

## Further Analysis on PROS AND CONS of Highways Projects

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### Abstract

### Original Research Article

The purpose of this study is to propose some solutions to enjoy the socio-economic benefits of expressways, including solutions to ensure the benefits of operators. This group of solutions is the basis to create motivation for private businesses to participate with the government in exploiting transportation infrastructure in general and DCT (highways) in particular. Moreover, it creates motivation for private enterprises to be interested in investing and exploiting power plants in the future, contributing to meeting the infrastructure needs for Vietnam's economic development.

**Keywords:** Highways projects, pros and cons, socio-economic benefits, economic development.

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## 1. INTRODUCTION

Researching the socio-economic values of DCT (highways) as well as surveying the current status of DCT both has the important purpose of finding solutions to exploit DCT in the most effective way, bringing high profits while still ensure environmental values, security and social order. Research on City Government. Study presents some typical example through which lessons and experiences will to some extent be applied to other DCTs in the future in different localities.

Hence author choose this topic:

### “Further Analysis on PROS AND CONS of Highways Projects”

The translated document "Economic analysis of investment activities - Analytical tools and practical applications" by authors Pedro Belli, Jock R. Anderson,

etc. (2002) translated by Vu Cuong provides general knowledge about economic analysis in general, in which the authors spend 31 pages (from 163 to 194) talking about the economic valuation of transportation projects. This is a meaningful document in reference to economic analysis from a foreign perspective.

In 2004, the Ministry of Finance and the Asian Development Bank published "Manual on Financial Issues in Official Development Assistance Projects in Vietnam", published by Finance Publishing House.

Foreign author, Pearce Anthony, in 2006 published a notable article titled "Issues raised in the international integration process of Vietnam's road industry" in Transport Magazine No. 1 and (p. 86 – 95), in which he analyzed quite appropriately the issues that Vietnamese traffic needs to raise in order to develop the road system, including the role of highways.



**Fig. 1: Highways in Vietnam**  
(Source: internet)

## 2. Previous Studies

Regarding research on transportation projects, in addition to many individual studies on a certain transportation project, there are some notable studies as follows:

Pham Van Vang's research (1998) on organizing and operating the construction of traffic projects has provided essential information that is very important in traffic construction in general [50].

Pham Huu Duc in 2002 with the article "Road traffic with the process of urban formation and development" published in *Construction Magazine*, No. 8, 2002 (pp. 11-13) further reinforced the role of traffic in urban development.

The issue of urban traffic planning was mentioned by Luu Duc Hai in 2003 in the article "Urban traffic planning and management in the capital Hanoi" of *Construction Magazine* No. 8 (pp. 14 - 16).

## 3. METHODOLOGY

Authors use mainly qualitative analysis, inductive and synthesis methods Combined with historical and dialectical materialism methods.

## 4. MAIN FINDINGS AND DISCUSSION

According to Resolution No. 326/QĐ-TTg on Expressway network development planning to 2030. Aiming to orient socio-economic development with 4 key regions. Deployed 21 routes with a total length of 6,411km.

For the Ho Chi Minh - Can Tho highway, it connects two important economic regions of our country. That is the key economic zone south of Ho Chi Minh, and the Mekong Delta with Can Tho City. To promote exchanges and support economic development between the two regions. And between provinces in the region. Through the expressway that the Mekong Delta region. Will be closely linked with Ho Chi Minh and the Southeast provinces. To accelerate the socio-economic development of the region and the whole country.

Next, State-invested highways all have parallel national highways, allowing traffic participants the right to choose to use expressways or national highways. People participating in traffic on highways enjoy more benefits due to time savings, transportation costs, fuel costs, and vehicle depreciation costs. The current form of road user toll collection does not separate regular road users from expressway users.

(Source: nhandan.vn)

And the expressway aims to reduce differences in commodity prices in the Mekong Delta provinces. Goods are transported faster. Low costs cause price differences to decrease and quality to increase. Trade competition is becoming stronger, bringing benefits to consumers.

Circulate quickly on the highway system through provinces and cities. Contribute to improving social and cultural life. Exploiting tourism potential and cultural exchange between regions.

Use highways to save vehicle operating costs. Because means of transport are circulating at high speed. Largely improve the number of vehicles moving on the highway.

The national development strategy, from the perspective of construction and infrastructure development, cannot lack highway construction. Above are the roles of the highway system for socio-economic development. Thereby aiming to effectively exploit current highways.

(Source: vattucongtrinhpan.com)

To ensure the compatibility between the contribution fee and the quality of service received by users, based on the principle that users of higher quality services must pay higher costs and users can right to

choose parallel routes, the draft law has supplemented this regulation.

Last but not least, Passenger and cargo transport in the Mekong Delta is mainly by road and waterway in accordance with the transport development planning of the key economic region of the Mekong Delta to 2020 and orientation to 2030[] with statistical numbers over the years [Table 3.20] and passenger transport volume reaching 450 ÷ 500 million passengers/year with an average growth rate of 5.1%/year, in which capacity through Airports - airports in the region will have about 11.8 million passengers in 2020. The amount of goods will reach about 100 ÷ 110 million tons/year with an average growth rate of 8.1%/year, of which the amount of general through seaports by 2020 is about 58.5 million tons/year.

**Table 1: Number of passengers and goods transported by road**

Year	2007	2008	2009	2010
Number of circulating passengers (Unit: Millions of people. km)	13.938,7	14.887,1	14.738,5	16.065,3
Quantity of rotation by road (Unit: Million tons.km)	1.416,1	1.473,4	1.627,1	1.714,9

Source: GSO

## DISCUSSION

Going deeper into the issue of capital and highway investment forms, author Hoang Thanh Tu in 2005 with the article "Solutions to promote capital mobilization in the form of BOT contracts to build highways in Vietnam" published in the Journal of Transportation Science (No. 11, pp. 104 - 107). In the article, the author highlights the advantages of the BOT (Building – Operation – Transfer) form of capital mobilization, which is a form suitable for the investment situation of large projects in general and transportation projects. Big in Vietnam.

Also mentioning the BOT form, in 2007, Vo Hoang Anh analyzed the economic and financial effectiveness of the BOT highway construction project in Vietnam in the magazine "Vietnam Roads and Bridges" (No. 06). Also in 2007, Nguyen Xuan Sanh published the article "Vietnam Expressway Development Investment Company results after two years of operation", Transport Magazine, (No. 03, pp. 50-55).

In 2008, Ho Nghia Dung introduced his research results in the article "Orientation for developing highways and attracting investment capital for highway construction", published in Vietnam Bridge and Road Magazine. Men (no. 1, pp. 4 – 10). Also in 2008, Thu Huong analyzed the importance of highways in Vietnam through the study "Highway network development: Leverage for Vietnam's economic development"

published in the Journal of Economics and Forecasting (no. 22, pp. 32 - 34).

Nguyen Xuan Thanh in 2009 surveyed the metro project in Ho Chi Minh City through "Case Study of Metro Line No. 2 Project of the City". Ho Chi Minh". In the same year, this author also studied the situation of the North-South High Speed Railway. However, this is only the author's own opinion, moreover, he only researched high-speed railways (Metro), not high-speed motorways (roads), and served as the author's teaching model at schools. university, but through them can also be useful documents with approaches and methods of analyzing a project in general and a transportation project in particular, from which it can be applied to analysis of benefits. Socio-economic benefits of a DCT project that the author is interested in.

Tran Van Hoang and Nguyen Trong Hung in the study "Strategy and vision of Vietnam's highway network" published in 2009 in Builders Magazine (No. 12, pp. 14 - 16) also affirmed the importance of expressways in Vietnam and proposes that the construction of an expressway system requires a strategic view and a master plan for regional development. Author Doan Minh Tam mentioned a model for highway management and exploitation. This is a very necessary reference document for the author's thesis. The article titled "Discussion on highway management and exploitation models" was published in 2009 in Transport Magazine (No. 1, pp. 36 - 37 and pp. 102 - 104).





**Fig. 2: Highways benefits**  
(Source: internet)

## 5. CONCLUSION

The economic and social benefits of exploiting expressways can be said to be very clear and that is why the construction of expressways is often one of the development strategies of countries, especially from an infrastructure perspective. However, the effectiveness in exploiting and using DCT is a topic of great concern and needs to be thoroughly researched, in order to provide experiences and lessons for the future. Also the investment of highways cost a huge amount of money so that it is hard to estimate profits. The topic "Further analysis on PROS AND CONS of highways projects" can be said to be, according to the author's understanding, this is the type of topic first in Vietnam to study a DCT project as a completed project. Therefore, during the research process, the author also encountered many difficulties in collecting documents and collecting official data from management agencies and related agencies.

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