exchange, Bursa Malaysia Securities Berhad and has interests in flour milling operations in Vietnam, Indonesia, Thailand and China. Construction of the factory (with a total area of 1 hectare) started in 2016, and operations begun in 2017.



NDFC: Sauces & Condiments

The principal activity of NDFC is to manufacture sauces and condiments including soy sauce, chilli sauce, bouillon granule and mayonnaise. NDFC was formed in 2015 from a joint venture between Wilmar International (51%) and Ho Chi Minh City Union of Commercial Cooperatives (Saigon Co-op) (49%). Saigon Co-op is the leading co-operative retailer in Vietnam and was named one the country's top ten brands by the Ministry of Industry and Trade in 2015. Construction of the manufacturing plant (total area of 2.95 hectares) took place in 2016 and started operation in 2017.

NDFC exports to various countries, with Russia as the biggest exporting market for chilli and soy sauce.

Group Reflection

The visit to Wilmar CLV was an enriching experience as it provided us a better overview of Wilmar's diversified business in Vietnam.

Lunch was hosted using Wilmar CLV's products made from flour, noodles and sauces. Despite having seen the raw materials and how they were processed, we found it hard to believe that this delicious meal was whipped out from them. The group thoroughly enjoyed the meal!

Through the visit, we gained a deeper understanding into the value chain of each product branches under Wilmar CLV from the refinery to manufacturing and finally packing and distribution. This helped to link what we have learnt in school and at the non-credit courses, to real-life application.



References

Wilmar International. (2013). Wilmar Logo [Image]. Retrieved from https://commons.wikimedia.org/w/index.php?sort=relevance&search=wilmar+logo&title=Special:Search&profile=advanced&fulltext=1&advancedSearch-current=%7B%7D&ns0=1&ns6=1&ns12=1&ns14=1&ns100=1&ns106=1#/media/File:Wilmar_International_Logo.svg

Company Background

Olam opened its first office in Vietnam in 1997 and has grown exponentially since. Currently they have more than 5,000 employees spread across Central and Southern Vietnam.

The four main agricultural products that Olam Vietnam processes are: Spices, Edible Nuts, Coffee, and Rice.



Spices

Olam's spice division has its largest processing factory in Vietnam. They process spices such as clover, peppers, calcia, ginger and nutmeg. The spices division was started in 2003 with sterilization process and black pepper crushing facilities added in 2008 and 2010 respectively.

The end products are exported mainly to US and Europe which take up 80% of the sales. Olam's strongest product in the spice's division is pepper which comprises of 35,000 tonnes/year or 10% of global trade. It has also invested in its own plantation which is carbon negative, as well as investing in their suppliers (farmers) by sharing information on how to improve their cropping methods and occasionally providing resources.

Edible Nuts

Olam's edible nuts division is one of their larger business segments amongst their wide array of agricultural commodity segments. The edible nuts segment started off with the processing of cashew nuts.

The cashew nuts are mainly sourced from Africa and are processed in their cashew processing plants in Vietnam. Olam's ability to do so is mainly attributed to their ability to operate in tough environments and leverage on their core competencies across adjacent geographies. Coupled with Olam's strong customer relationships, marketing team, and competitive supply chain, Olam has continued to excel in their areas of expertise.



We were fortunate enough to be able to visit Olam's almond processing plant in Vietnam. Vietnam's tropical climate is not too harsh and therefore, it is relatively easy to operate their edible nuts processing plant. On top of that, the manufacturing talent in Vietnam is adequately equipped as well, with the necessary skills available at a competitive rate as compared to other geographical locations.

The almonds being processed in their edible nuts factory are mainly sourced from Australia and the United States of America. They are processed into 2 types of products; natural almond and ingredient almond which are both used for intermediate processing by their clients. These wide array of nuts will mainly be exported across Asia, which is the target market of Olam's Vietnam branch.





Coffee

Operating in a coffee exporting country, OLAM is heavily involved in the pre-roasting processing of green coffee. They have invested in a 13,0000 sqm processing facility which exports 60,000 tonnes/year to mainly Europe (60 - 70%). The processing is broken down into 7 steps – pre-cleaner, de-toner, grader, gravity separator, colour sorter, wet polisher and dryer. They are then packaged in 60kg jute bags and placed in containers for export.

The green coffee beans have to go through the 7-step process in order to be cleaned and graded before they are exported. In practice, the green coffee beans are first classified by the screen size, number of defects, as well as cup quality. Many countries classify and compare coffee beans by using a screen size sorting system. The theory behind this classification method is to ensure that coffee beans from the highest altitudes are more dense and larger in size than those from lower altitudes. It is also accepted that coffees from higher altitudes have the best flavour profile, therefore, there is a correlation between coffee bean size, density, and quality.

Vietnam's Policies

Agriculture has been growing at steady rate of 3.3% and is the only sector that experiences trade surplus contributing up to 50% in the export market. At present, Vietnam has signed 18 FTAs and is seen as a low-cost manufacturing hub in addition to being an agriculture hub. Recently with CPTPP and EVFTA, it is has embraced International Labour Organization's (ILO) standards, hence modernising its labour laws and industrial relations systems.



Smart farming has also been embraced by Vietnamese companies. Under an agreement between Fujitsu and FPT Corporation signed in 2014, Fujitsu provides cloud services, equipment and expertise, while FPT facilitates the spread of information technology in the agricultural sector. With further investments and infrastructure, Vietnam is expected to be a major agricultural technological hub.

"Olam gave us a great insight into the workings of a soft commodities business. Their business model is to leverage on using modern technology and mass customisation to ensure quality to meet customer's requirements. As an ITT student, I realised sometimes it's best to keep a simple business model instead of overcomplicating it."

- Sendil Sivakumar

References

- Ngoc Mai, N., & The Anh, D. (2018). Asia-Pacific Information Platform on Agricultural Policy-A Review of Vietnam's Recent Agricultural Policies. Retrieved from http://ap.ftc.agnet.org/ap_db.php?id=908
- Vietnam's Free Trade Agreements - Opportunities for Your Business. (2019). Retrieved from <https://www.vietnam-briefing.com/news/vietnam-free-trade-agreements-opportunities-for-your-business.html/>

Tan Cang - Cat Lai Port

Strong Government Initiative



By: Ajay Singh & Avelyn Leong

About Saigon Newport Corporation

Saigon New Port Corporation (SNP) is a state-owned enterprise, founded on March 15th 1989. During the 30 years of its establishment and development, Saigon Newport Corporation has striven to be the most modern, professional and biggest container terminal operator in Vietnam. It's sea port operations include services such as: cargo handling, logistics, maritime services, salvage, pilotage, real estate, office building, civil and military construction and multi-modal transportation services. In the present time, SNP holds the leading market share among the terminal operators in Vietnam. The import-export container throughput of SNP has accounted for more than 92% of the market share in Ho Chi Minh city area and nearly 50% nationwide.

SNP currently operates 18 terminals (6 Barging, 7 Feeder, 5 Deep-water) in synchronous manner with specialized warehousing and storage facilities, ensuring that all sizes of container ships of up to 16,000 tons can be received. SNP currently has a contractual relationship with more than 100 shipping lines and shipping agents worldwide.

SNP has also expanded its barging routes to connect Cambodia and the Mekong Delta to Tan Cang - Cat Lai and Inland Container Depots (ICDs) in Ho Chi Minh city and the terminals in Cai Mep. In the future, the waterway transportation from Ho Chi Minh city and Cai Mep to the central provinces of Vietnam shall also be developed. Cat Lai is the biggest and most modern container terminal in Vietnam and was the first of the 3 ports we visited.



Tan Cang - Cat Lai Port

Tan Cang - Cat Lai is frequently used for shipping containerized goods to and from the industrial production centres North of Ho Chi Minh City. Yet, Cat Lai is not a deep-water port. Thus, a transshipment (e.g. via the port of Singapore) is mandatory.

Cat Lai Terminal is now the biggest and most modern international container terminal in Vietnam in District 2, Ho Chi Minh City. It is located near the Industrial Parks and Processing zones in the North of Ho Chi Minh city and those of Binh Duong & Dong Nai provinces. The total area of the terminal is nearly 160 hectares. Cat Lai terminal has 10 berths with the total length of 2,040 meters which have been equipped with 30 Modern Panamax Quayside Gantry Cranes to support the fast and efficient transfer of cargoes. The terminal has capacity to handle 2.5 million TEUs per year. The container yard covers 568,5000 square meters, and the container freight station warehouse covers 17,400 square meters.



Saigon New Port has adopted state-of-the-art technologies and IT applications. The most notable is the terminal management and operation software system, TOP-X, provided by the RBS (Australia). TOP-X, along with the corresponding hardware of the terminal, allows for container management in real time as well as optimizes the terminal capability and reduces the cargo receipt/delivery time. In addition, they have introduced IoT to their customs (inspection and declaration), delivery orders as well as port security and transport management. It is very reassuring to see, in practice, the digitalization that the shipping industry is currently going through and the race for companies to create and adopt new technologies to remain competitive without negatively affecting service quality standards.

References

Saigon Newport Corporation. (2020). Company Logo [Image]. Retrieved from https://media-exp1.licdn.com/dms/image/C560BAQGjIj5DGm4z8w/company-logo_200_200/0?e=2159024400&v=beta&t=T7QFszbnBGtDPuato-Lf8YB9J9UdzsUF1N8lLWf-MM

Lotus Port

Joint Venture Leading To Multiple Expertise



By: Ajay Singh & Avelyn Leong

About Lotus Port

VIETRANS (a Vietnamese transport company), VOSA (a Vietnamese shipping agency), and the Black Sea Shipping Company (Blasko ChMP) established the Lotus Joint Venture Company, which operates the Lotus port, in 1991. The Lotus Joint Venture Company was the first joint venture to be created with the involvement of foreign investments in Vietnam. This joint venture company is currently owned by VIETRANS and Blasko ChMP with 62% and 38% stakes in the seaport, respectively. It is estimated that they have invested USD 20 million in the development of the port.

Strategic Location

The Lotus Port is strategically located in the southeastern part of Vietnam's largest city, Ho Chi Minh City, 43 nautical miles from the confluence of the Saigon River in the South China Sea. Moreover, the Phu My cable-stayed bridge, which was opened near the port's terminal in 2009, provides the port with an additional convenient transport link.

Being the first port toward the East Sea and located downstream from Phu My bridge, Lotus Port is the hub-port for the cargo circulation from Ho Chi Minh City to the other provinces from South-North, South-East and South-West in Vietnam. The government's latest plans state that Lotus Port is deemed a strategic installation and hence will not be relocated.



Capacity

The Lotus port occupies an area of 150,000 square meters, including 140,000 square meters of open area and 10,000 square meters of closed warehouses. Most of the area (100,000 square meters) is designated for the container yard and the remaining bulk of the space (40,000 square meters) is used for general cargo handling.

The Lotus port has two main berths (K17&18) with a combined length of 300 meters and accommodates ships up to 45,000 DWT – with drafts up to 10.5 meters. It has an additional berth (K16) initially only for barges but has increased its length from 120 - 200 meters and accommodates smaller ships up to 25,000 DWT – with drafts up to 9.0 meters.

Infrastructure

The water depths are 9.5 meters at the main berths and 6.5 meters at the berth for barges. The approach channel has a depth of 14 meters, but tides of up to 2.5 meters often form in the Saigon River. The main berths are equipped with two gantry cranes with a lifting capacity of 40 tons and three RMG cranes with a lifting capacity of 40 tons. The port also has nine container loaders (reach stackers) and 22 forklifts. More detailed capacities are as follows:

Equipment	Specification	Equipment	Specification
Floating Crane (outsource)	01 pcs Lifting capacity: 230 tons	Reach stackers (MT cont' handling)	02 pcs Side lifting up to 7 stacks
Liebherr Crane	03 pcs (1 on barge berth) Lifting capacity: 40 tons Outreach 30m 20 moves/hr/crane	Forklift	Over 20 pcs Lifting capacity 2-40 tons
Gantry Crane	02 pcs Lifting capacity: 40 tons Outreach 33m 25 moves/hr/crane	RF T-Plug	200 set of T-Plug for RF containers
Mobile Crane	04 pcs Lifting capacity 500 tons	Weight Station	01 station
RMG Crane	03 pcs Lifting capacity: 40 tons Stacking: 4 plus 1 Rows: 10 plus 3	Electric Gen. Station	02 stations for Standby & for RF containers
Reach stackers	Over 05 pcs	Trucking Trailer	Over 15 pcs

In addition to containers, the port handles general cargoes and automobiles. The port is capable of handling up to 2 million tons of cargoes per year and up to 200,000 TEU of container cargoes. The port also receives cruise liners. The Japanese vessel Asuka II with a capacity of up to 960 passengers and a draft of 7.8 meters recently called at the Lotus port.

It was a privilege to be able to observe the various equipment being employed at the port and was a great way to put to the test what we learned during our classes regarding port infrastructure.



About SSIT Port

Established in 2006, SP-SSA International Terminal (SSIT) is a joint venture between Saigon Port, Vinalines and SSA Marine Seattle, USA. This international partnership between The United States of America and Vietnam comprises of the following ownership breakdown:

- SSA Marine, USA (50%)
- Saigon Port (38.93%)
- Vinalines (11.07%)



The modern deepwater port offers a convenient entry point to Southern Vietnam for a variety of shipping needs. The terminals incorporate state-of-the-art technology and have achieved the status of having the largest Ship-To-Shore (STS) gantry cranes in Vietnam. The port is able to accommodate Ultra Large Container Vessels (ULCVs), carrying a whopping 20,000 TEUs, due to the modern equipment employed and deepwater allowances.

Not only limited to box ships, the port also handles passenger cruise ships, project cargo (usually heavy lifts) and bulk cargo. SSIT has been running bulk operations since 2014 and container operations since 2018.

Another reason that makes SSIT Port so attractive is its convenient location closest to the opening of the mouth of Thi Vai River and the open sea. It boasts a large safe turning basin as well as a substantially deep channel.

During our visit, we were elated to be able to see, in operation, the terminal handling both a large bulk carrier as well as a container vessel. Both operations were occurring alongside each other with effortless coordination leading to a very smooth-looking process. This allowed all of us to put into practice what we learned during our Port class regarding loading and unloading operations of a container vessel.

Infrastructure

SSIT Port enjoys a large land-size with vacant land ready to accommodate additional capacity when needed. Along with a 16.5m depth alongside and a large berth area, the port holds a variety of different equipment to serve a variety of needs. The 4 large STS gantry cranes, 12 rubber tyre gantry cranes (RTG) and various other auxiliary equipment ensure that SSIT maintains its competitive advantage while minimizing costs for its customers.



Service Network

SSIT Port is part of 3 services which span countries such as Singapore, Malaysia, China and Japan. These include routes which cover various locations and also express routes aimed at connecting Singapore, Vietnam and China. SSIT has done an impressive job employing its large wharf and land size by even offering Barge loading/unloading along with warehouse storage services.

When presenting the business model of SSIT port to our group, employees highlighted the importance of keeping future development of vessel sizes, needs and expansion in mind. This is reminiscent of Singapore's forward-thinking mentality when it comes to ever-improving developments. We look forward to visiting SSIT Port in the future to see the new and exciting developments made by the modern, customer-oriented port at the forefront of the growth that the nation of Vietnam is experiencing





Acknowledgements

On behalf of all students who had the privilege of taking part in this Industry Study Mission, I would like to thank MPA and ITI@SMU. This enriching trip would not have been possible without their continued support. I would also like to specifically convey appreciation to the below companies for accommodating us during the visits.

Aditya A. Rayakar

Editor-In-Chief

President (Maritime Chapter), Maritime Merchants Society





International Trading Institute

The International Trading Institute (ITI@SMU) was established as a tripartite partnership between the Singapore government, industry partners and the Singapore Management University. The first trading institute in the world to be set up within a university, ITI@SMU is a think tank that supports the trade ecosystem with a steady pool of future ready talent, industry support programmes and impactful research.

INTERNATIONAL TRADING INSTITUTE @ SMU
Singapore Management University
Administration Building, Level 5
81 Victoria Street Singapore 188065

Email: iti@smu.edu.sg

Phone: +65 6828 0430



SMU

International Trading
Institute