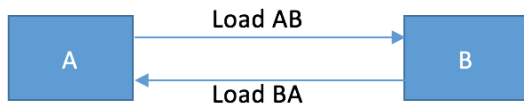


Special Topic 2 – Assignment 1 (Team of 3)

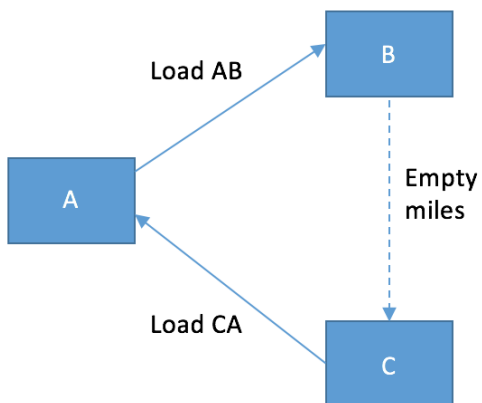
UberTruck entering Vietnam offering Backhauling services

1. Types of Backhauling

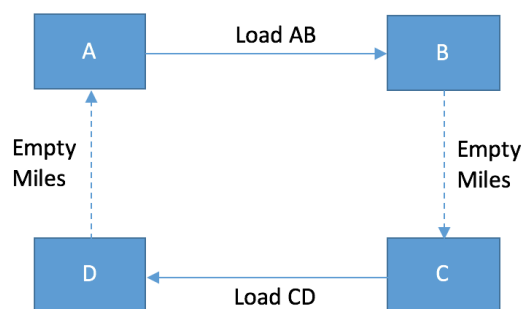
Type 1:



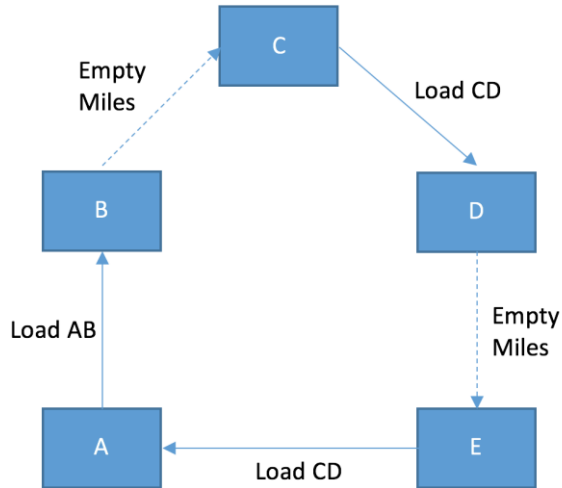
Type 2:



Type 3:



Type 4:



2. Cost of Getting a Backhaul Trip from North to South 1800 km (Source Vietnam Post Logistics report)

Each truck needs 3 drivers for each North to South trip			
Average waiting time (days)	Major waiting cost components (VND/ day)		Average waiting cost (VND) (North-South truck/ driver) 1 ringgit is equal to 5,253 Viet Dong
	Parking	Meal/ Lodging	
1.5 – 2 days	0	100,000 VND/ driver a day	150,000 – 200,000/

3. Existing Backhaul lanes in Vietnam



4. Transportation Volume in Vietnam

Volume of goods through seaports in the period 2010 – 2015

(Source: Vietnam Maritime Administration)

	Parameter	Unit	2010	2011	2012	2013	2014	2015
1	Total cargo through port	1000 ton	259,145	286,092	294,556	328,795	373,027	427,816
2	Container goods	1000 ton	72,937	81,039	91,068	101,113	118,394	126,348
		1000 TEUs	6,521	7,210	8,040	1,622	10,398	11,527
3	Liquid cargo	1000 ton	51,069	51,099	49,566	49,729	52,078	59,233
4	Dry Cargo	1000 ton	105,109	109,679	112,853	136,472	154,582	185,904
5	Transit goods	1000 ton	29,490	43,762	41,062	41,480	47,971	56,330

Volume and market share of containerized cargo through seaport in TEU

(Source: Vietnam Maritime Administration)

	Year	Country	Northern		Central		Southern	
		Weigh	Weigh (ton)	%	Weigh	%	Weigh	%
1	1995	532,676	117,636	22.08	12,340	2.32	402,700	75.60
2	1996	634,252	149,100	23.51	17,375	2.74	467,777	73.75
3	1997	704,111	165,351	23.48	22,879	3.25	515,881	73.27
4	1998	820,038	183,805	22.41	22,657	2.76	613,576	74.82

5	1999	977,860	198,618	20.31	25,866	2.65	753,376	77.04
6	2000	1,151,759	216,000	18.75	42,617	3.70	893,142	77.55
7	2001	1,300,287	238,622	18.35	39,121	3.01	1,022,544	78.64
8	2002	1,500,957	339,044	22.59	51,835	3.45	1,110,078	73.96
9	2003	1,779,979	384,273	21.59	57,895	3.25	1,337,811	75.16
10	2004	2,228,694	495,647	22.24	76,277	3.42	1,656,770	74.34
11	2005	2,724,493	643,547	23.62	84,007	3.08	1,996,939	73.30
12	2006	3,420,000	790,856	23.12	100,669	2.94	2,528,475	73.93
13	2007	4,489,165	1,075,658	23.96	128,954	2.87	3,284,553	73.17
14	2008	5,023,000	1,380,202	27.48	154,594	3.08	3,488,204	69.44
15	2009	5,539,247	1,842,336	33.26	142,461	2.57	3,554,450	64.17
16	2010	6,520,628	2,187,011	33.54	195,004	2.99	4,138,613	63.47
17	2012	8,040,000	2,700,000	33.58	260,000	2.23	5,080,000	63.18
18	2013	8,626,026	3,005,119	34.84	236,791	2.75	5,384,116	62.42
19	2014	10,398,240	3,506,036	33.72	389,598	3.75	6,502,606	62.54
20	2015	11,527,197	3,898,121	33.82	400,068	3.47	7,229,008	62.71

Source: Vietnam Maritime Administration

Container transport in each region in Vietnam

A) Northern region

At present, ocean freight by sea in the northern area mainly through seaports in Hai Phong and Quang Ninh, including 4 main corridors connecting to seaports

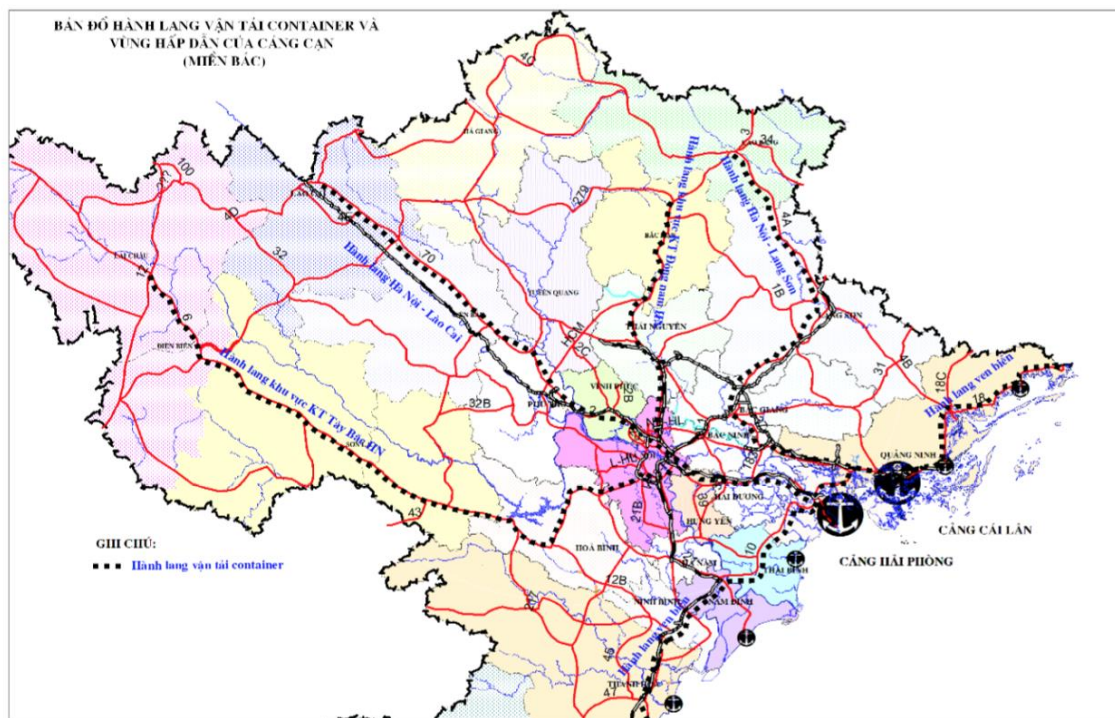
- Lao Cai -> Hanoi -> Hai Phong
- Ninh Binh -> Hai Phong -> Quang Ninh
- Hanoi -> Thai Nguyen

- Hanoi -> Lang Son

Container shipping on the North Corridor 2015

	Transport corridor	Mode of transport	Weigh (1000 TEU)	
			Starting point	Ending point
1	Hải Phòng - Hà Nội - Lào Cai	Roads, rails	2845	110
2	Ninh Bình - Hải Phòng - Quảng Ninh	Road	102	67
3	Hà Nội - Thái Nguyên	Roads, rails	616	110
4	Hà Nội - Lạng Sơn	Roads, rails	378	35
5	Bắc Ninh - Quảng Ninh	Roads, rails	110	177

Container shipping corridors and shallow port area in the northern region



The main mode of transportation to and from seaports in the north is mainly by road, rail and inland waterways. Over 95% of containerized cargo arriving and arriving at seaports is currently transported by road, (railroads account for only about 5% and river transportation is almost negligible).

- The loading and unloading capacity at the main stations on the route is still limited, especially container loading and unloading (12 stations permitted for container transportation, only 3 stations in Hai Phong, Yen Vien and Lao Cai are equipped with container handling equipment) .

- In addition, the outdated, backward railway infrastructure, the lack of container coaches leading to the shortage of wagons and the risk of unsafe traffic.

B) Southern region

Imported and export goods shipping by sea in the South mainly through seaports in Ba Ria - Vung Tau, Ho Chi Minh City, consists of 3 main corridor connected with sea ports

- Ho Chi Minh City -> Tien Giang -> Can Tho

- Ho Chi Minh City -> Ba Ria -> Vung Tau

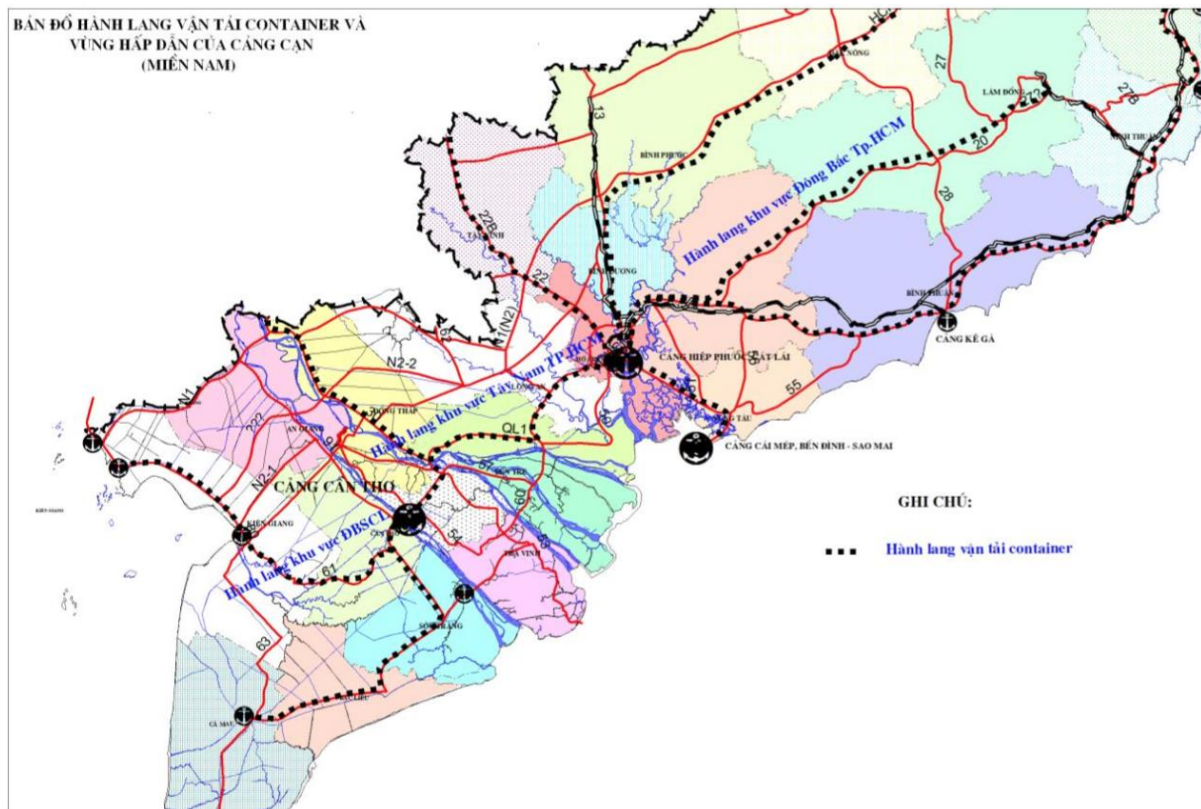
- Ho Chi Minh City - > Binh Duong

Container shipping on the South Corridor 2015

	Transport corridor	Mode of transport	Weight (1000 TEU)	
			Starting point	Ending point
1	Hồ Chí Minh – Tiền Giang – Cần Thơ	Road, inland seaways	4,865	235
2	Hồ Chí Minh – Bà Rịa	Road, inland seaways	4,865	1,594
3	Hồ Chí Minh – Bình Dương	Road	4,865	

Container shipping corridors and shallow port depots in the south

Inland container transportation in and out from seaports in the South is carried out by land and by river, of which land accounts for 65-70%, and waterways account for 30-35%.



5. Questions

- ~~1. Develop a Business Model Canvas for UberTruck in Vietnam~~
2. What are the potential revenues and profits for UberTruck in northern and southern regions of Vietnam?
- ~~3. Conceptualise the Backhauling business into an ecommerce business in Vietnam.~~
~~Be mindful that there are already some ecommerce players in the country.~~
 - ~~a. <http://www.freightnet.com/directory/p1/eVN/s25.htm>~~
 - ~~b. <https://gosmartlog.com>~~
 - ~~c. <http://www.vietnamtrucking.vn>~~
4. Develop a cash flow projection for your Backhauling business in Vietnam. State all your assumptions.
- ~~5. Prepare a set of slides to present in class~~