

VIETNAM INDUSTRIAL **CONSTRUCTION REPORT**

Q1/2022

** All data included in this report has been updated up to March 31st, 2022
The projects images were supplied by NewCC, Pebsteel and Atad Steel.*



TABLE OF CONTENTS

I. SOCIAL-ECONOMIC SITUATION IN Q1/2022	03
1. Gross Domestic Product (GDP)	04
2. Foreign Direct Investment (FDI)	04
3. Industrial Production (IIP)	05
4. Goods Importation and Exportation	05
5. Number of enterprises in industry and construction	06
6. Prices of fuel and construction materials in Q1/2022 increased steeply	07
II. DEVELOPMENT STATUS OF VIETNAM INDUSTRIAL PROJECTS IN Q1/2022	08
1. Newly granted projects in the first 3 months of 2022 decreased compared to the same period but there were many large capital projects	09
2. Land leasing projects still account for a large proportion	10
3. Overview of the implementation of Vietnam's industrial projects in the first quarter of 2022	11
4. Under preparation projects	12
5. Under construction industrial projects	15
III. TOP 10 NEWLY REGISTERED INDUSTRIAL CONSTRUCTION PROJECTS IN Q1/2022 BY VALUE OF REGISTERED INVESTMENT CAPITAL	18

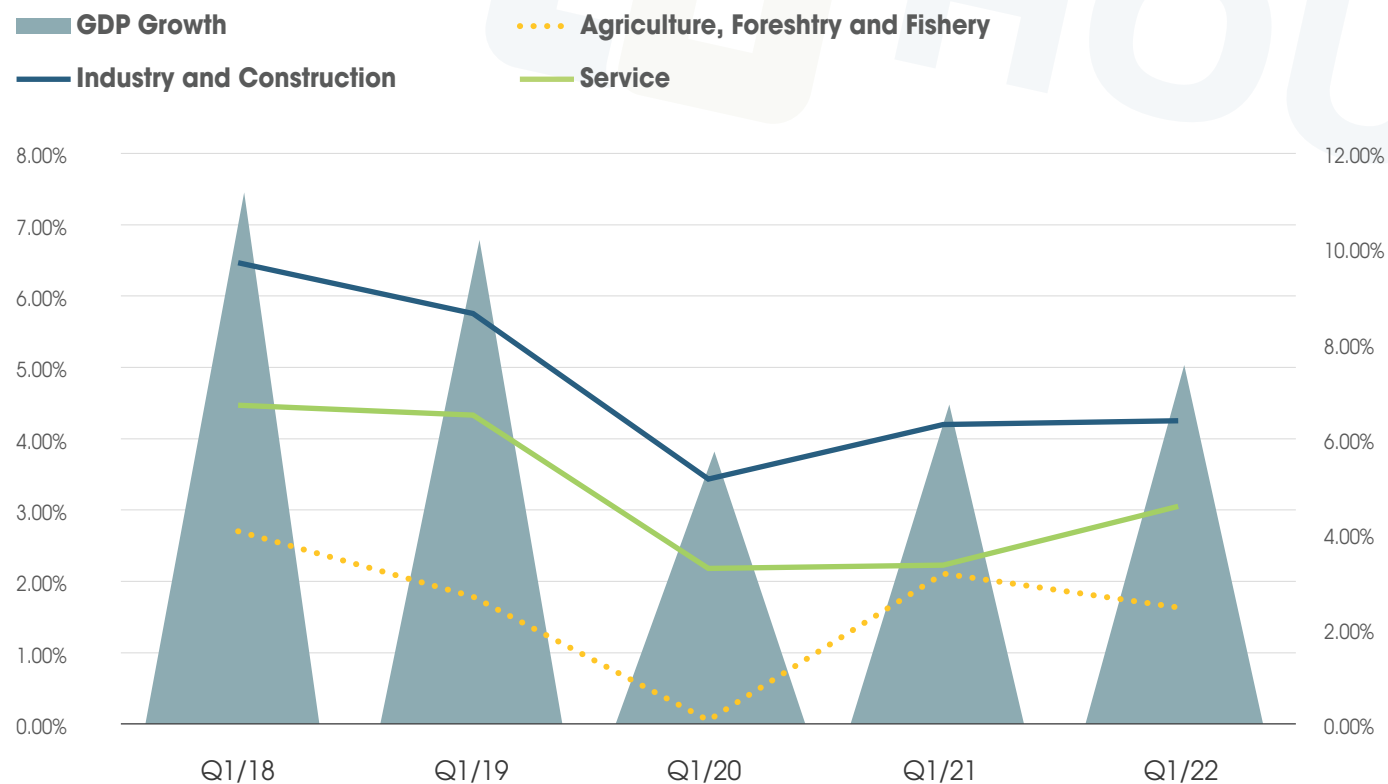


I. SOCIAL-ECONOMIC SITUATION IN Q1 / 2022

1. GROSS DOMESTIC PRODUCT (GDP)

In the first quarter of 2022, the country's GDP growth rate reached 5.03%, higher than the rate of Q1/2021 and Q1/2020 (4.48% and 3.82% respectively) but still lower than the rate of Q1/2019 and Q1/2018 (6.79% and 7.45% respectively). After taking measures to control the epidemic and reopening the economy, Vietnam's GDP growth gradually increased again. In which, industry and construction along with the service sector also maintained an uptrend compared to Q1/2021. Although the GDP of the agro-forestry-fishery sector still maintained an upward momentum, the growth rate decreased by 0.71% compared to Q1/2021.

GDP GROWTH UP TO Q3.21 (PER SECTORS)



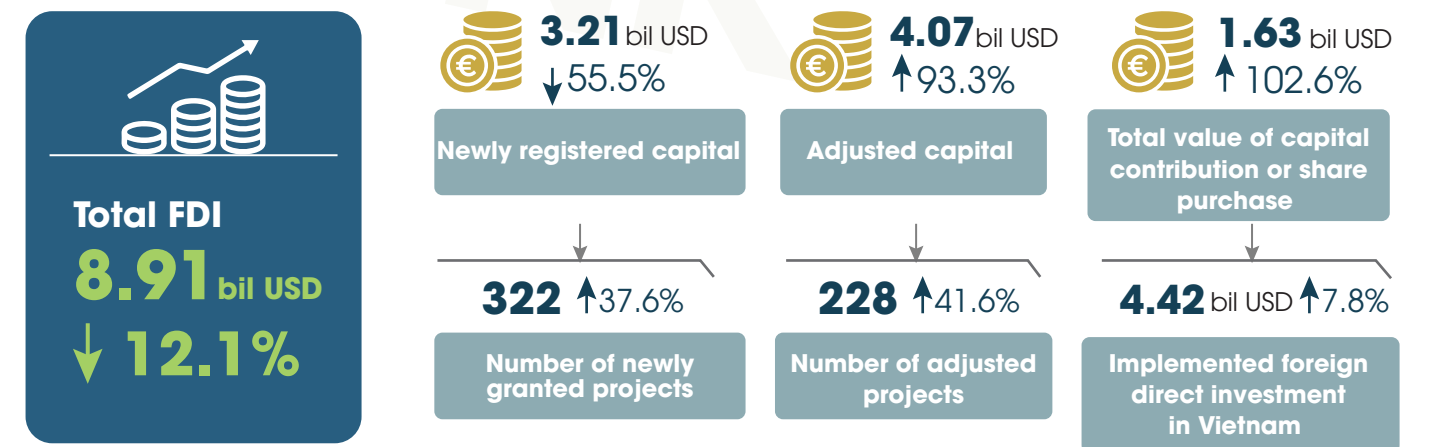
Source: GSO, HOUSELINK compiled

2. FOREIGN DIRECT INVESTMENT (FDI)

The total value of foreign direct investment into Vietnam in Q1/2022 reached 8.91 billion USD, down 12.1% over the same period last year due to the decrease in newly registered capital. In which, the value of newly registered capital decreased sharply compared to the same period last year, reaching only 3.21 billion USD (down 55.5%). But the value of adjusted capital and capital contribution or share purchase by foreign investors increased steeply compared to the same period last year, sequentially reaching 4.07 billion USD (up 93.3%) and 1.63 billion USD (up 102.6%).

Although the value of registered capital decreased, the number of newly granted projects increased by about 37.6% compared to the same period last year. This shows that in the first 3 months of 2022, foreign investors are reducing the investment scale of new projects in Vietnam. However, with the value of adjusted capital and capital contribution or share purchase of foreign investors increased sharply, especially realized foreign direct investment capital in Vietnam reached 4.42 billion USD, up 7.8% (the highest in the past 5 years) has shown the belief and expectation of foreign investors in the potential of the Vietnamese market. The opening of international routes is also expected to have a positive impact on investment capital in the coming time.

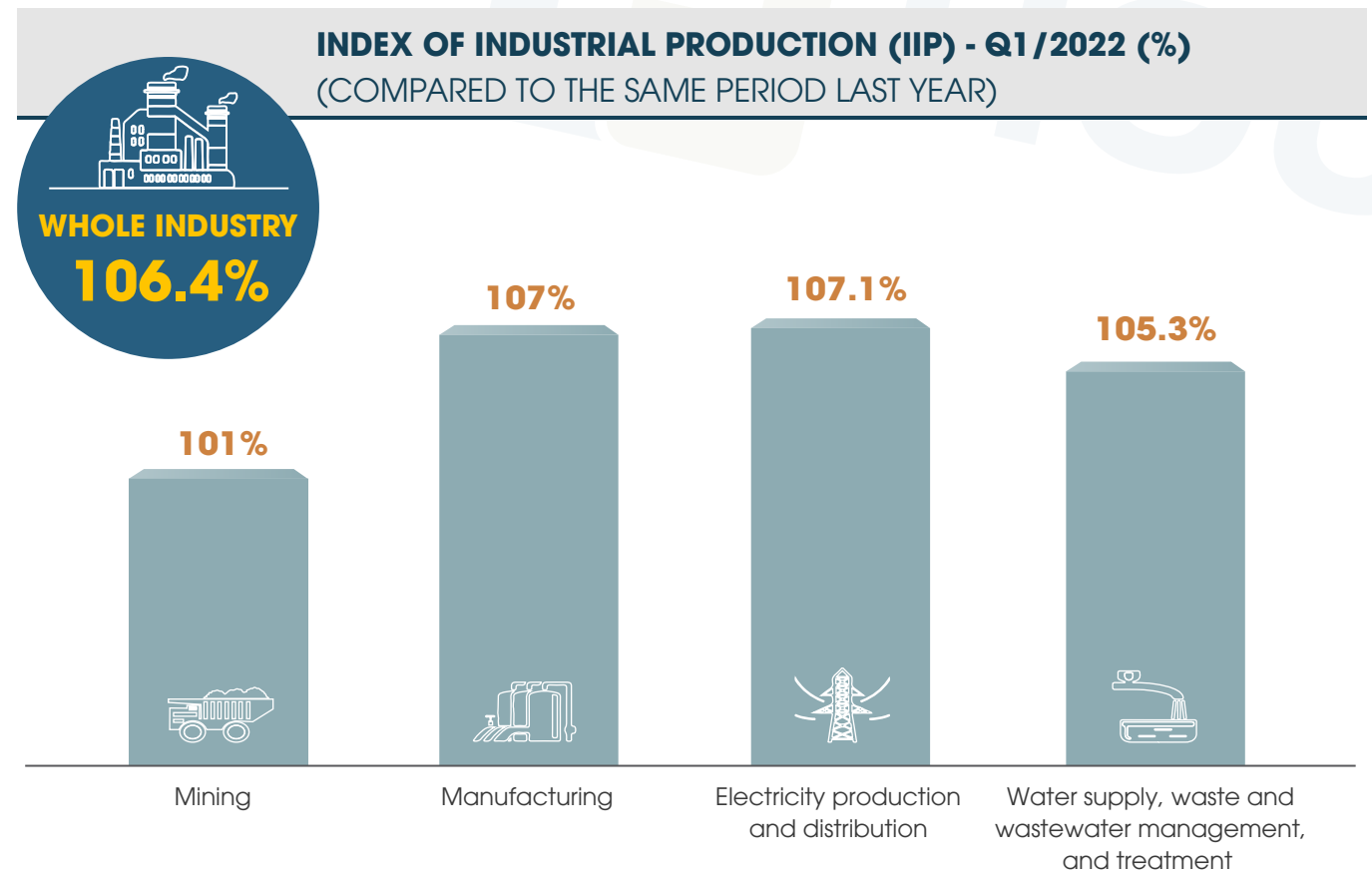
FOREIGN DIRECT INVESTMENT Q1/2022 (COMPARED TO THE SAME PERIOD LAST YEAR)



Source: GSO, HOUSELINK compiled

3. INDUSTRIAL PRODUCTION (IIP)

IIP data recorded a decent increase in Q1/2022 (up 6.5% over the same period last year), industrial production in general is on the way to recover and grow again after spending 2021 severely affected by the Covid-19 epidemic. In March 2022, IIP increased by 22.2% compared to the previous month and increased by 8.5% compared to the same period in 2021. The IIP of major industry groups all tended to increase, including: mining industry increased slightly by 1%, manufacturing industry and electricity production and distribution industry rose the most (about 7%), the water supply, waste and wastewater management, and treatment also achieved a good growth with 5.3%.



Source: GSO, HOUSELINK compiled

4. GOODS IMPORTATION AND EXPORTATION

Vietnam's application of the new normal policy, living with Covid-19 and opening up the economy has led to the growth in import and export of goods in the first 3 months of 2022. Accordingly, the value of goods exportation reached 77.34 billion USD (up 22% over the same period last year), import value reached 75.31 billion USD (up 26.3% over the same period last year). Vietnam had an estimated trade surplus of 2.03 billion USD in Q1 of this year.

It should be further noted that FDI enterprises account for 76.3% of the total export value of goods and 73.3% of the total import value of goods of the country. Trade balance of FDI enterprises in the quarter reached 8.78 billion USD in surplus (trade surplus).

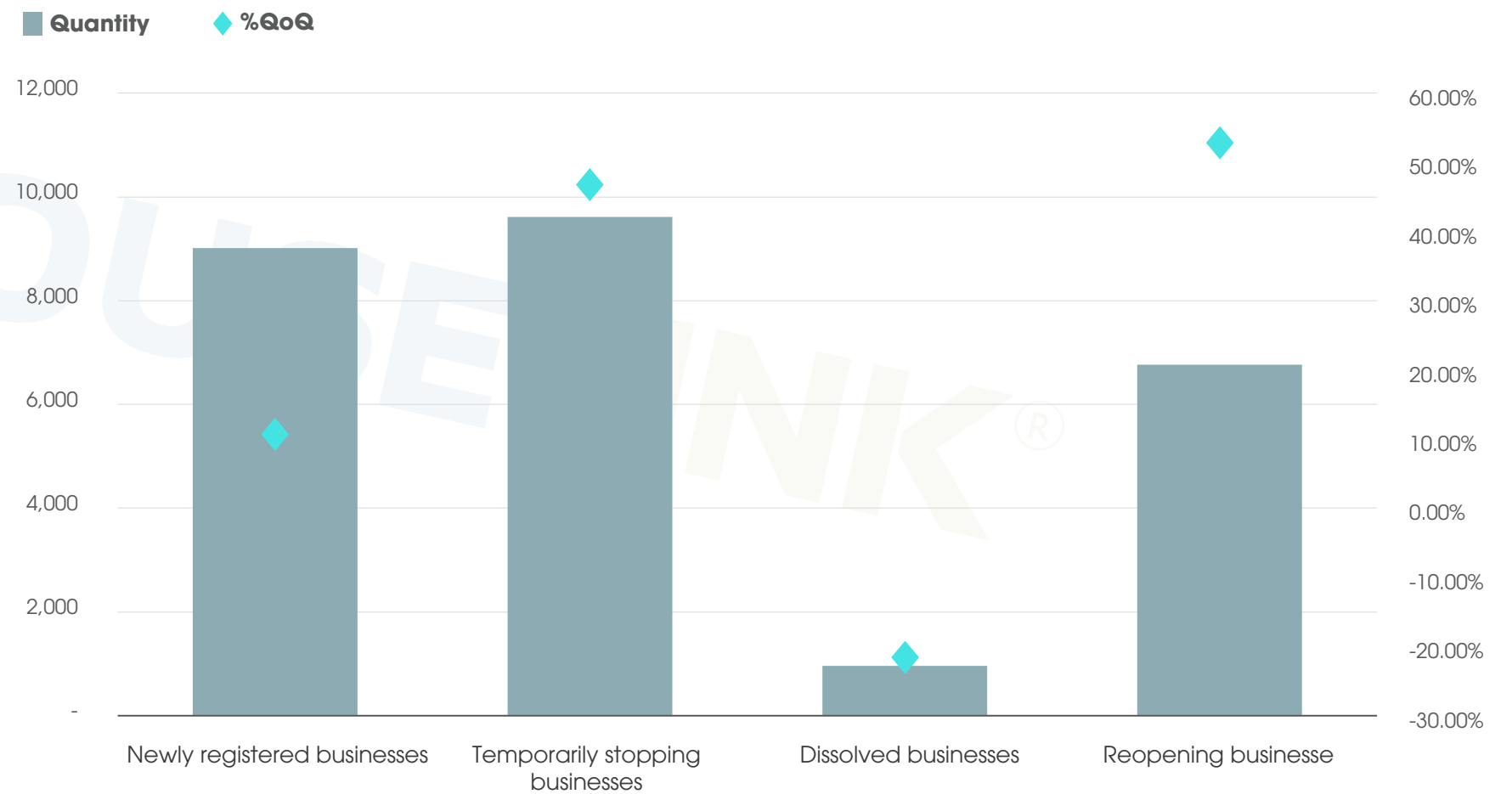


Source: GSO, HOUSELINK compiled

5. NUMBER OF ENTERPRISES IN INDUSTRY AND CONSTRUCTION

The prolonged Covid-19 epidemic has seriously affected the production and business of enterprises in the fields of industry and construction. Over the past 2 years since the beginning of the epidemic, many businesses have had difficulties in maintaining operations, leading to in Q1/2022, the number of temporarily suspended enterprises has increased by about 47% compared to Q1/2021. However, there is a good sign when the number of re-operated enterprises increased sharply with 52.8% compared to the same period last year, newly registered businesses increased by 10.7% and dissolved enterprises recorded a decrease for the first time since 2020 (down 22% compared to the same period in 2021).

NUMBER OF ENTERPRISES IN INDUSTRY AND CONSTRUCTION SECTOR IN 2021

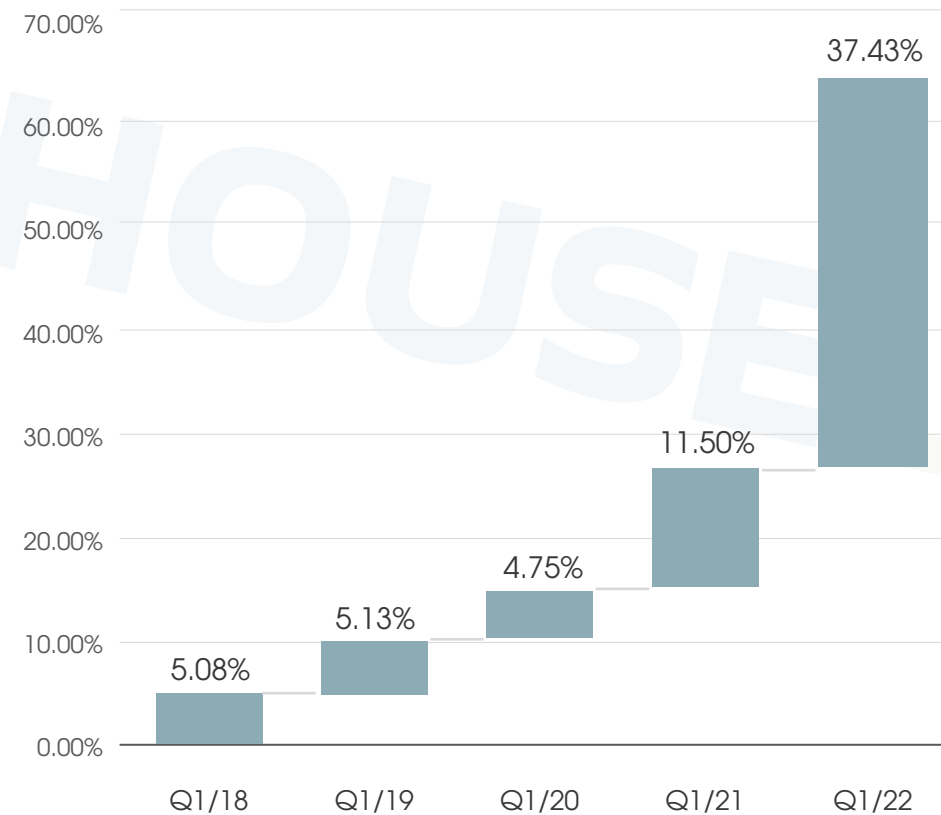


Source: GSO, HOUSELINK compiled

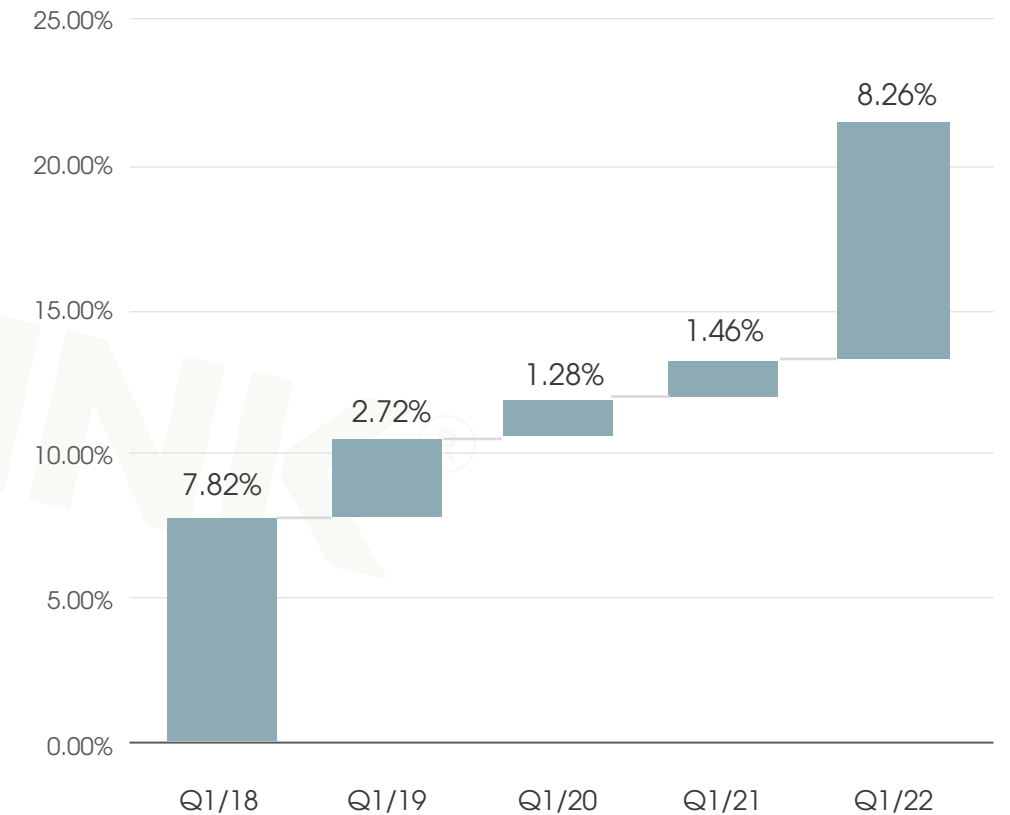
6. PRICES OF FUEL AND CONSTRUCTION MATERIALS IN Q1/2022 INCREASED STEEPLY

The Russia - Ukraine war that broke out at the beginning of 2022 has pushed the prices of energy products to spike sharply not only in the world but also in Vietnam. According to the General Statistics Office (GSO), the fuel import price index in Q1/2022 reached an unprecedented high level in the past 5 years (increased by more than 40% over the same period). And according to the forecast, energy prices in the near future have not shown any signs of decreasing when the war between the two countries is still very tense. The increase in fuel import prices has led to a sharp increase in the price of construction materials in Q1/2022 (8.26%). This is also the highest increase of Q1 from 2018 to now. The increase in fuel and construction material prices is forecasted to lead to a rise in construction costs, leading to the situation that projects are likely to be delayed and related parties such as Owners, Contractors, etc. will also face many risks in terms of finance and project progress.

THE FUEL IMPORT PRICE INDEX INCREASED SHARPLY



CONSTRUCTION MATERIAL PRICE INDEX IN Q1 FROM 2018 TO 2022



Source: GSO, HOUSELINK compiled

II. DEVELOPMENT STATUS OF VIETNAM INDUSTRIAL PROJECTS IN Q1/2022

Based on industrial projects data which have the investment capital of more than 2 million USD (equivalent to 46 billion VND) in the form of foreign direct investment (FDI) and domestic direct investment (DDI) on the HOUSELINK platform; we synthesized, analyzed data and made reports on projects that are under construction and are in the process of preparation (project preparation, design, contractor selection); along with the newly registered industrial projects in the field of: processing-manufacturing and warehousing in the first 3 months of 2022. The projects have been checked and verified by HOUSELINK.

1. NEWLY GRANTED (REGISTERED) PROJECTS IN THE FIRST 3 MONTHS OF 2022 DECREASED COMPARED TO THE SAME PERIOD BUT THERE WERE MANY LARGE CAPITAL PROJECTS

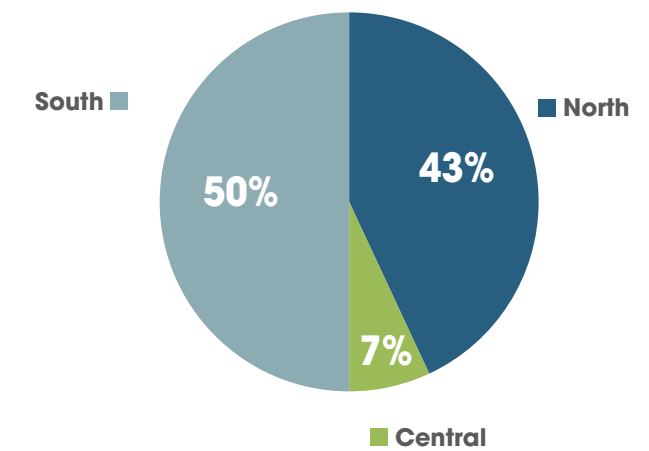
In the first 3 months of 2022, the number of newly registered projects with investment capital of 2 million USD and above decreased by 23%, but the total registered investment capital only decreased by 0.3% compared to the same period last year. We believe that although the number of projects has decreased, the scale of the projects has increased, showing the attraction and potential of Vietnam in attracting investment from newly funded FDI projects.

Of which, about 50% of projects were concentrated in the South, this number was 43% in the North and only 7% of projects chose the Central region as an investment location. In terms of investment registered capital, 77% of the total newly registered capital was concentrated in the South, 21% of the total newly registered capital in the North and in the Central region, this figure is only 2%. We can see that the scale of investment projects in the South is quite large compared to the other two regions. Big investors are attaching great importance to investing in provinces in the South. In which, the project of LEGO MANUFACTURING VIETNAM invested in building a factory in Binh Duong with a capital of over 1 billion USD is the biggest and most special project in the first 3 months of this year.

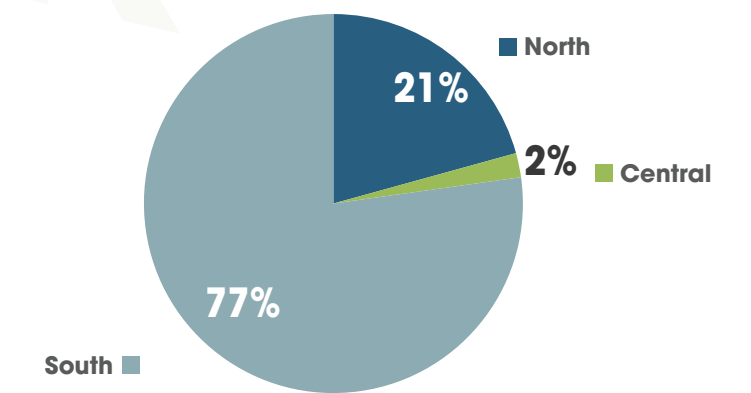
NEWLY REGISTERED FDI PROJECTS PER QUARTER



PROJECT ALLOCATION BY REGION (BY THE PROJECT QUANTITY)



PROJECT ALLOCATION BY REGION (BY TOTAL CAPITAL INVESTMENT)



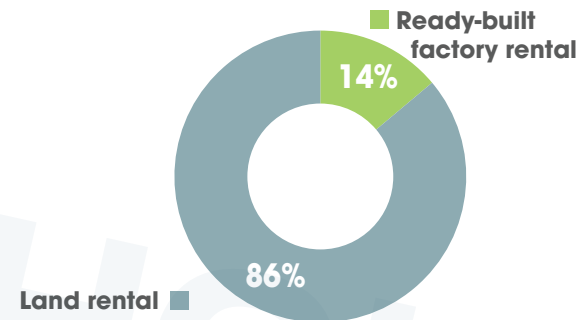
Source: HOUSELINK data

2. LAND LEASING PROJECTS STILL ACCOUNT FOR A LARGE PROPORTION

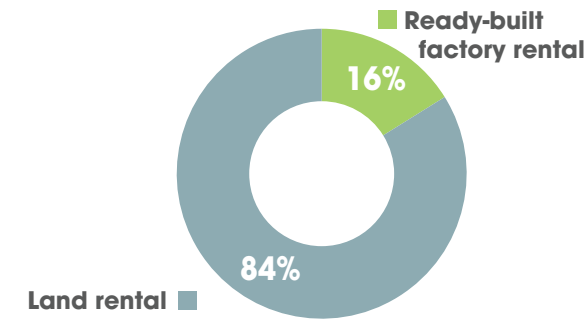
Although factory rental tended to increase in 2021, in the first 3 months of 2022, we see a slight decrease in the number of projects compared to the same period in 2021. Compared to Q4/2021, the number of factory leasing projects also recorded a decrease in both quantity and value of registered investment capital. This shows that investors still tend to rent land for construction mainly, requiring industrial park developers to diversify the types of factories as well as improve quality to attract more investment in this type, thereby improving the choice for customers in the industrial market of Vietnam.

Land lease projects are concentrated in the Northern and Southern regions. In which, we recorded a large amount of newly registered investment capital in the type of land lease concentrated in the South. Meanwhile, the number of land lease projects in the North is only slightly lower, but the volume of registered investment capital is much less than that of the South. Large-scale land lease projects are concentrated mostly in the southern provinces. Among them, the most prominent provinces can be mentioned as Binh Duong, Tay Ninh and Long An.

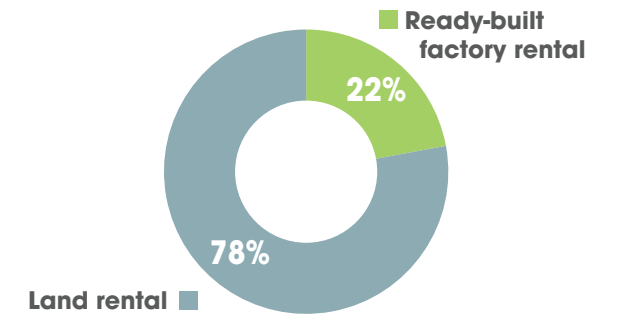
NEWLY REGISTERED INDUSTRIAL PROJECTS BY PROJECT QUANTITY IN Q1/2022



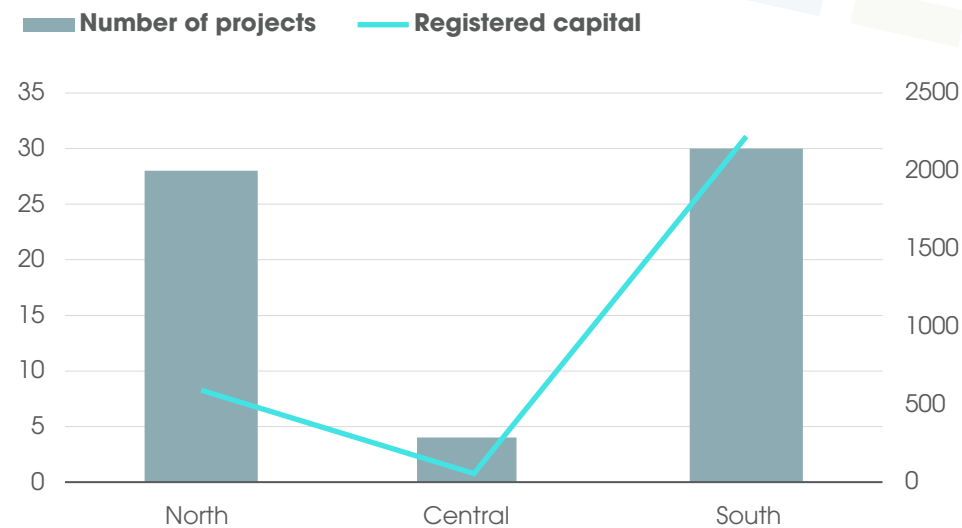
NEWLY REGISTERED INDUSTRIAL PROJECTS BY PROJECT QUANTITY IN Q1/2021



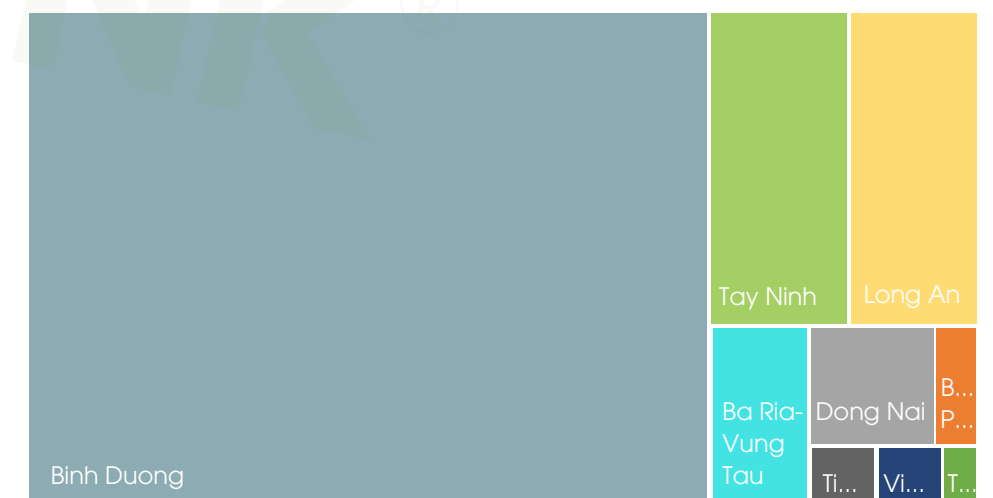
NEWLY REGISTERED INDUSTRIAL PROJECTS BY PROJECT QUANTITY IN Q4/2021



LAND LEASING INDUSTRIAL PROJECTS



TOP SOUTHERN PROVINCES ATTRACTING NEWLY REGISTERED INVESTMENT CAPITAL



Source: HOUSELINK data

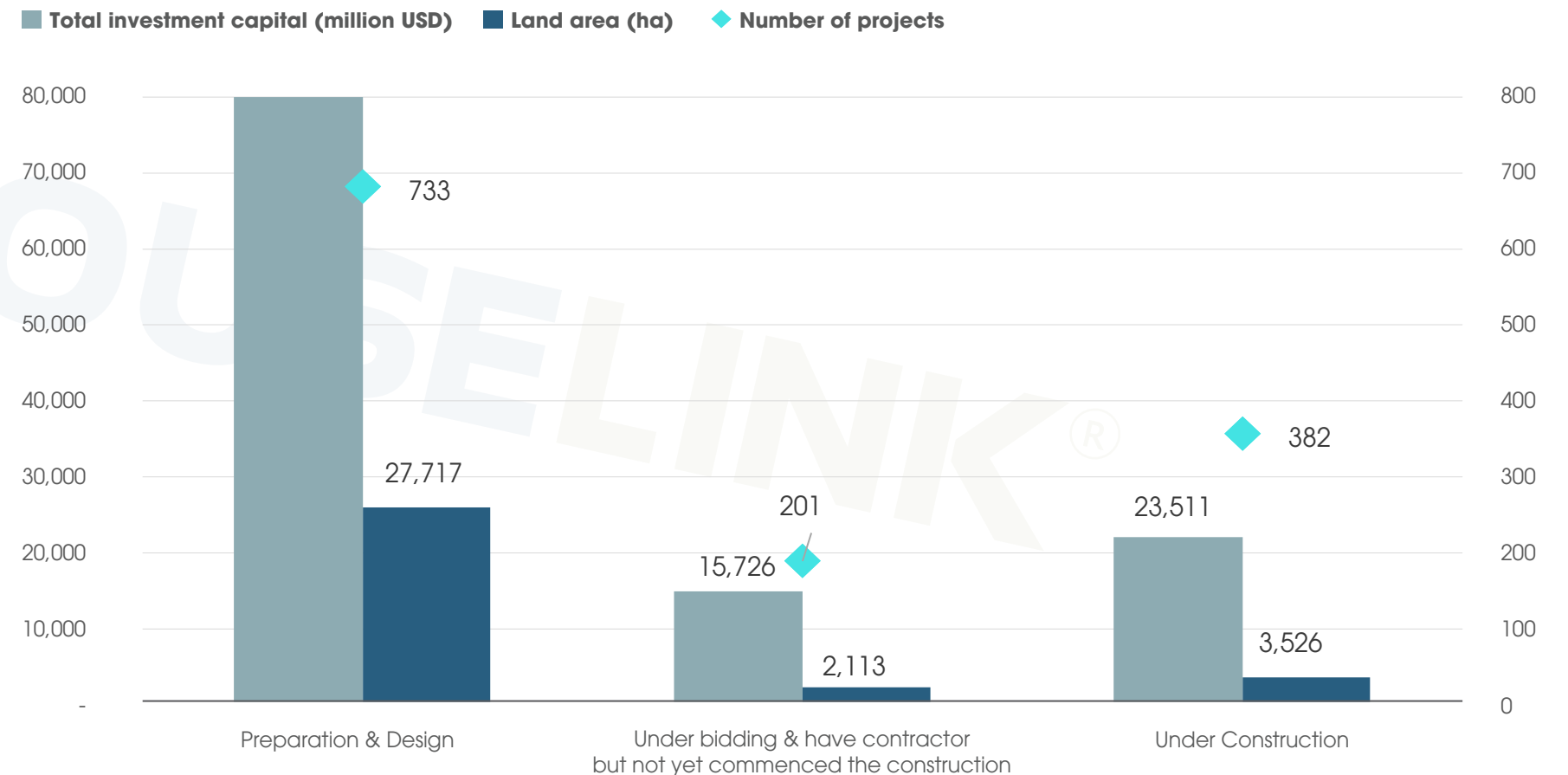
3. OVERVIEW OF THE IMPLEMENTATION OF VIETNAM'S INDUSTRIAL PROJECTS IN THE FIRST QUARTER OF 2022

Under-preparation projects take up a large amount as well as total investment.

Within the framework of the Report on the implementation of industrial projects in Vietnam in Q1/2022, HOUSELINK focuses on analyzing projects that are under preparation (project preparation, design, bidding, main contractor selection) and under construction projects based on the following criteria: Type of construction, Locality, Type of project, Type of investment in the first 3 months of 2022.

Projects in the preparation and design stages account for the largest amount and total investment among industrial projects. Due to the complicated situation of the epidemic in 2021, which greatly affects the project implementation, as well as investor's decision, investors are afraid to invest in project construction during the epidemic period. In particular, the problem related to the high price of energy and construction materials due to the influence of the Russia - Ukraine war and the blockade of some provinces by China due to the "Zero Covid" strategy will affect the overall costs and project implementation schedule, therefore, most projects are still in the preparation and design stage.

PROJECTS IN THE PREPARATION STAGE HAVE AN INCREASING LARGE INVESTMENT SCALE



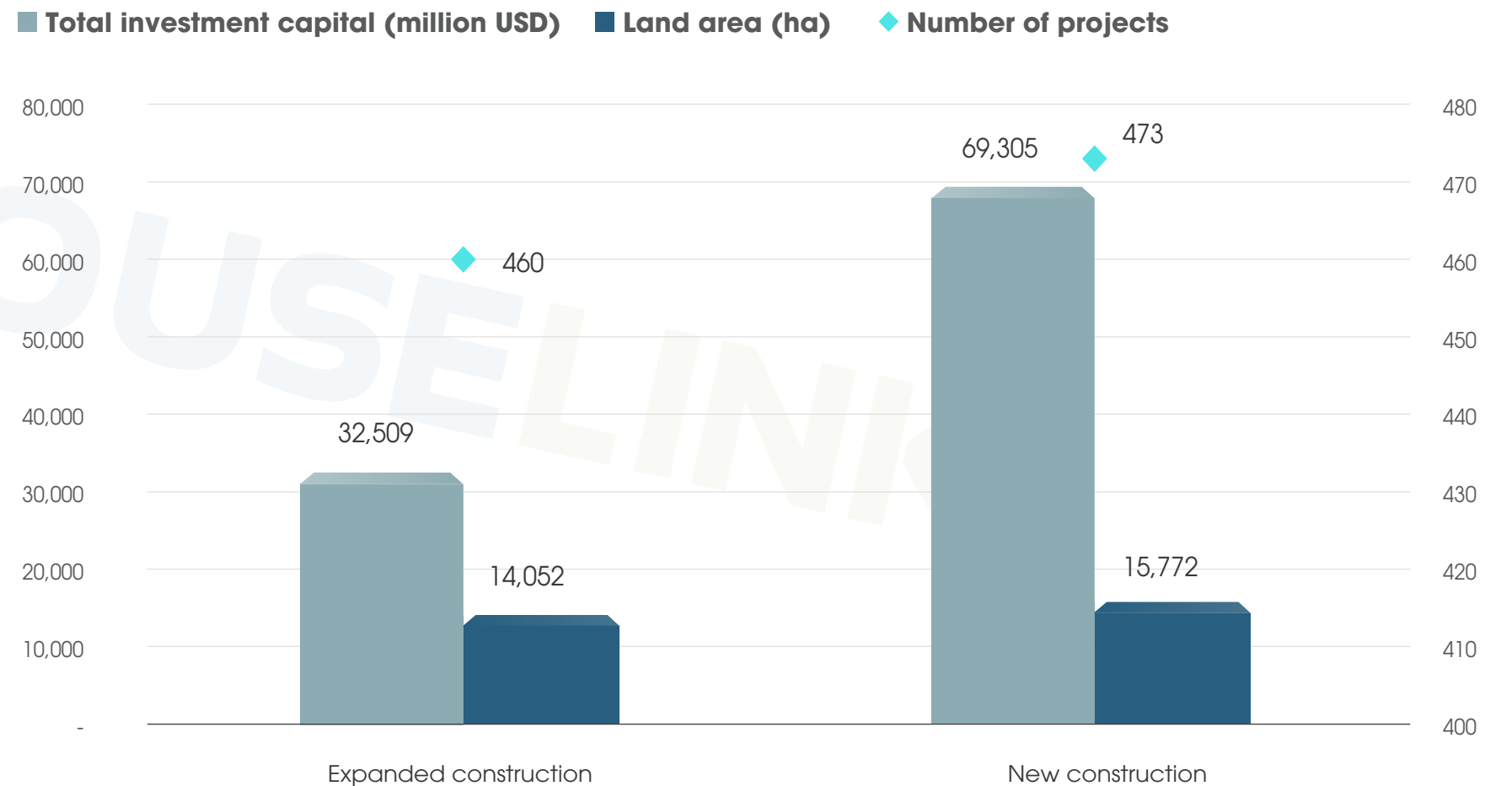
Source: HOUSELINK data

4. UNDER PREPARATION PROJECTS

a. New construction projects account for the majority in both quantity and scale of investment

HOUSELINK data shows that at the end of March 2022, expansion projects are quite small compared to new construction projects. Although the number of expansion projects of 460 is only slightly less than the number of 473 new construction projects, the size of investment capital is quite different (see more details in the chart below). This shows that the tendency of investors to expand production with not too large scale will continue to take place in the beginning of 2022. Besides, new construction projects have achieved great value in terms of quantity and size of investment. It can be seen that the new investment trend in large-scale projects is still on going in the Vietnamese market.

EXPANSION PROJECTS ARE QUITE SMALL COMPARED TO NEW CONSTRUCTION PROJECTS



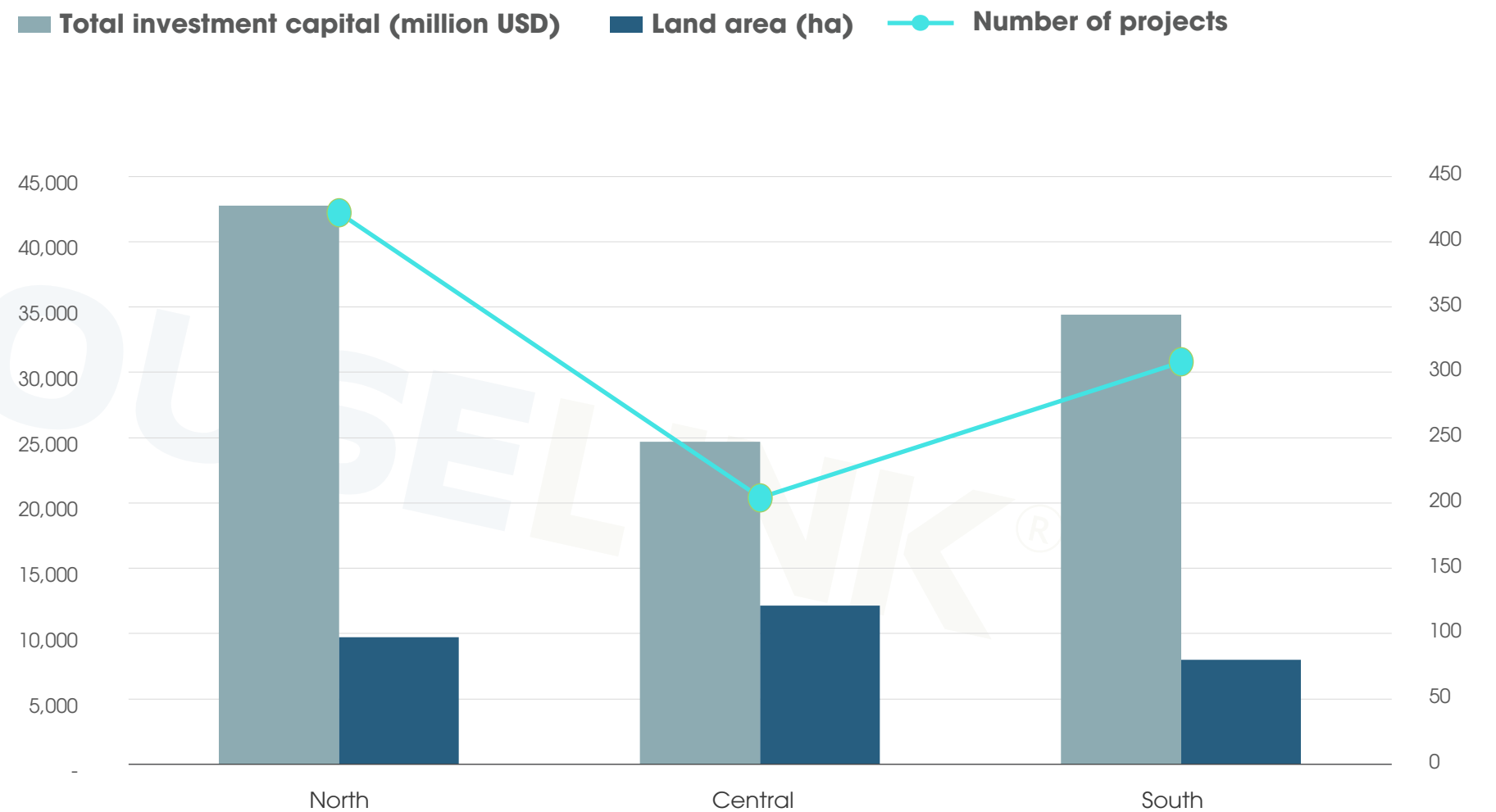
Source: HOUSELINK data

b. Each region has different development priorities for the future

Each region has different priorities for future development and attracts different types of investment capital. While the Northern provinces have a large number of projects in the fields of logistics centers, textiles, agriculture and food, these are also the top industries that attract a large number of investment projects in the Southern region. In the Central region, there are still mainly agricultural, food, energy and textile projects.

Domestic direct investment (DDI) is still the main source of development investment capital in the coming time, appearing in the top 5 largest investment forms in all 3 regions, of which especially accounting for 55% of total registered investment capital for under preparation projects in the Central region. The Northern region is attracting a large amount of FDI-USA investment capital, and in the South, FDI-DDI joint venture capital is still an investment trend (most notably FDI Denmark+DDI and FDI-USA+DDI).

PROJECTS IN THE NORTH ACCOUNT FOR THE MAJORITY IN TERMS OF BOTH THE NUMBER OF PROJECTS AND THE TOTAL INVESTMENT



Source: HOUSELINK data



The North

42.7 BILLION USD

422 PROJECTS

The Central

24.5 BILLION USD

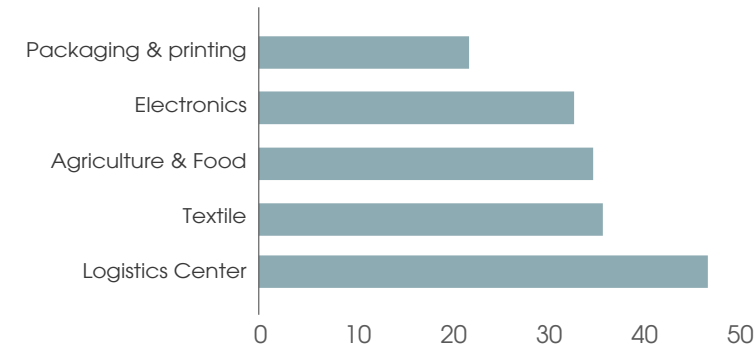
204 PROJECTS

The South

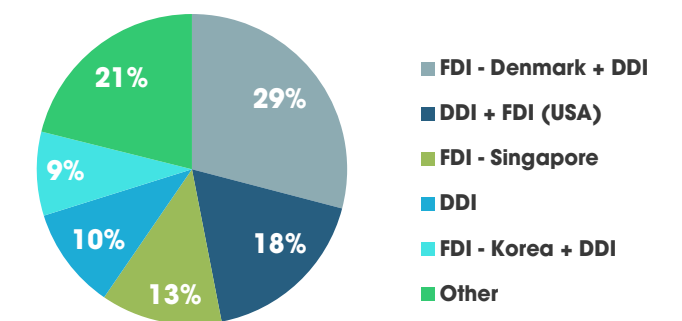
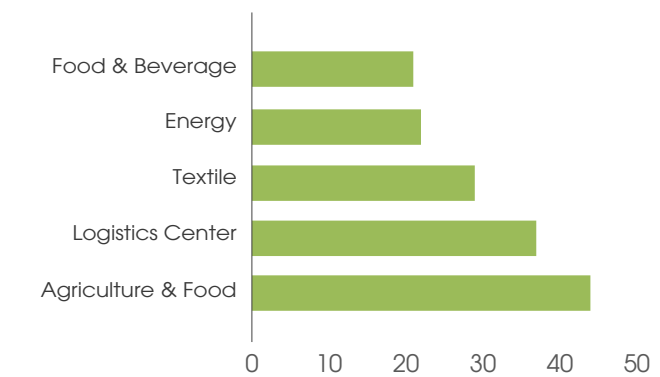
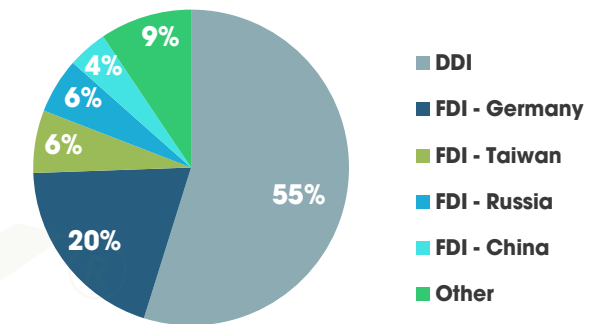
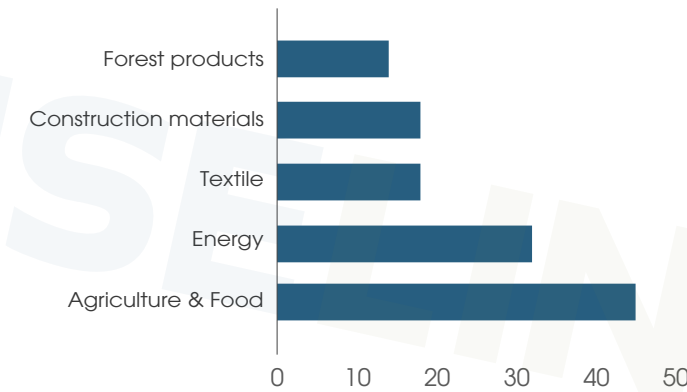
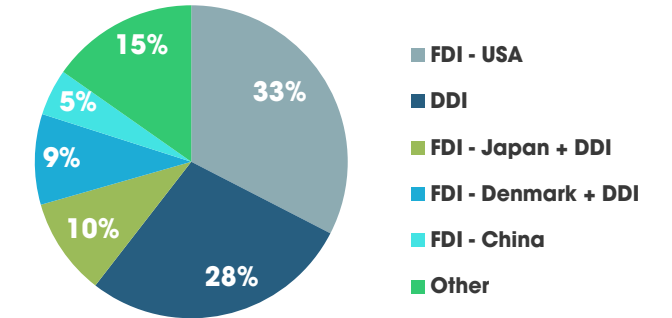
34.4 BILLION USD

308 PROJECTS

TOP 5 TYPES OF PROJECTS BY NUMBER OF PROJECTS



TYPE OF INVESTMENT BY VALUE (MILLIONS OF USD)



Source: HOUSELINK data

5. UNDER CONSTRUCTION INDUSTRIAL PROJECTS

a. Expanded construction projects are implemented with a large amount

As of the end of March 2022, 224 projects are expanding existing production scale, with a total investment value of nearly 10 billion USD and 1.84 thousand hectares of land area.

New construction includes 158 projects, with total investment capital and land area of 13 billion USD and about 1.7 thousand hectares, respectively.

This shows that expanded construction is being deployed a lot and is the development trend of the industrial construction segment in the coming time. New construction projects with no experience in project implementation in Vietnam may take longer than expanded construction projects.

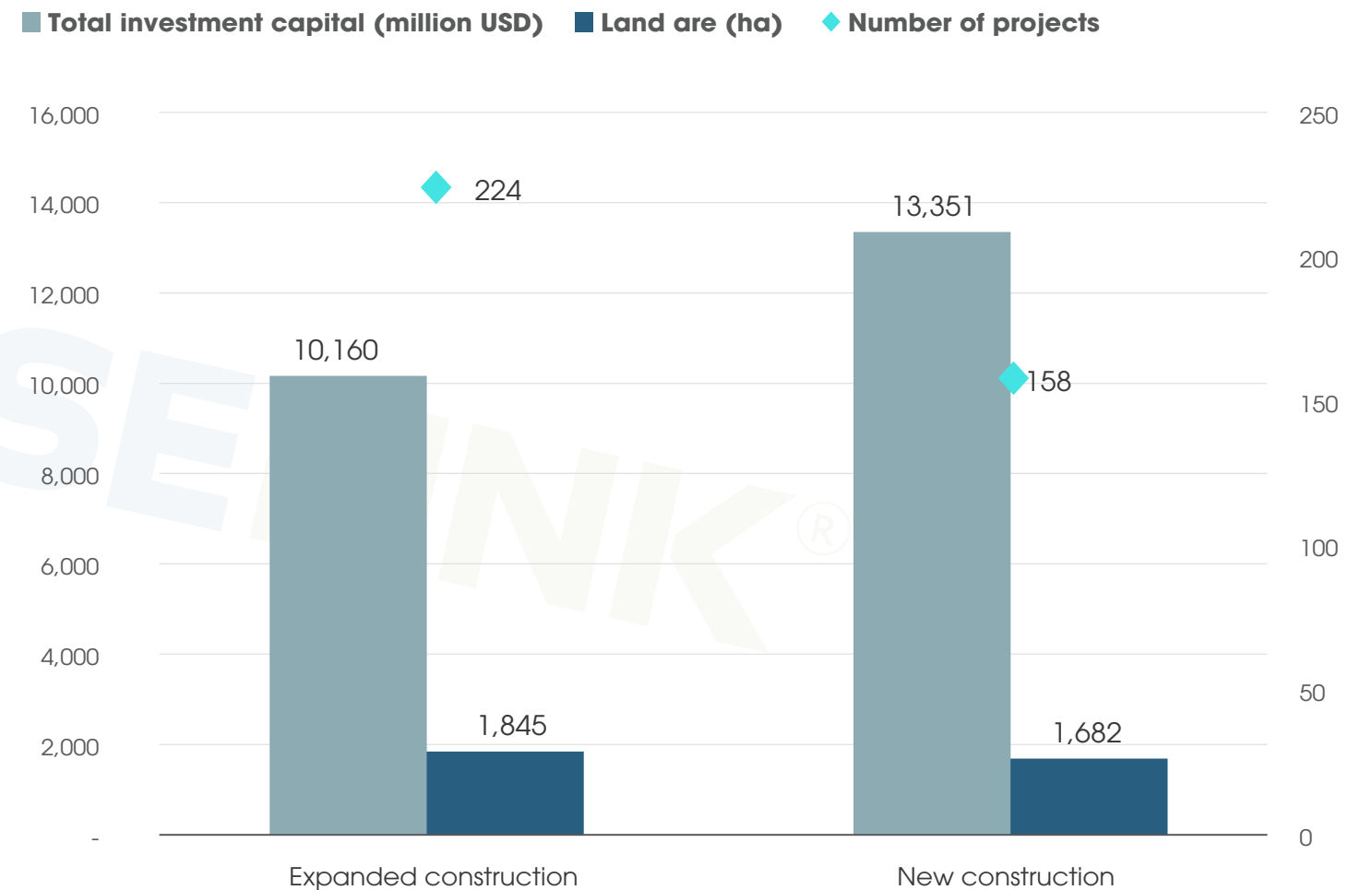
b. Accelerating construction activities in the Northern region

HOUSELINK data shows that at the end of March 2022, the number of under construction projects in the Northern region accounts for the majority with a total investment of about 9.1 billion USD. The number of projects in the South is less than the North in terms of both investment value and number of implemented projects. But in the Central region, although the number of implemented projects is the smallest in the three regions, the total investment of these projects is the largest due to the gathering of many energy projects.

In the North, many electronic projects, logistics centers or electrical equipment are being deployed. In the Central region, textiles, agriculture & food, and energy are the three projects that are being deployed the most. In the South, logistics, agriculture & food, textile and garment center projects account for the majority of under construction projects.

Besides, the form of domestic direct investment (DDI) is the type of investment that accounts for the largest market share among the under construction projects. In the North and the South, there are similarities when in addition to DDI projects, FDI-China projects are also being implemented a lot. In the Central region, following DDI projects, FDI-Japan projects and FDI-Korea+DDI joint venture projects are also being urgently deployed.

EXPANDED CONSTRUCTION PROJECTS HAVE A LARGER VOLUME OF DEPLOYED PROJECTS



Source: HOUSELINK data



The North

9.1 BILLION USD

186 PROJECTS

The Central

10.2 BILLION USD

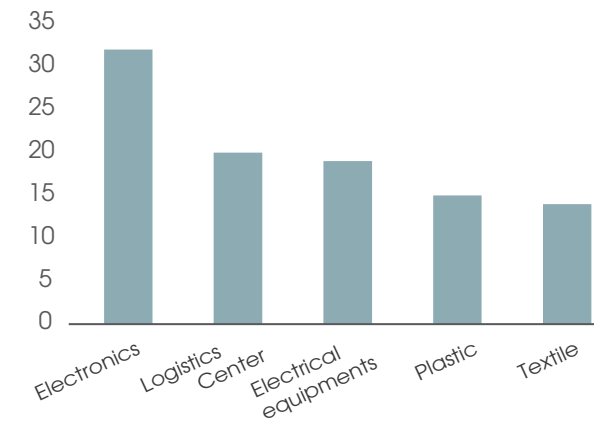
46 PROJECTS

The South

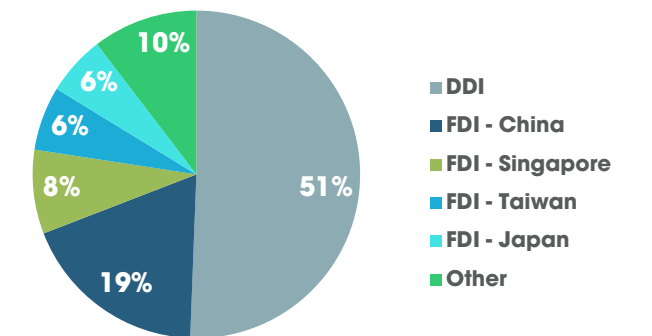
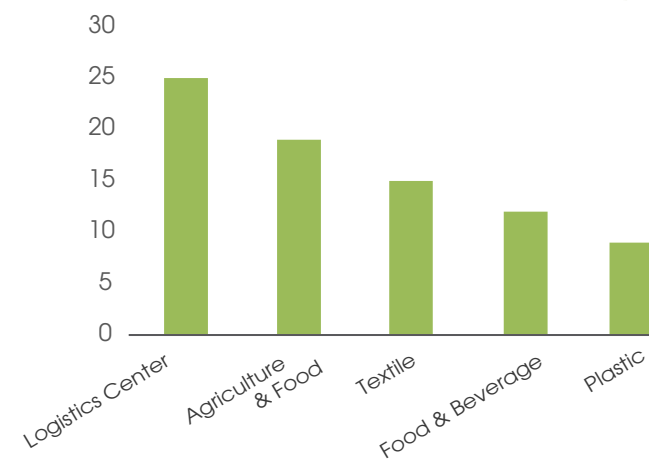
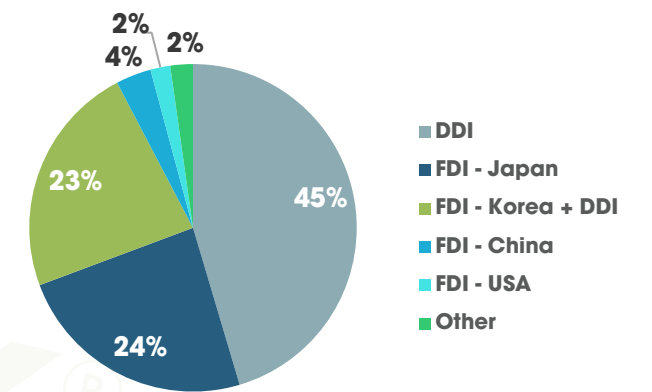
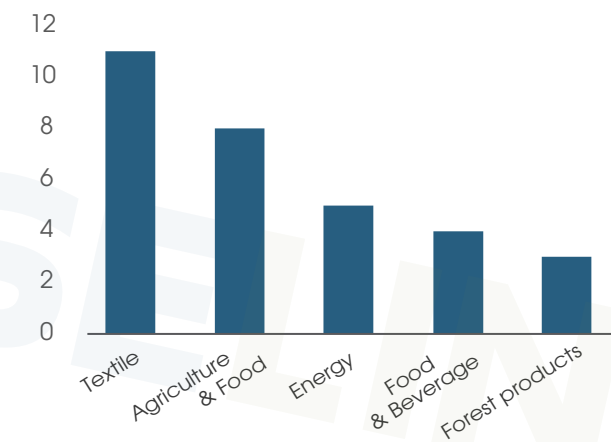
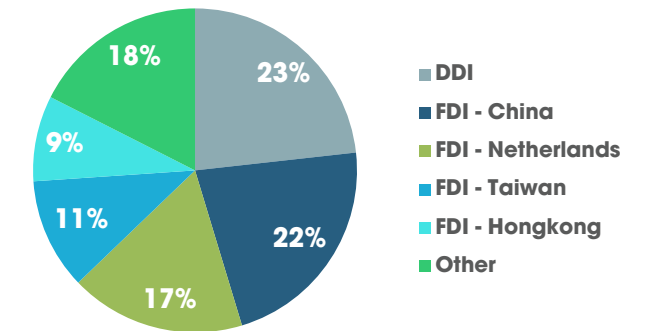
4.1 BILLION USD

150 PROJECTS

TOP 5 TYPES OF PROJECTS BY NUMBER OF PROJECTS



TYPE OF INVESTMENT BY VALUE (MILLIONS OF USD)



Source: HOUSELINK data

6. SOME TYPICAL PROJECTS



Project [THAI TUAN FABRIC MANUFACTURER](#)
 Project type **Garment**
 Scale **2156 ton**
 Location **Vietnam**
 Investor **Thai Tuan**
 Contractor [ATAD STEEL STRUCTURE CORPORATION](#)
 Contact **+84 28 3926 0666**
sales@atad.vn



Project [PLASTICS MANUFACTURING PLANT](#)
 Investment type **Private Enterprise**
 Project type **Industrial Project - Factory**
 Scale **30,000 m2**
 Location **Hai Son Industrial Park, Duc Hoa Ha Commune, Duc Hoa District, Long An Province, Vietnam**
 Contractor [PEB STEEL BUILDINGS CO., LTD.](#)
 Contact **marketing@pebsteel.com.vn**



Project [BROTEXT FACETORY \(PHASE 3\)](#)
 Project type **Contact**
 Scale **2795 ton**
 Location **Vietnam**
 Investor **Brotex**
 Contractor [ATAD STEEL STRUCTURE CORPORATION](#)
 Contact **+84 28 3926 0666**
sales@atad.vn

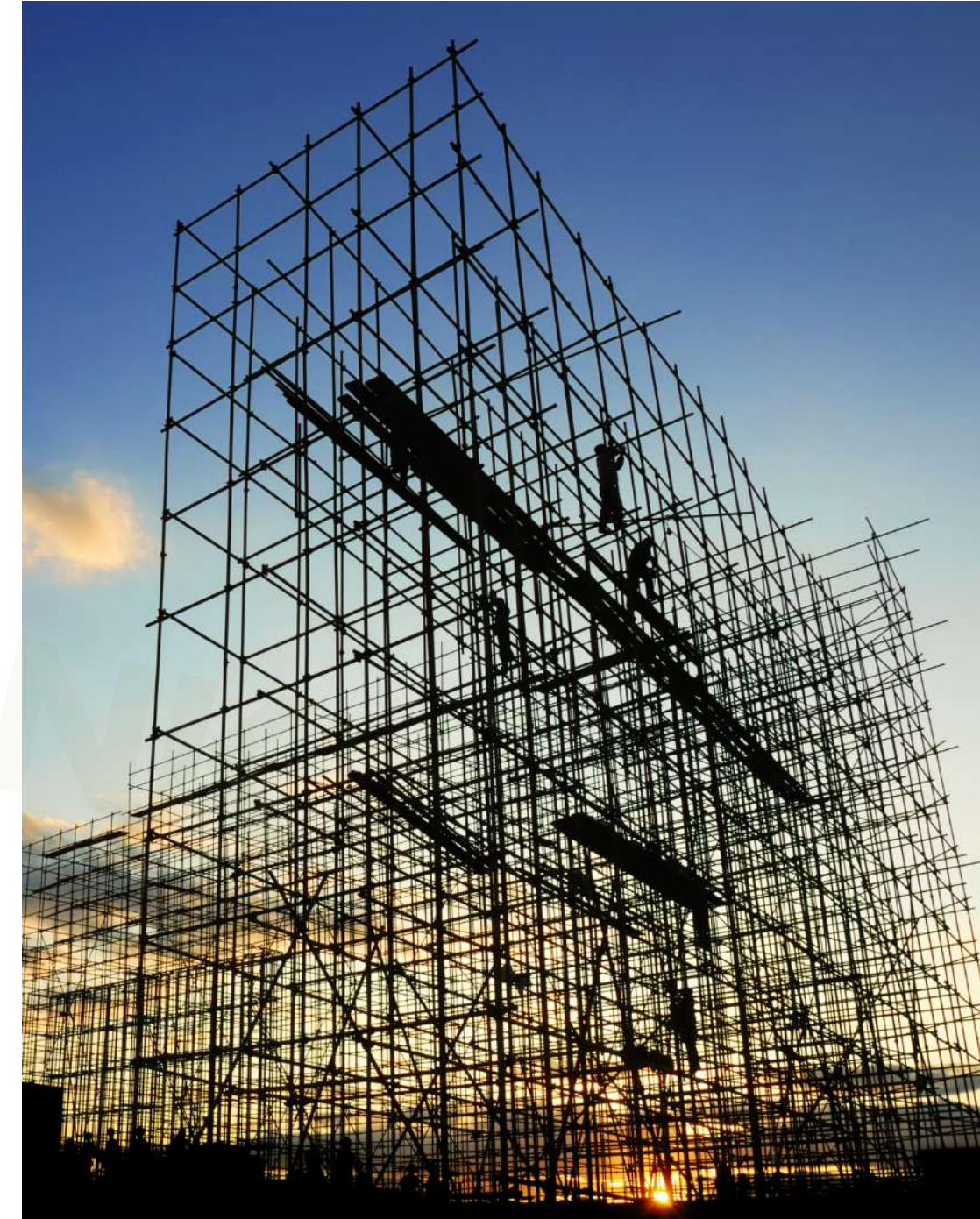


Project [LOGISTICS DISTRIBUTION CENTER \(HUNG YEN\)](#)
 Investment type **FDI**
 Project type **Industrial Project - Factory**
 Scale **29,000 m2**
 Location **Yen My Industrial Park, Yen My District, Hung Yen Province, Vietnam**
 Contractor [PEB STEEL BUILDINGS CO., LTD.](#)
 Contact **marketing@pebsteel.com.vn**

III.
TOP 10 NEWLY REGISTERED
INDUSTRIAL CONSTRUCTION PROJECTS
IN Q1/2022 BY VALUE OF REGISTERED
INVESTMENT CAPITAL

TOP 10 NEWLY REGISTERED INDUSTRIAL CONSTRUCTION PROJECTS IN Q1/2022 BY VALUE OF REGISTERED INVESTMENT CAPITAL

1. LEGO MANUFACTURING VIETNAM PROJECT
2. LOUVRE HIGH-END FABRIC PROJECT
3. COCA-COLA VIETNAM PROJECT IN LONG AN
4. BW BAU BANG INDUSTRIAL DEVELOPMENT PROJECT 06
5. BW BAU BANG INDUSTRIAL DEVELOPMENT PROJECT 05
6. SONG HAU WIND POWER PLANT PROJECT
7. SHINKONG VIETNAM FACTORY PROJECT
8. OJITEX HAI PHONG FACTORY PROJECT IN VINH PHUC
9. BAC GIANG LOGISTICS CENTER PROJECT 2
10. BAC GIANG LOGISTICS CENTER PROJECT 1



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Data:

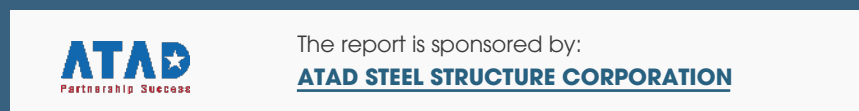
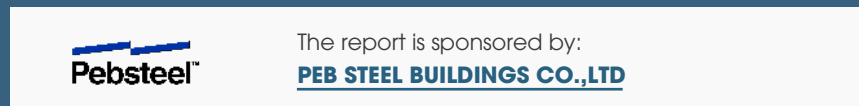
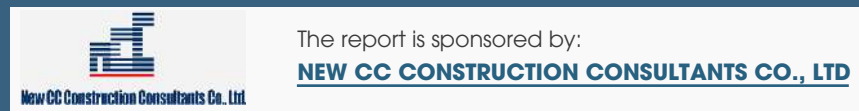
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(Data Manager)
Ha Thi Huong Giang
(Market Research Specialist)
Dao Thu Giang
(Business Consultant Executive)

Report presentation:

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