

# REPORT OF

## INDUSTRIAL PARK INFRASTRUCTURE DEVELOPMENT IN VIETNAM AND KEY INVESTMENT ATTRACTION

***FIRST 5 MONTHS OF 2024***

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Colorbond® Steel



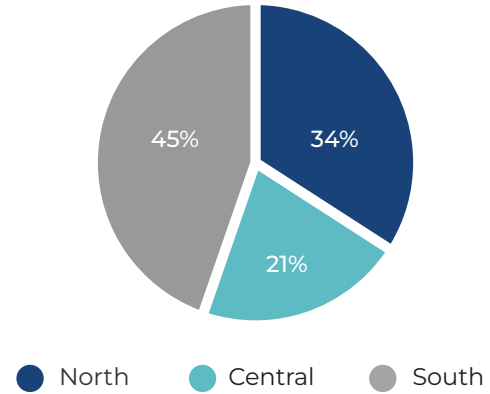
# I. OVERVIEW OF INDUSTRIAL PARKS' INFRASTRUCTURE IN VIETNAM

## OVERVIEW OF THE CURRENT STATUS OF OPERATING INDUSTRIAL PARKS

“Currently, there are approximately 429 operating Industrial parks in Vietnam with a total planned industrial land area of about 142,162 hectares, distributed across various regions with the majority concentrated in the northern and southern areas.”

“Information about the Industrial parks is compiled and updated in the HOUSELINK database, in which expanded Industrial parks are considered new Industrial parks.”

► Allocation of Industrial Park's quantity by region



Source: HOUSELINK Research

Total

~ 429

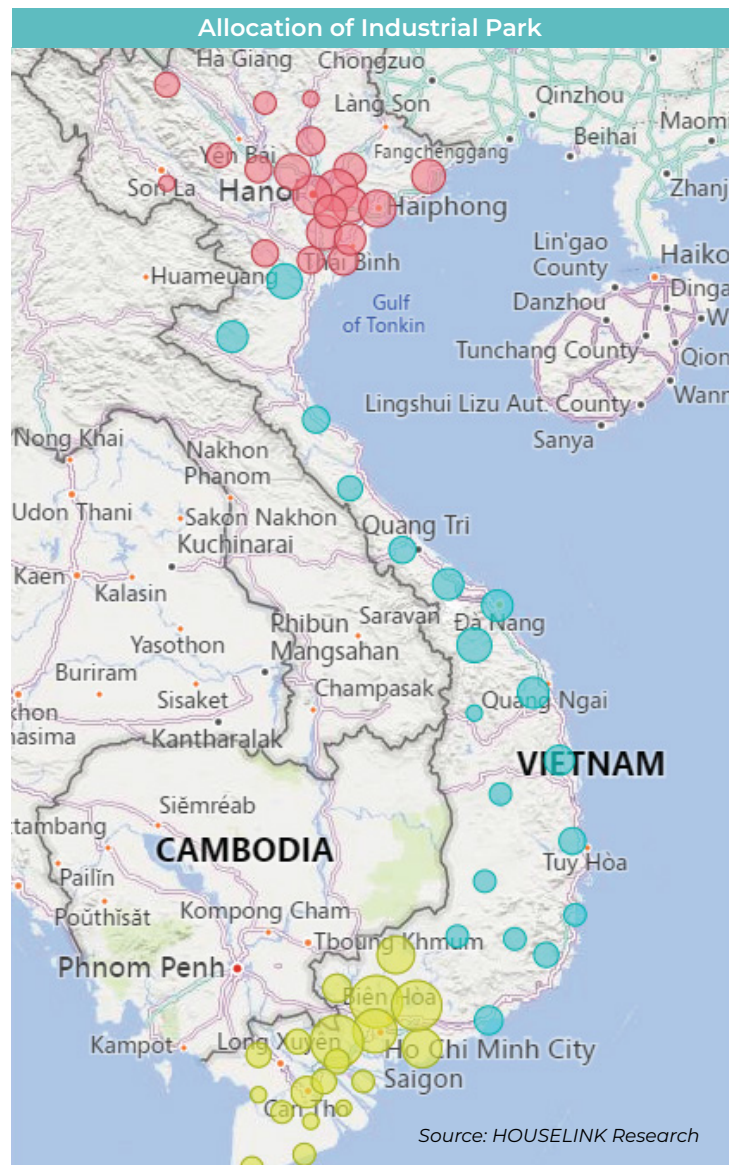
Operating industrial parks

Total planned industrial land area

142,162 HA

Total industrial vacant land area

~24,317 HA



Number of industrial parks with available land

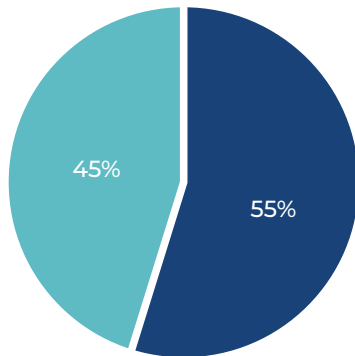
~204

Industrial Parks

Area of industrial land already in use

~54.276 HA

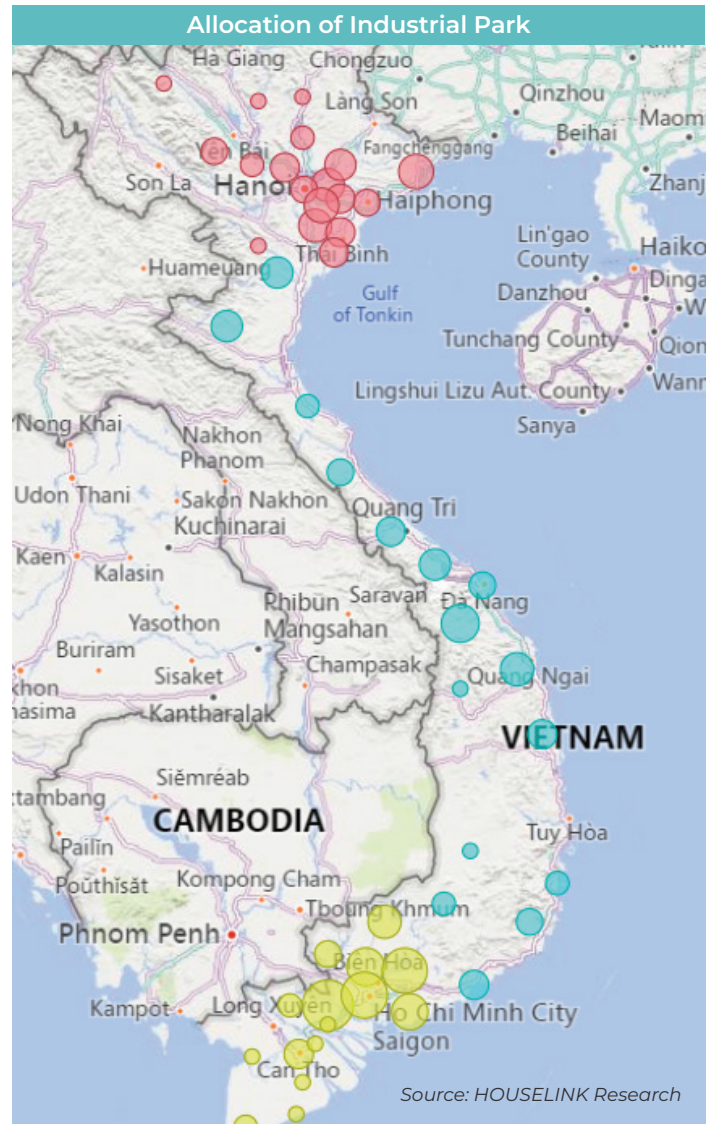
► RBF, warehouses for rent



● Have RBF, warehouse for rent

● No

Source: HOUSELINK Research

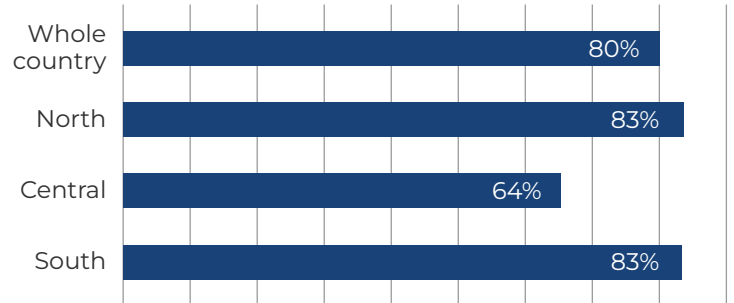


## I OCCUPANCY RATE

Based on a survey of 267 operating Industrial parks, the average occupancy rate of Industrial parks nationwide is about 80%. Of these, 48% are fully occupied, 28% have an occupancy rate above 75%, and 24% have an occupancy rate below 75%.

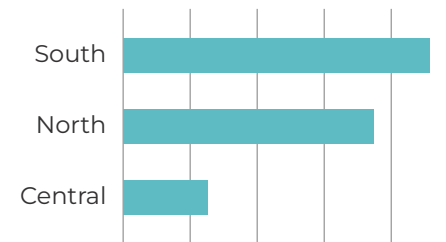
When considering individual regions, the northern and southern regions have a high average occupancy rate, both exceeding 83%. The average occupancy rate in the central region is just over 64%.

### ► The average of occupancy rate of Industrial Parks



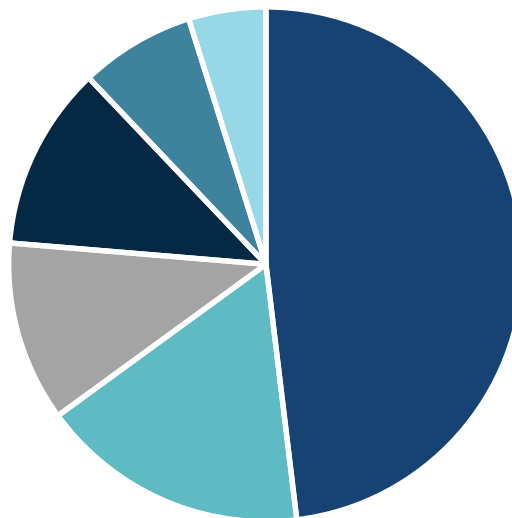
Source: HOUSELINK Research

### ► Allocation of fully occupancy rate of Industrial Park by region



Source: HOUSELINK Research

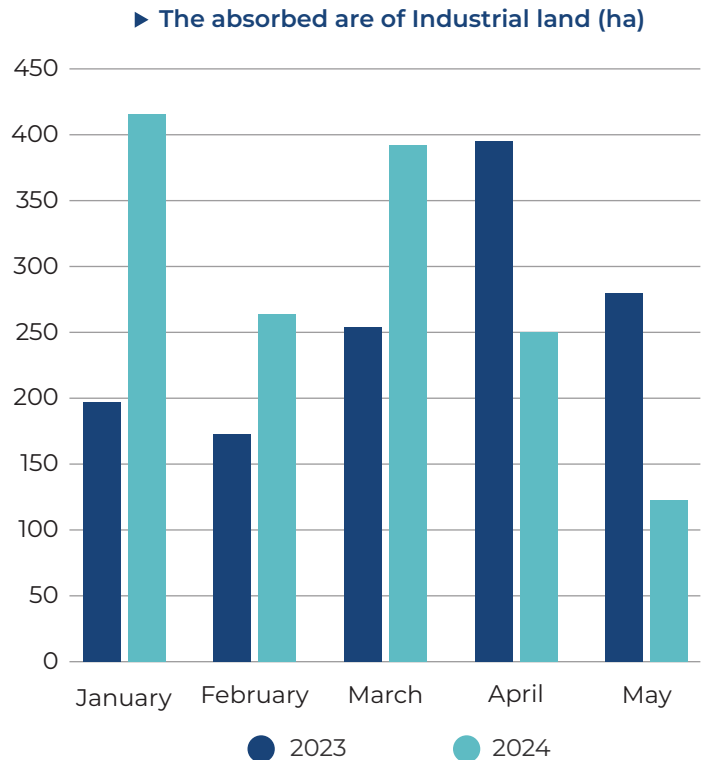
### ► The occupancy rate of Industrial Parks



● 100% ● 75-90% ● 50-75% ● 90-99% ● 25-50% ● <25%

Source: HOUSELINK Research

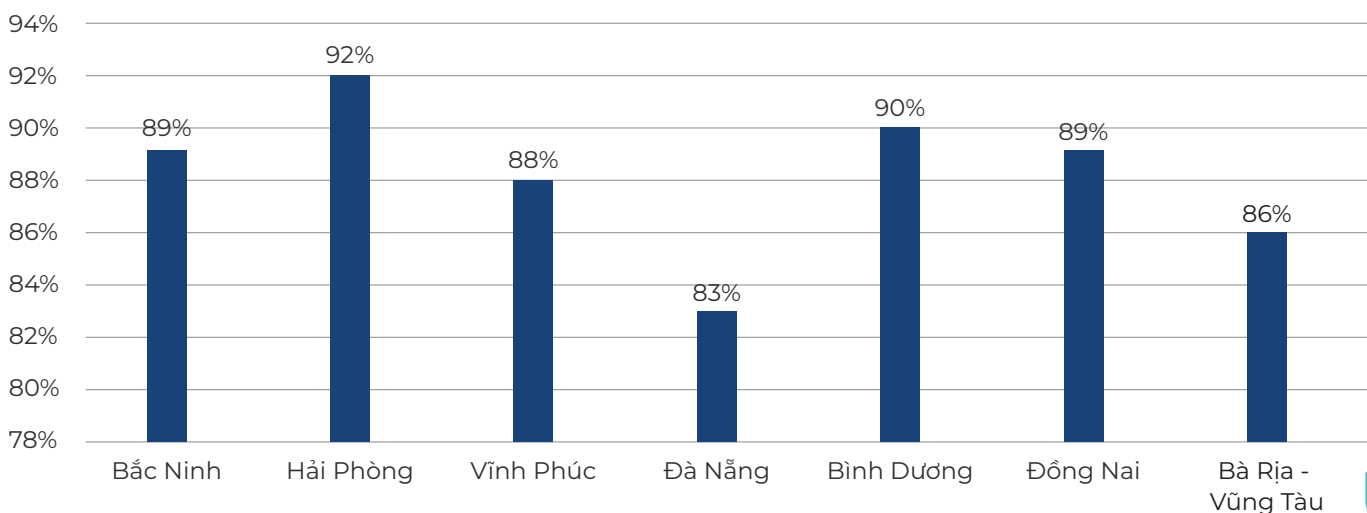
Based on HOUSELINK system data as of the end of May 2024, the absorption rate of industrial land showed a decreasing trend during April and May compared to the early months of the year. In the first three months of 2024, the growth rate of absorbed industrial land increased by more than 70% compared to the same period the previous year, with a significant surge in January. However, by April and May, the absorption rate of industrial land began to decline. Notably, in May 2024, the absorbed industrial land area was about 124.4 hectares, a 55% decrease compared to May 2023. Nonetheless, the overall land absorption for the first five months of 2024 showed considerable growth compared to the same period in 2023. Cumulatively, from January to May, the absorbed industrial land area in the first five months of 2024 was 12% higher than the same period the previous year.



Source: HOUSELINK Research

In the northern region, the highest industrial parks occupancy rate was recorded in Hai Phong at 92%, followed by Bac Ninh at about 89% and Vinh Phuc at around 88%. In the southern region, the occupancy rates in three key provinces are as follows: Binh Duong at 90%, Dong Nai at around 89%, and Long An at approximately 86%. The high occupancy rates in these key southern provinces are attributed to their advantageous locations near major ports. In the central region, the average occupancy rate in Da Nang is 83%.

► The average of occupancy rate of Industrial Parks in some key provinces



Source: HOUSELINK Research



# II.

## INDUSTRIAL PARKS' INFRASTRUCTURE

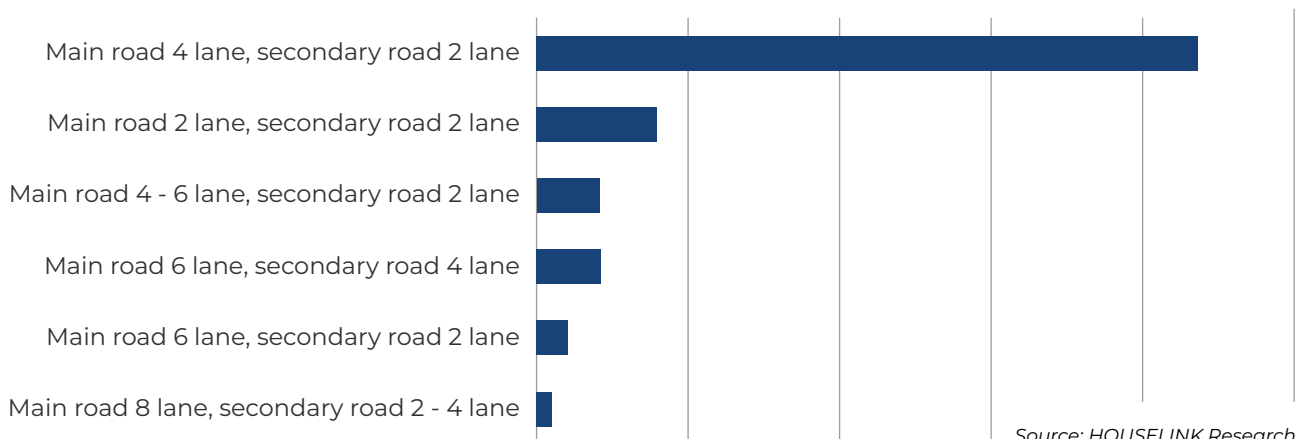
## TECHNICAL INFRASTRUCTURE

### Transportation Infrastructure

#### Internal Transportation

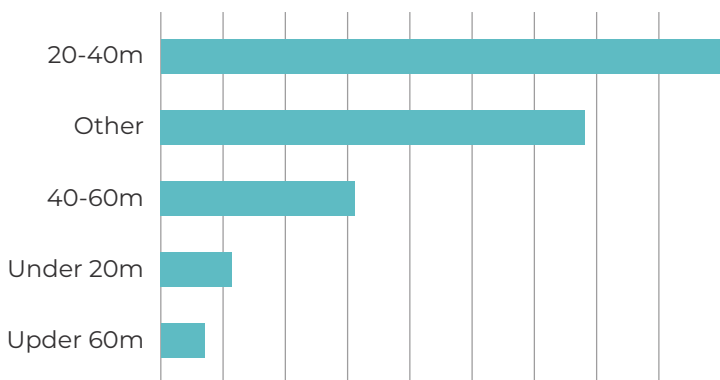
According to our survey on the internal transportation infrastructure of Industrial parks nationwide, so far, the basic internal transportation infrastructure of Industrial parks largely meets the standard design criteria for internal transportation infrastructure within the zones. As such, most Industrial parks are constructing main roads with 4 lanes and secondary roads with 2 lanes. Following this, main roads with 2 lanes and secondary roads with 2 lanes are also common. Other road categories have a relatively lower proportion.

► Internal lane group

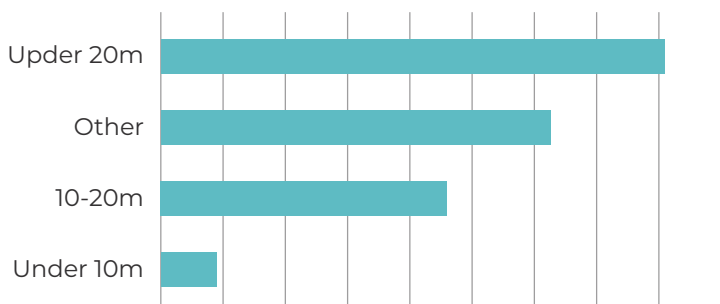


Source: HOUSELINK Research

► Width of main road in Industrial Parks



► Width of secondary road in Industrial Parks

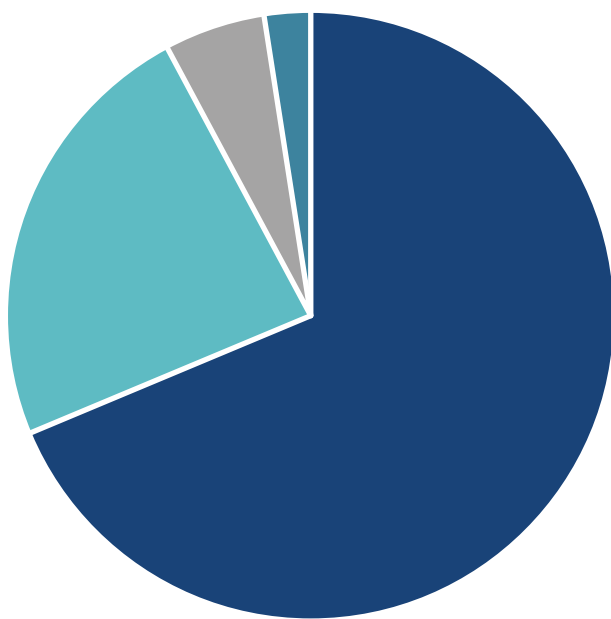


The width of the main road ranges from 20 to 40 meters and is predominantly used in the majority of Industrial parks. This dimension is suitable, providing favorable conditions for movement within the Industrial parks. Regarding the size of secondary roads, most of them are built with a width of over 20 meters, meeting the standard for car lanes in Vietnam. Overall, the internal transportation systems of Industrial parks are basically completed, meeting the internal movement needs within the Industrial parks.

Source: HOUSELINK Research

Connectivity Transportation

Vietnam is placing significant emphasis on investing in infrastructure development, particularly in transportation infrastructure. A major advantage of domestic Industrial parks currently lies in their connectivity transportation infrastructure. Up to 67% of Industrial parks are developed adjacent to national highways. These are vital trade routes, convenient for the transportation of goods, contributing to facilitating logistics operations for businesses within the Industrial parks. Especially with the ongoing improvement of the highway system such as the North-South expressways connecting the country lengthwise and coastal roads, they are contributing to the promotion of industrial development specifically and the economy in general in the provinces and cities through which these roads pass.



► Road near the Industrial Parks

- National highway
- Provincial highway
- Expressway
- National highway, Provincial highway
- National highway, Expressway

Source: HOUSELINK Research

• **Electricity Infrastructure**

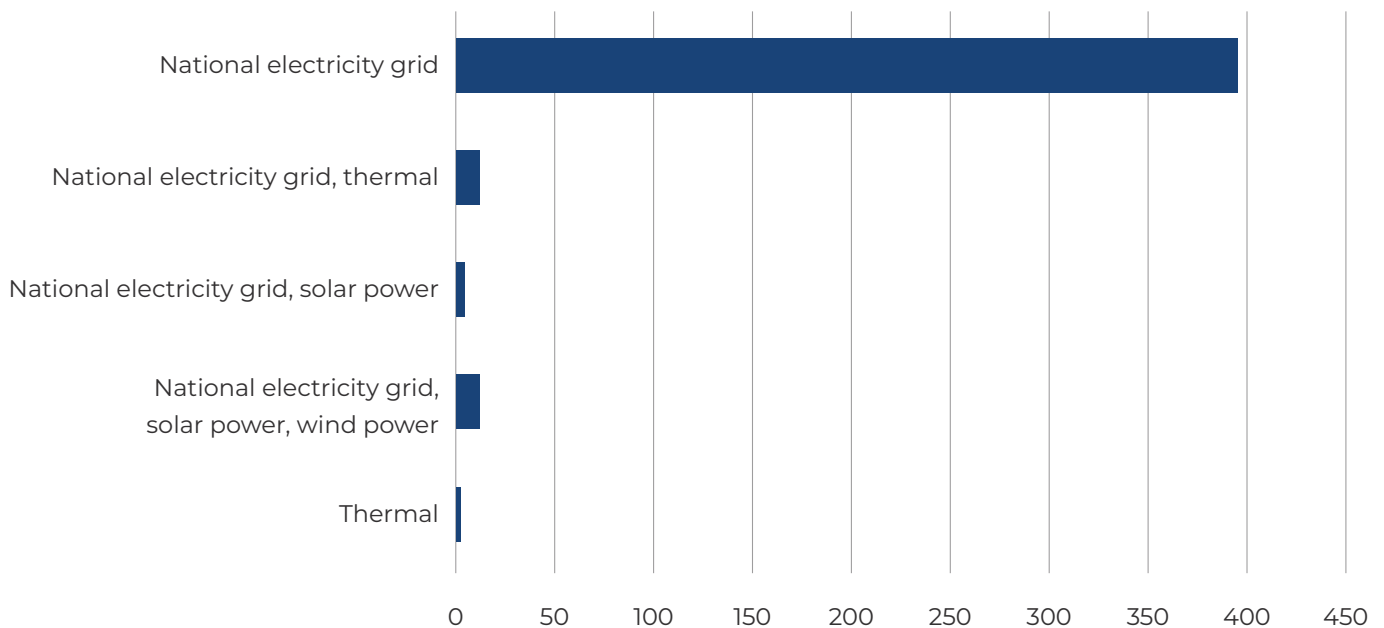
Most Industrial parks currently primarily rely on the national grid for electricity supply. Additionally, some zones combine the national grid with other sources such as thermal power, solar power, and wind power. According to our data, nearly 50% of Industrial parks have installed rooftop solar power systems in their factories. This indicates that investors are increasingly focusing on using renewable energy sources to gradually replace reliance on the national grid, aiming towards green production standards and green Industrial parks.

► Electric source



Source: HOUSELINK Research

► Electric source



Source: HOUSELINK Research

## | SOCIAL INFRASTRUCTURE

In this section, we categorize the distance from Industrial parks to social infrastructure facilities according to the following criteria:

### For the distance to residential areas:

Group 1: <1 km

Group 2: 1km – 5km

Group 3: >5km

### For the distance to other social infrastructures:

Group 1: Within the industrial park

Group 2: Below 1 km

Group 3: 1 - 3 km

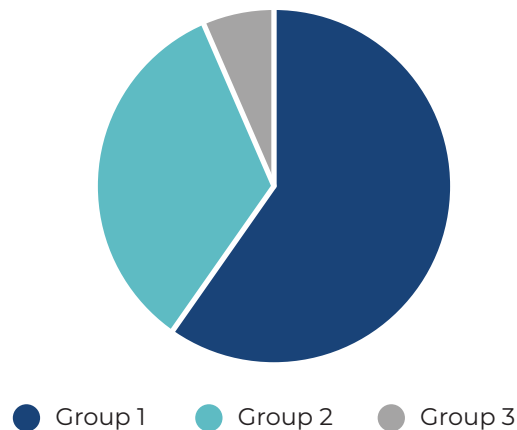
Group 4: 3 - 5 km

Group 5: 5 - 15 km

### • Distance to residential areas

According to the survey conducted by HOUSELINK, approximately 60% of Industrial parks are located very close to residential areas. Particularly notable are provinces and cities such as Bac Ninh, Binh Duong, Dong Nai, Hanoi, and Ho Chi Minh City, where nearly 100% of Industrial parks are situated very close to residential areas. This is one of the favorable conditions for attracting investors as well as laborers.

► Distance to residential area group

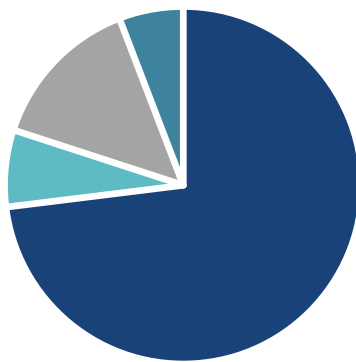


Source: HOUSELINK Research

• Other social infrastructures

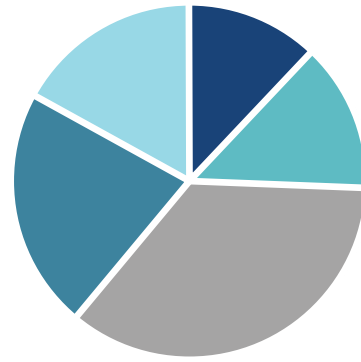
Infrastructure facilities are being significantly improved as services such as supermarkets, hospitals, customs offices, and fire departments are being arranged quite close to Industrial parks. Moreover, some zones are even constructing these infrastructure facilities within the zone itself. This creates favorable conditions for attracting and ensuring the daily living standards of laborers.

► Fire fighting and prevention service



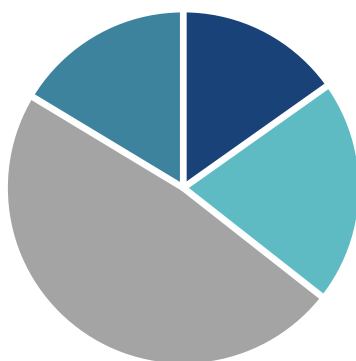
- Group 1
- Group 2
- Group 3
- Group 4

► Hospital



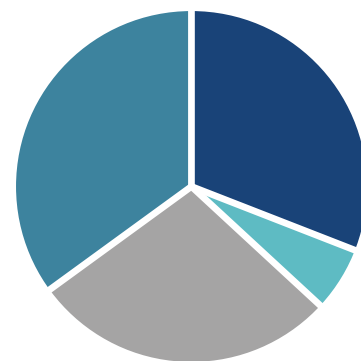
- Group 1
- Group 2
- Group 3
- Group 4
- Group 5

► Supermarket



- Group 1
- Group 2
- Group 3
- Group 4

► Custom



- Group 1
- Group 2
- Group 3
- Group 4
- Group 5

Source: HOUSELINK Research

# III.

## TRENDS IN RENTAL PRICES FOR VARIOUS TYPES OF INDUSTRIAL REAL ESTATE

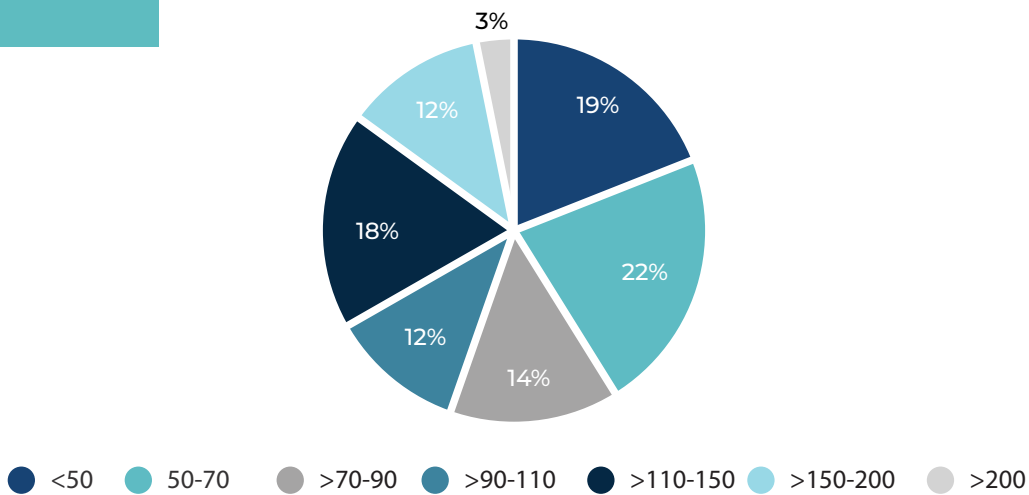
## RENTAL PRICES FOR LAND AND FACTORY

### Land lease prices

Based on a successful survey of 267 Industrial parks, compared to the end of 2023, we have observed clear differences in rental price ranges for land in the second quarter of 2024, especially in higher rental price ranges. While at the end of 2023, Industrial parks mainly fell within rental price ranges of  $\leq 50$  USD/m<sup>2</sup>/lease term, 50-70 USD/m<sup>2</sup>/lease term, and 70-90 USD/m<sup>2</sup>/lease term (comprising 62% of the total number of Industrial parks), by the second quarter of 2024, the rental price range of  $\leq 50$  USD/m<sup>2</sup>/lease term has significantly decreased (by 7% compared to the end of 2023). Instead, the rental price range of  $>150-200$  USD/m<sup>2</sup>/lease term has shown an increasing trend (up by 4% compared to the end of 2023).

The second quarter  
of 2024

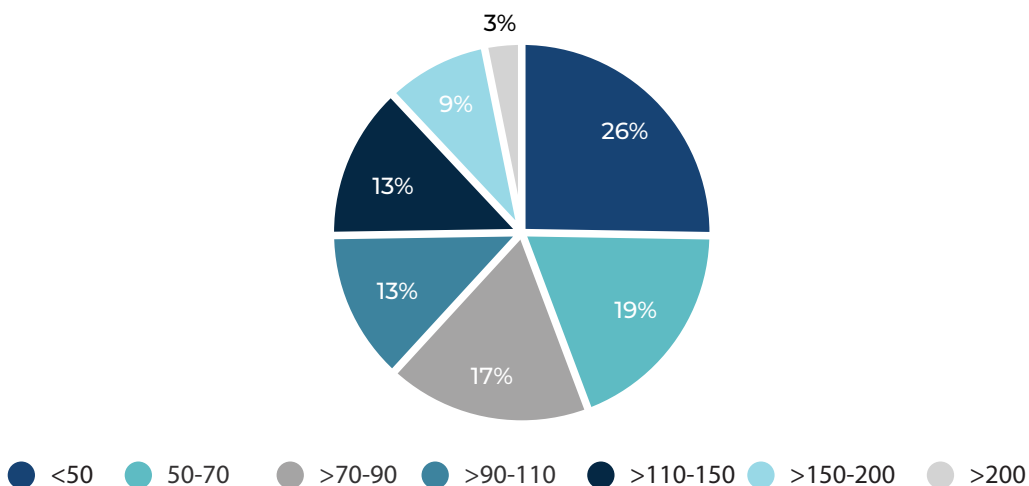
Land rental price (USD/m<sup>2</sup>/lease cycle)



Source: HOUSELINK Research

Year of 2023

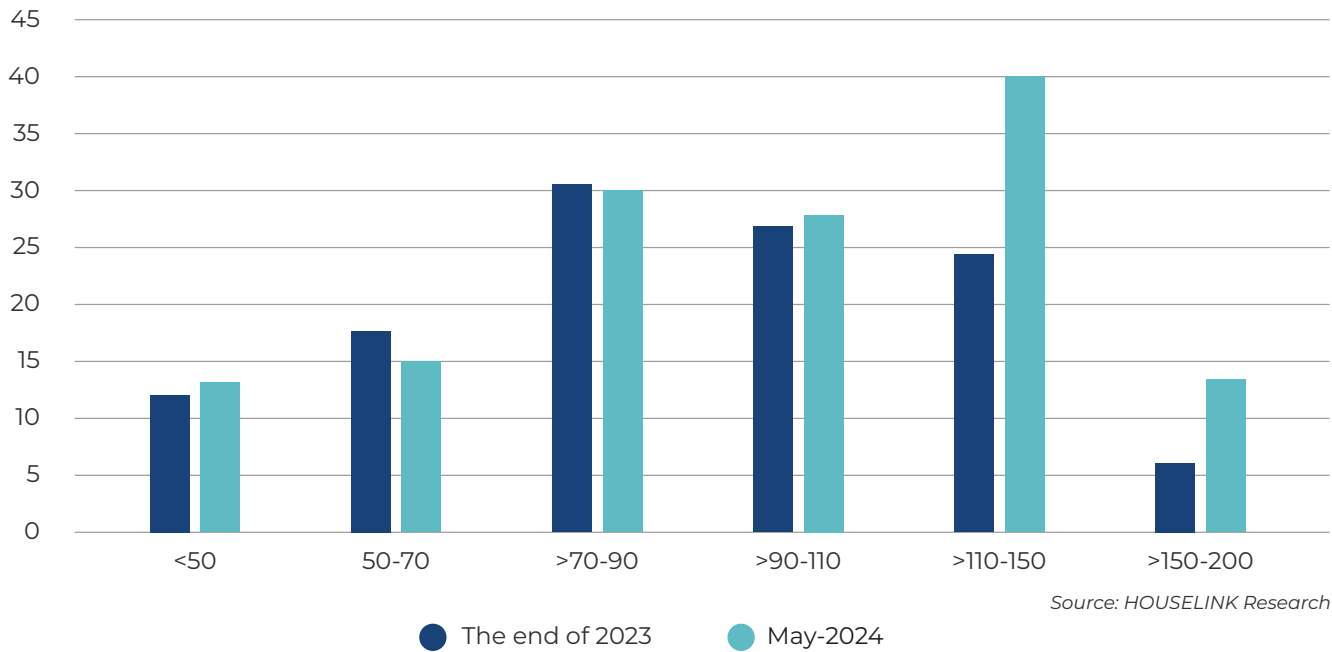
Land rental price (USD/m<sup>2</sup>/lease cycle)



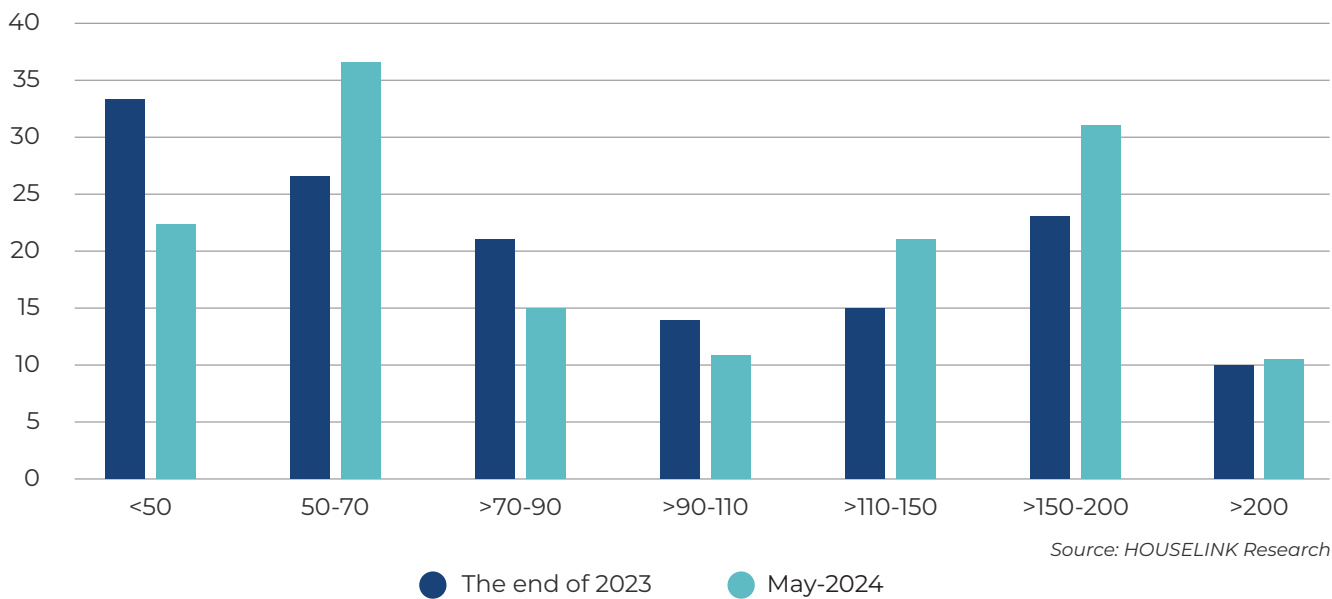
Source: HOUSELINK Research

Looking specifically at the northern and southern regions, both areas show a significant increase in rental prices in the high-end segment. In the first half of 2024, the rental prices for land in the northern region are predominantly concentrated in the range of 110-150 USD/m<sup>2</sup>/lease term. As for the southern region, there are indications of price increases across various ranges from 90-200 USD/m<sup>2</sup>/lease term.

► Land rental prices in the Northern region according to the timeframe



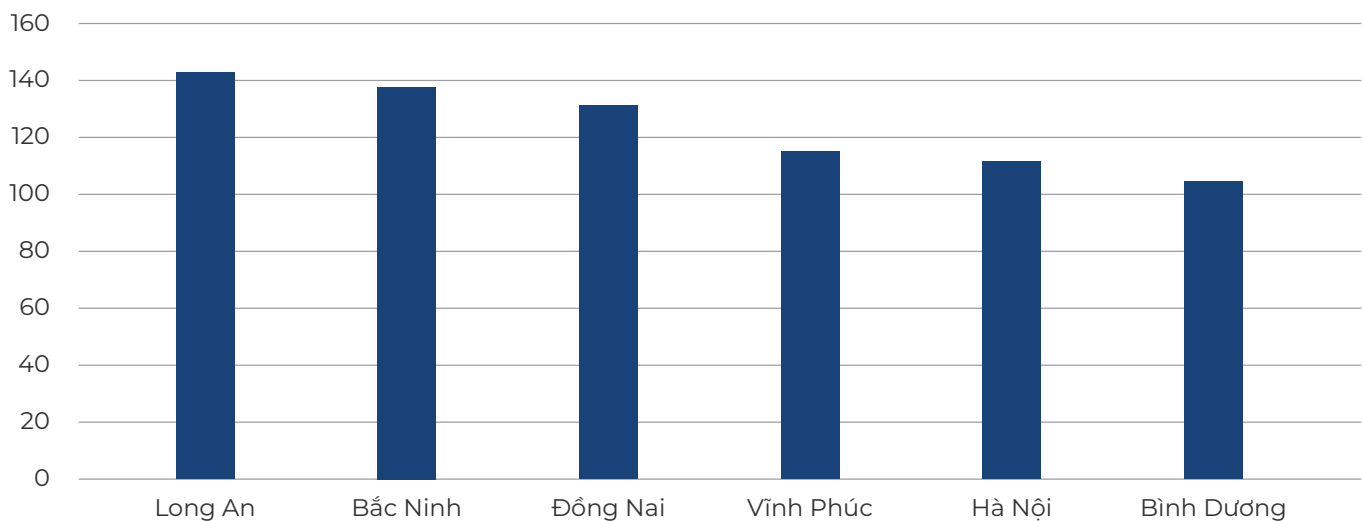
► Land rental prices in the Southern region according to the timeframe





In terms of average rental prices in some key provinces and cities in the northern and southern regions, Long An has the highest average rental price, followed by Bac Ninh (2.8% lower than Long An), Dong Nai (4.3% lower than Bac Ninh), Vinh Phuc (12.8% lower than Dong Nai),...

► The average land rental prices in some key provinces in the Northern and Southern regions



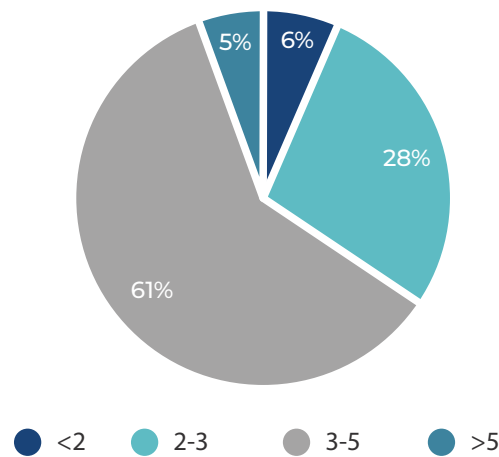
Source: HOUSELINK Research

• **Factory rental prices**

The rental prices for ready built - factory spaces in the second quarter of 2024 have also changed compared to the end of 2023, albeit not significantly. This shift in rental prices for RBF spaces only occurred in the ranges of 2-3 USD/m<sup>2</sup>/month and >5 USD/m<sup>2</sup>/month. Contrary to the trend of increasing rental prices for land, the rental prices for RBF spaces are trending downwards, with the range of >5 USD/m<sup>2</sup>/month decreasing by 2% compared to the end of 2023, while the range of 2-3 USD/m<sup>2</sup>/month increasing by 2%. Additionally, the majority of Industrial parks are still in the range of 3-5 USD/m<sup>2</sup>/month (comprising over 60% of the total number of Industrial parks).

The second quarter  
of 2024

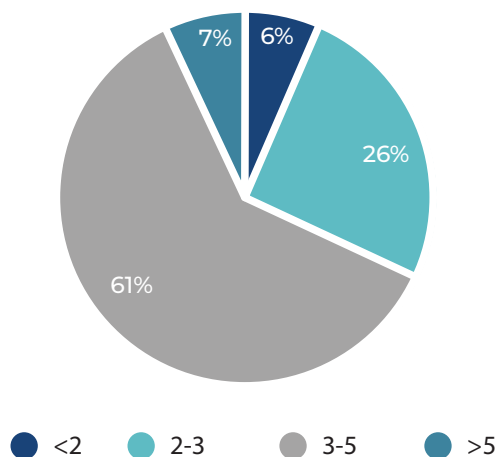
► RBF rental prices (USD/m<sup>2</sup>/lease cycle)



Source: HOUSELINK Research

Year of 2023

► RBF rental prices (USD/m<sup>2</sup>/lease cycle)



Source: HOUSELINK Research

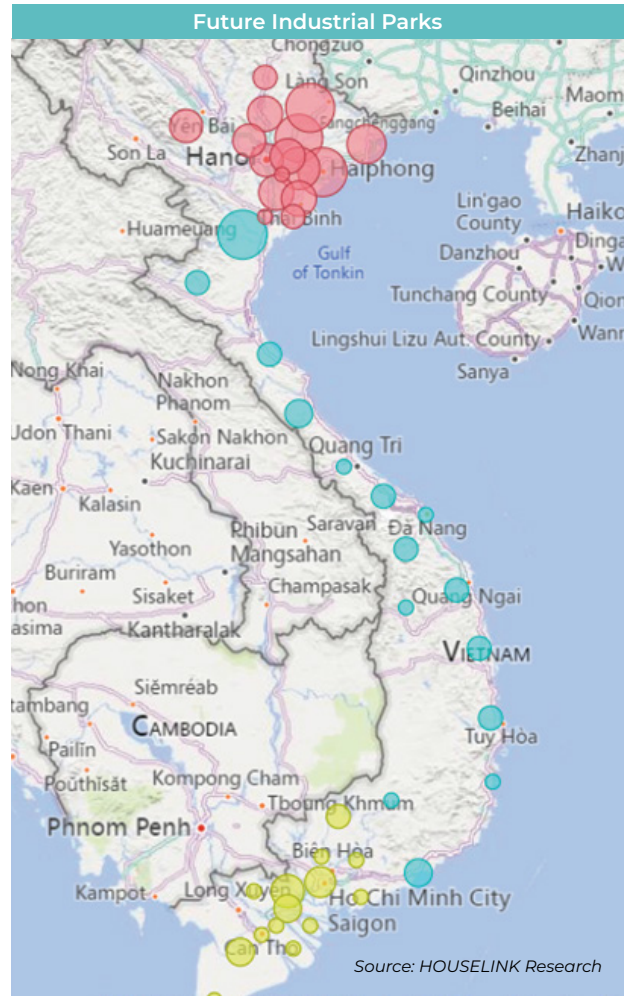


# IV.

## THE FUTURE SUPPLY OF LAND FOR NEW INDUSTRIAL PARKS

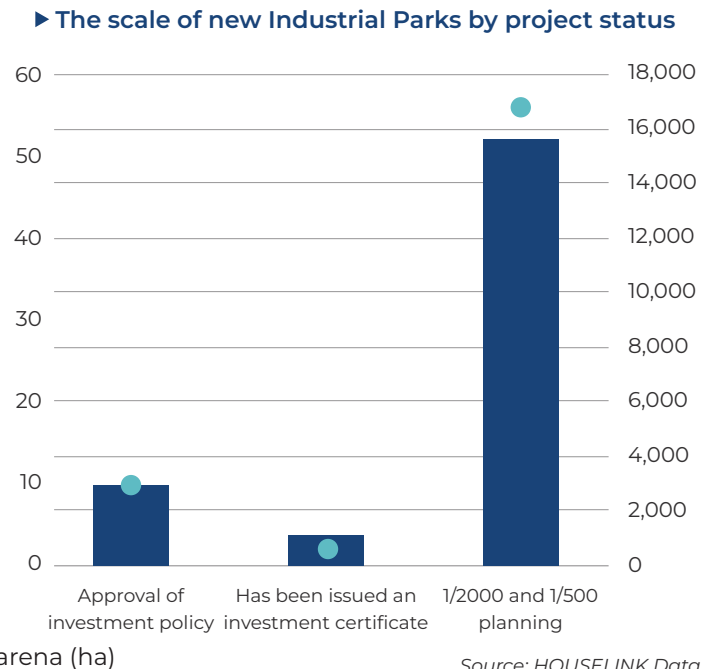
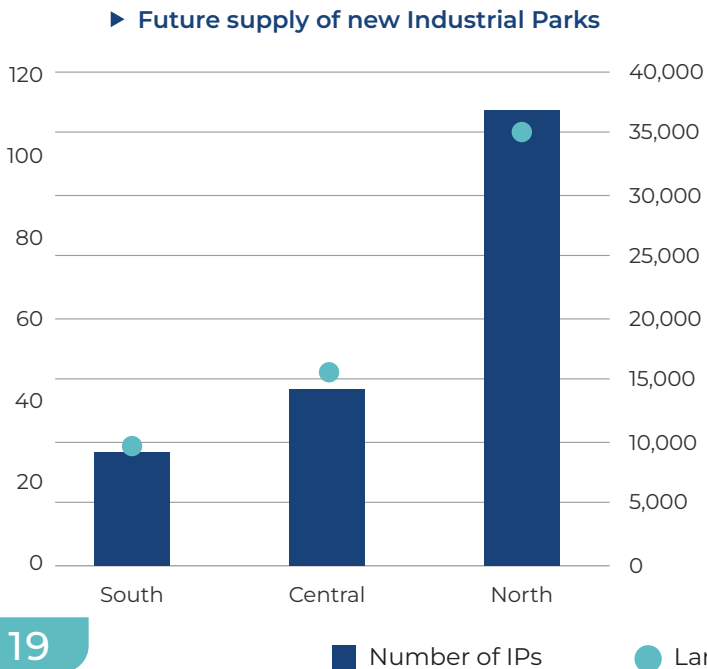
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In this section, we focus on analyzing new Industrial parks according to different stages. According to HOUSELINK's records, the majority of new Industrial parks are being supplemented in the northern region, followed by the central region, and finally the southern region. The disparity in future supply between the central and southern regions is not significant. It can be seen that the future supply of new industrial real estate in the northern region is quite vibrant. Furthermore, regarding project status, there are relatively few projects that have been approved for investment proposals and projects issued investment certificates. However, projects with planning at the 1/2000 and 1/500 scales are predominant, indicating that the industrial parks market in the future is expected to be extremely attractive. Additionally, other projects are at various stages such as investor selection, land clearance, proposed planning,...



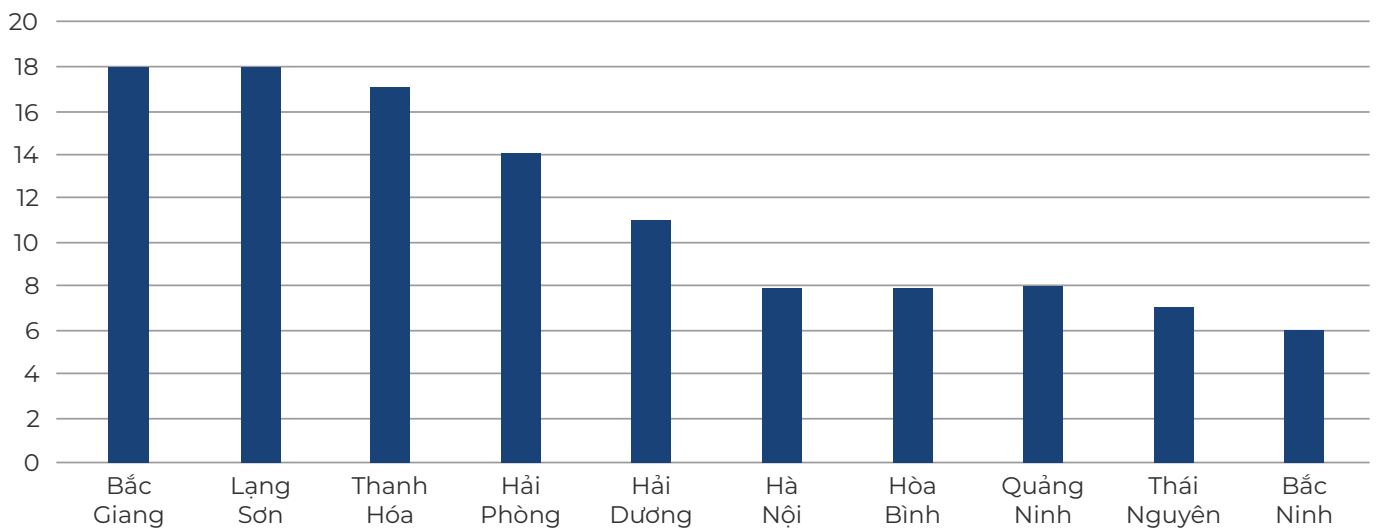
**The area of the future supply of new industrial parks**  
~60,076 HA

**Number of new industrial parks in the future**  
~180 INDUSTRIAL PARKS



Bac Giang and Lang Son are currently the two provinces with the highest number of new Industrial parks in the country's future. Following them are Thanh Hoa, Hai Phong, and Hai Duong. The majority of new Industrial parks are concentrated in provinces and cities in the northern region. In the central region, efforts are focused on establishing new Industrial parks in certain provinces and cities, with Thanh Hoa accounting for approximately 60% of the total number of new Industrial parks in this region. Meanwhile, in the southern region, the number of new Industrial parks is distributed quite evenly.

► Top 10 provinces with a high concentration of new Industrial parks in the future



Source: HOUSELINK Research





**V.**

**SEVERAL FACTORS DIRECTLY  
IMPACTING INVESTMENT ATTRACTION  
IN INDUSTRIAL PARKS**

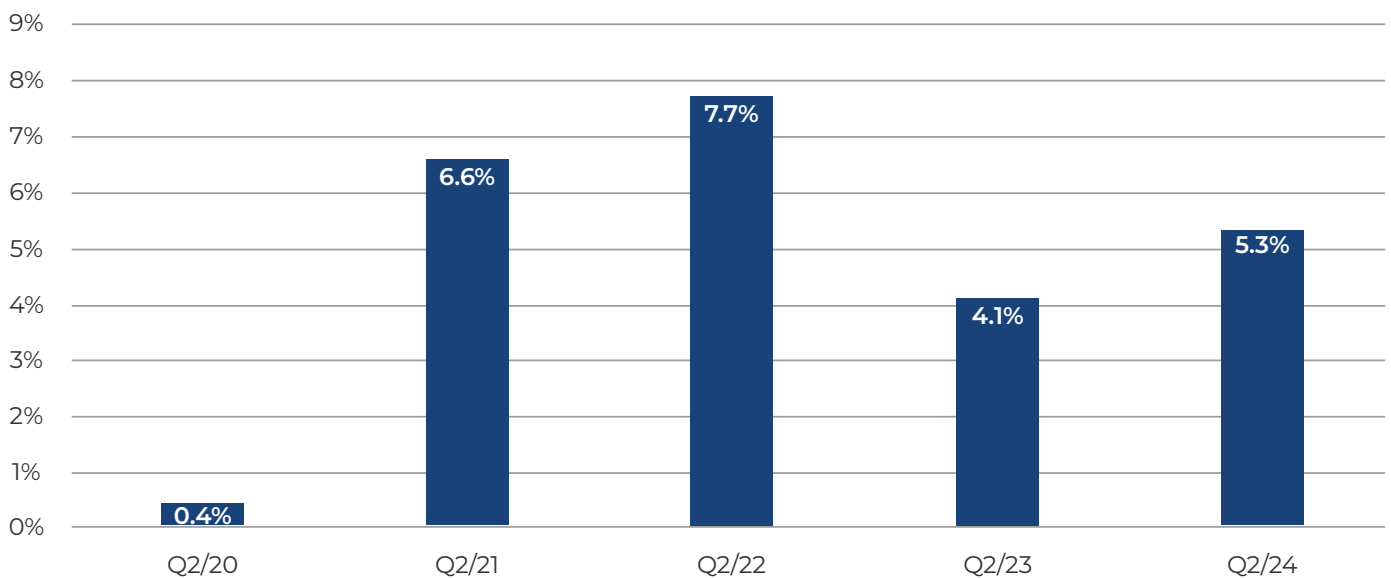
## I MACROECONOMIC FACTORS

### • 1.1 Growth of Gross Domestic Product (GDP)

In the second quarter of 2024, GDP growth is forecasted to reach 5.3%, after being revised down from 6.3% by Standard Chartered Bank due to Vietnam's lower-than-expected GDP growth in the first quarter, as well as uncertainties in international trade activities - which are considered drivers of growth, and Vietnam's investment facing headwinds both in the short and long term due to the volatile global situation.

However, improvements in the country's position in the global supply chain and the increase in attracting foreign investment due to various attractive incentives, a favorable investment environment, and escalating tensions in US-China trade relations, will help the economy gradually regain positive growth momentum and achieve a growth rate of 6 - 6.5% for the entire year 2024, according to the government's set scenario.

► GDP growth in Quarter 2, 2020 - 2024



Source: TCTK, Standard Chartered Bank

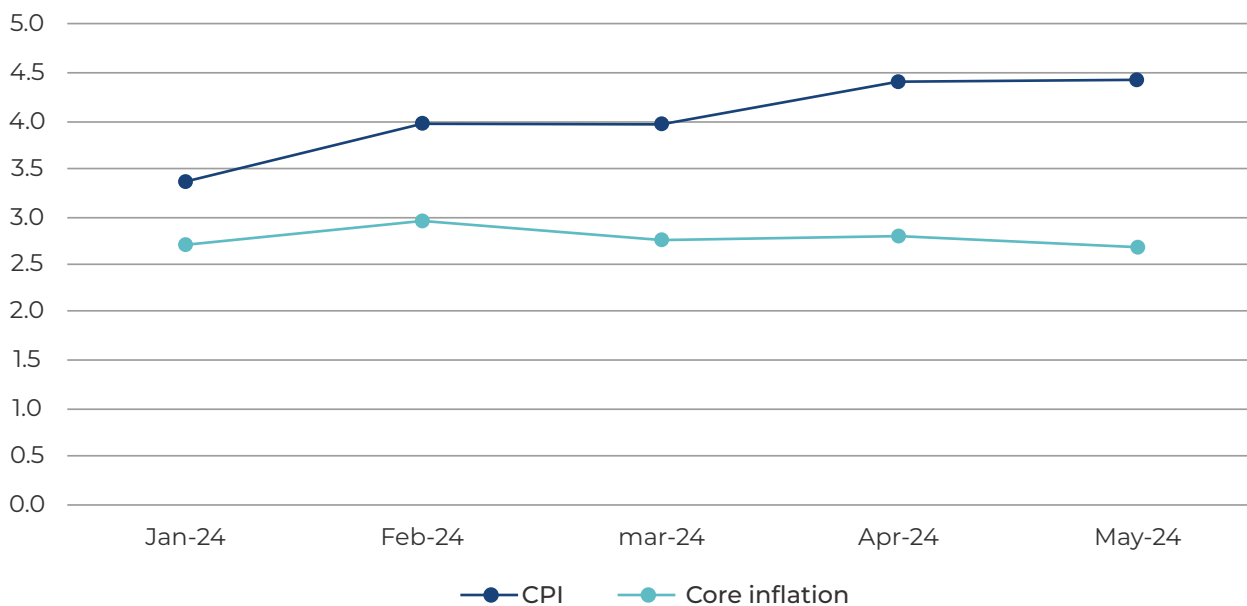
• **1.2 Consumer Price Index (CPI) and Core Inflation**

Despite the positive signals of GDP growth in the first quarter, the Vietnamese economy still faces inflationary pressures. The Consumer Price Index (CPI) continues to rise, with core inflation increasing until April and slightly decreasing in May. In general, in the first five months of 2024, the CPI increased by an average of 4.03% and core inflation increased by an average of 2.78% compared to the same period last year. Core inflation increased less than the CPI because mainly the prices of items causing CPI to rise were excluded from the core inflation calculation.

Although there are still many risks of inflationary pressure, compared to the CPI increase targets set by the National Assembly (4 - 4.5%), the current CPI increase is still fundamentally under control.



► The CPI and Core inflation, Jan-24 - May-24

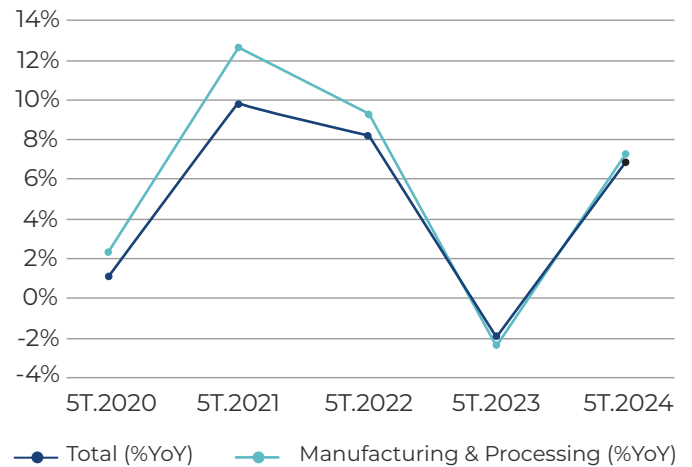


Source: TCTK

• **1.3 Index of Industrial Production (IIP) and Purchasing Managers' Index (PMI)**

The overall Industrial Production Index (IIP) of Vietnam's industry in the first five months of 2024 increased by 6.8% compared to the same period last year - marking a significant recovery from the 2.0% decline in 2023. The increase in IIP in the first five months of 2024 was contributed by an improvement in the number of orders from businesses compared to 2023, starting from the beginning of the year. The Manufacturing and Processing sector continues to play a leading role in strong growth. In the first five months of 2024, the IIP of this sector recorded a 7.3% increase compared to the same period last year, contributing 6.4 percentage points to the overall increase.

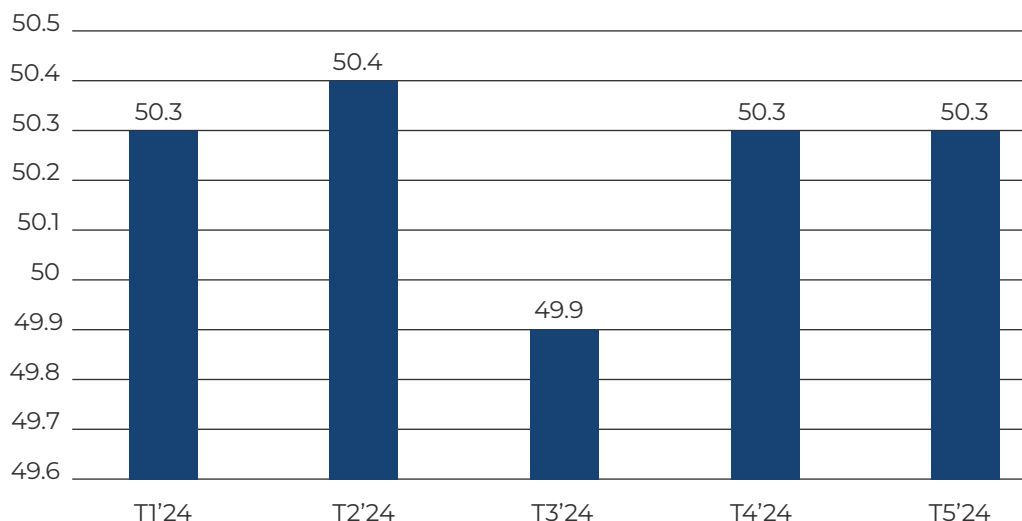
► **The IIP of Vietnam for the first 5 months of the years, 2020 - 2024**



Source: TCTK

Vietnam's Purchasing Managers' Index (PMI) for May 2024 reached 50.3 points, remaining unchanged from April, indicating that the business and production conditions of Vietnam's industrial sector continue to improve in a positive direction. It can be observed that in the first five months of 2024, Vietnam's PMI has significantly improved compared to the months of 2023. Starting from January, the PMI reached 50.3 points, a strong increase from 48.9 points in December 2023. The PMI results indicate improvement in the manufacturing sector in Vietnam in the early months of the year, and new orders have resumed growth. This is a fairly positive signal for Vietnam's industrial production for the remainder of 2024.

► **The PMI of Vietnam in Jan-24 - May-24**



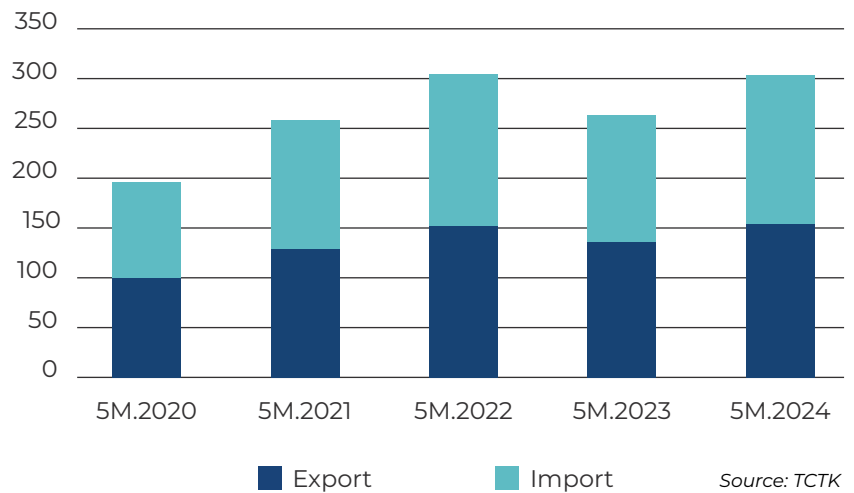
Source: S&P Global

• **1.4 Export and Import**

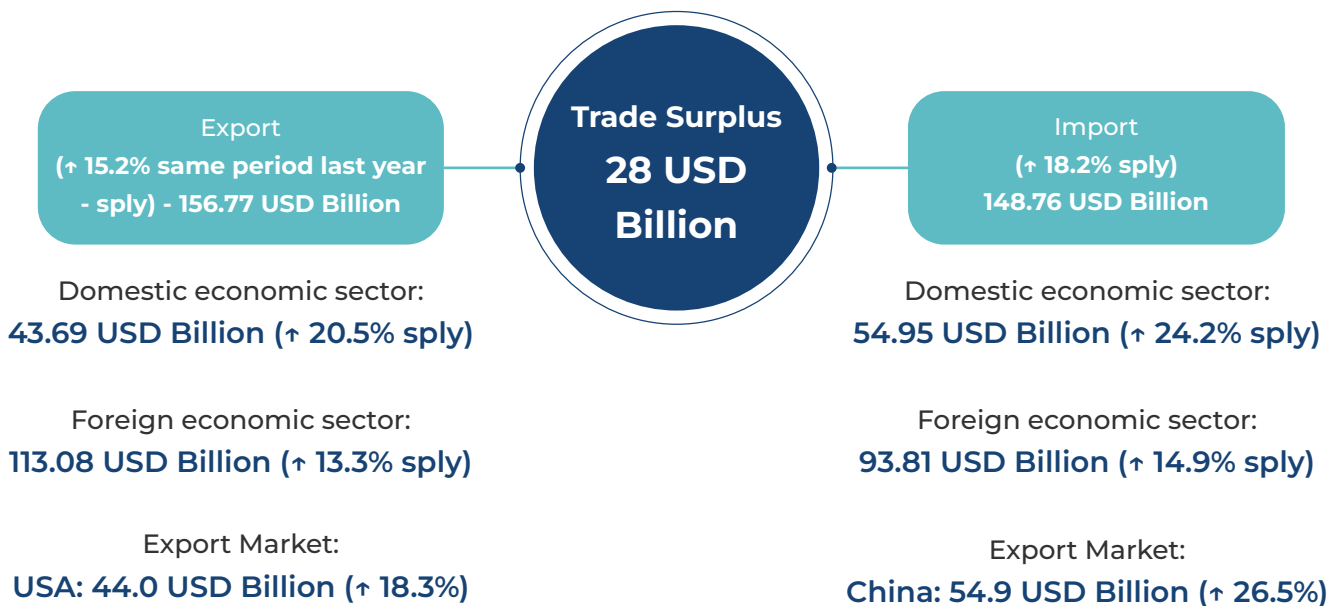
After a period of decline in import-export values due to a decrease in the number of orders and significantly reduced consumption demand from major countries, Vietnam's exports and imports both recorded good growth in the first five months of 2024. The import-export turnover reached its highest value since 2020. Specifically, exports reached \$156.8 billion (up 15.2% compared to the same period last year), and imports reached \$149.8 billion (up 18.2% compared to the same period last year). The trade balance for goods achieved a surplus of \$8 billion. During the first five months of this year, Vietnam primarily imported from China with a turnover of \$54.9 billion. Meanwhile, the United States was Vietnam's largest export market, with a turnover of \$44.0 billion.

Regarding the structure of export commodity groups in the first five months of 2024, the processed industrial goods group accounted for 87.7%, reaching \$137.4 billion. Additionally, the raw material group accounted for 94% of Vietnam's import structure during the same period, reaching \$139.9 billion.

► Vietnam's import - export turnover  
in the first 5 months of 2020 - 2024 (billion USD)



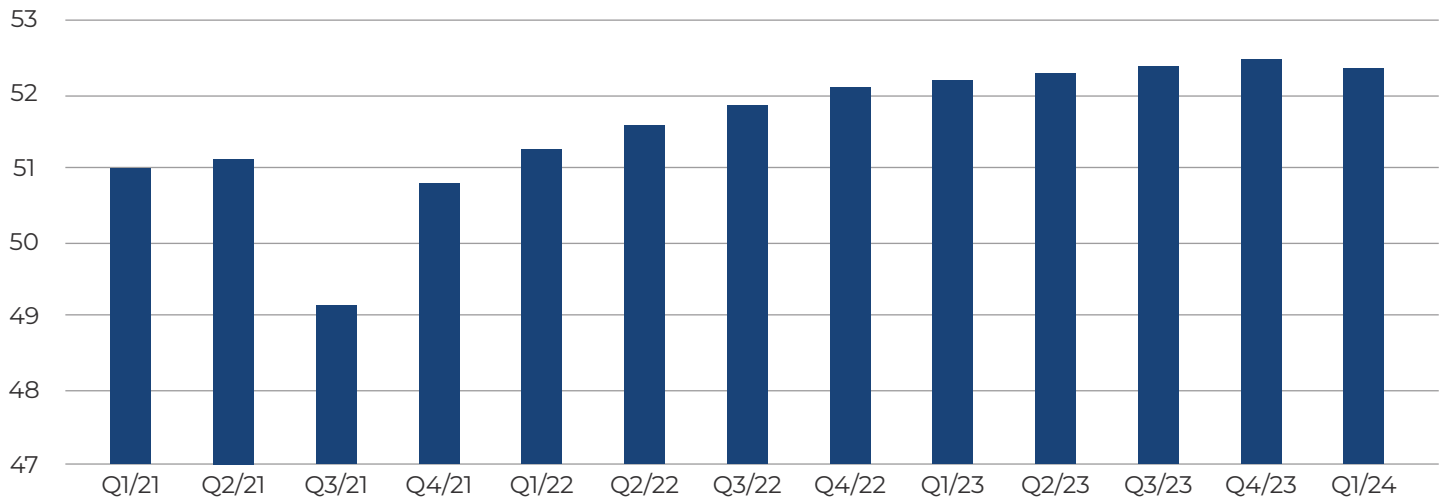
► Situation of Export and Import in the first 5 months of 2024



## POPULATION AND LABOUR

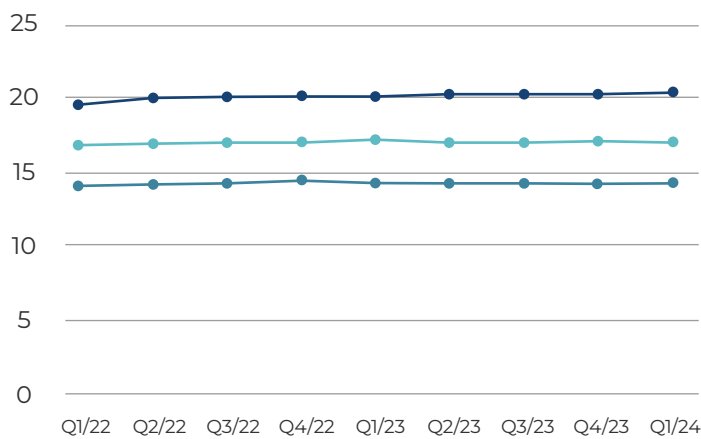
The labor force aged 15 and over in the first quarter of 2024 reached 52.4 million people, a slight decrease of 0.2% compared to the fourth quarter of 2023. Overall, the labor force remains relatively stable. In terms of labor distribution across sectors, in the first quarter of 2024, the number of workers in the manufacturing industry witnessed a decrease of 1.2% compared to the fourth quarter of 2023. The minimum average wage for workers reached \$162 USD per person per month according to a survey by the US Department of Labor and Picodi. When compared with some ASEAN countries, the average wage of workers in Vietnam remains relatively low, trailing behind Malaysia, Thailand, and Indonesia.

► Labor force aged 15 and above, Q1/21 - Q1/24



Source: TCTK

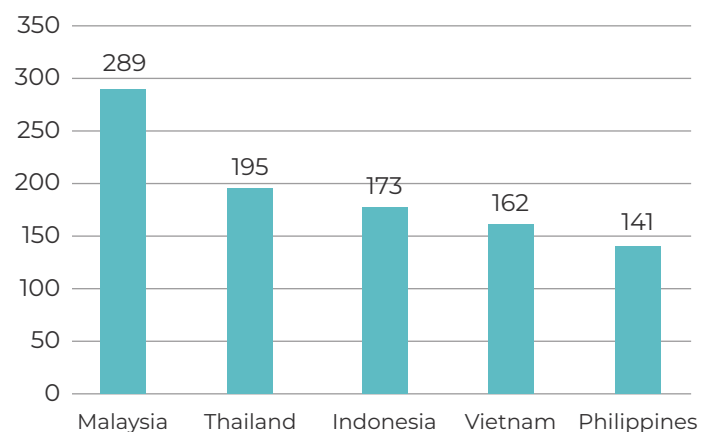
► Number of labors by economic sector, Q1/22 - Q1/24 (million people)



Source: TCTK

- Agriculture, Forestry, Fisheries
- Construction & Industry
- Services

► Average minimum wage in some ASEAN countries, 2022 (USD)



Source: Picodi, The U.S. Labour Department

## VIETNAM'S INVESTMENT ATTRACTION INCENTIVES

| Corporate Income Tax   | 1   | 2 | 3   | 4 | 5 | 6 | 7   | 8   | 9 | 10 | 11  | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 |
|--|-----|---|-----|---|---|---|-----|-----|---|----|-----|----|----|----|----|----|----|----|----|
| Ordinary Tax   | 20% |   |     |   |   |   |     |     |   |    |     |    |    |    |    |    |    |    |    |
| For new projects in industrial parks:<br><br>- Applicable to businesses from the first year of revenue<br><br>- For cases of consecutive losses in the first 3 years from the establishment year, the policy applies from the 4th year onwards | 0%  |   | 10% |   |   |   | 20% |     |   |    |     |    |    |    |    |    |    |    |    |
| For projects within Economic Zones<br><br>- Projects in the fields of: High technology, scientific research and technology<br><br>- Projects with investment capital exceeding 6 Billion VND   | 0%  |   | 5%  |   |   |   |     | 10% |   |    | 20% |    |    |    |    |    |    |    |    |

In addition to investment incentives, the government is actively coordinating with provinces to construct and improve the North-South expressway, contributing to economic growth. The North-South expressway passes through 32 provinces, cities, and key economic and social areas, connecting the political center of Hanoi with the economic center of Ho Chi Minh City. Importantly, it also connects the four key economic regions of the North, Central, and South, as well as the Mekong Delta region. Once the North-South expressway is fully completed, transportation and trade of goods will significantly improve, leading to increased productivity.

| Some key road transportation projects             | Start time | Expected start | Investment (billion dong) |
|---|------------|----------------|---------------------------|
| Dầu Giây – Tân Phú expressway                     | T1/24      |                | 8.776                     |
| Chợ Mới – Bắc Kạn expressway                      |            | T9/24          | 5.750                     |
| Lộ Tẻ - Rạch Sỏi (Phase 1) expressway             |            | 2024           | 6.353                     |
| Đồng Đăng – Trà Lĩnh expressway                   | T1/24      |                | 23.000                    |
| Tân Phú – Bảo Lộc expressway                      | T1/24      |                | 18.120                    |
| The international transit port project in Cần Giờ |            | 2025           | 144.000                   |
| Bảo Lộc – Liên Khương expressway                  |            | T12/24         | 19.521                    |
| Ninh Bình – Hải Phòng expressway                  |            | Q3.2024        | 19.784                    |
| Gia Nghĩa – Chơn Thành expressway                 |            | Q4/24          | 25.540                    |
| TP.HCM – Chơn Thành expressway                    |            | T9/24          | 36.000                    |
| TP.HCM – Mộc Bài expressway                       |            | T5/25          | 20.889                    |
| Hoà Bình – Mộc Châu (Phase 1) expressway          |            | Q2/24          | 22.000                    |
| Hồ Chí Minh city ring road 4 project (Phase 1)    | T1/24      |                | 105.000                   |
| Long Thành International Airport project          | T1/21      |                | 336.630                   |

| Some key road transportation projects completed in 2023 | Completion time | Investment (billion dong) |
|---|-----------------|---------------------------|
| Mai Sơn – Quốc Lộ 45 expressway                         | T4/23           | 12.100                    |
| Quốc Lộ 45 – Nghi Sơn expressway                        | T10/23          | 5.500                     |
| Nghi Sơn – Diễn Châu expressway                         | T9/23           | 7.290                     |
| Tuyên Quang – Phú Thọ expressway                        | T12/23          | 3.112                     |
| Nha Trang – Cam Lâm expressway                          | T5/23           | 7.600                     |
| T2 terminal of Phú Bài Port                             | T6/23           | 2.300                     |
| Mỹ Thuận – Cần Thơ expressway                           | T12/23          | 4.800                     |
| Mỹ Thuận 2 bridge                                       | T12/23          | 5.003                     |
| Dầu Giây – Phan Thiết expressway                        | T4/23           | 12.500                    |

## THE POTENTIAL TO ATTRACT INVESTMENT PROJECTS INTO INDUSTRIAL PARKS

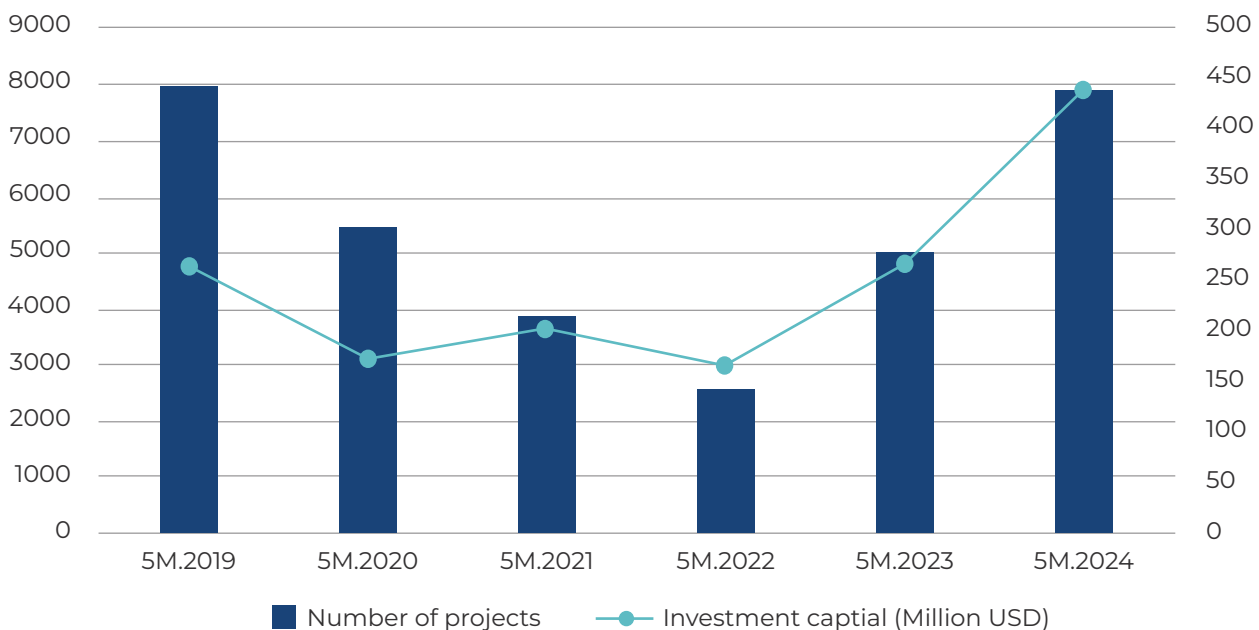
### 4.1 The trend of attracting investment projects

In this section, we focus on analyzing newly licensed FDI projects in industrial manufacturing and projects that have been verified on the HOUSELINK system until the end of May 2024, with investment locations in industrial parks nationwide.

#### The situation of attracting investment in new FDI projects

The investment attraction situation of the first half of 2024 shows quite positive signals. In terms of project quantity, the first 5 months of 2024 indicate the strongest recovery since the impact of the Covid pandemic (increasing 2-3 times compared to the same period in previous years). Particularly, the number of investment-attracted projects in Vietnam during the first 5 months of 2024 increased by 11% compared to the same period in 2019 (before the pandemic), showing a continuous upward trend in 2022, 2023, and 2024, demonstrating Vietnam's recovery and breakthrough in investment attraction. In terms of total investment amount, the first 5 months of 2024 recorded the highest investment capital in the past 6 years. It is evident that Vietnam is increasingly attracting numerous projects in both quantity and quality, appealing to domestic and foreign investors participating in the market.

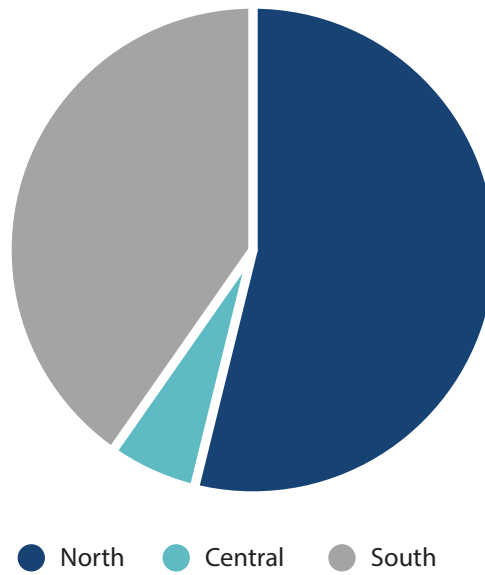
► The scale of FDI projects in IPs during the the first 5 months of each year



Source: HOUSELINK Data

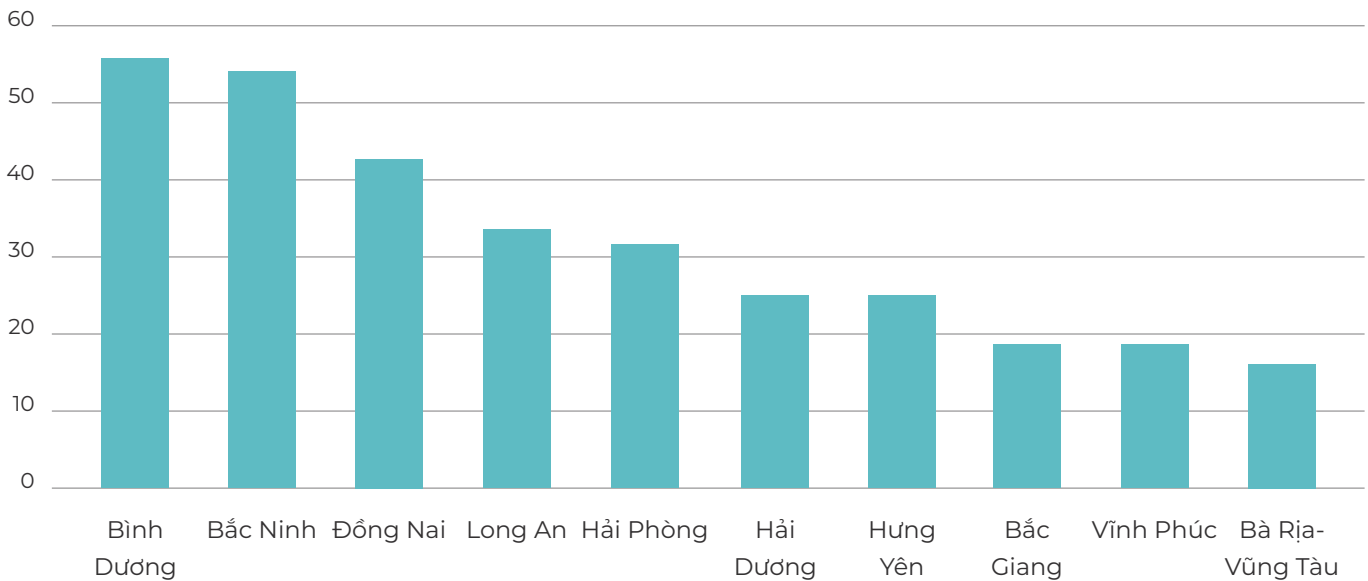
In the first 5 months of 2024, in terms of the number of projects, the projects are mainly concentrated in the Northern and Southern regions (accounting for 54% and 40% respectively). Specifically, Binh Duong, Bac Ninh, Dong Nai, Long An, Hai Phong, Hai Duong, and Hung Yen have attracted many investment projects.

► Allocation of Industrial real estate projects in the first 5 months of 2024



Source: HOUSELINK Research

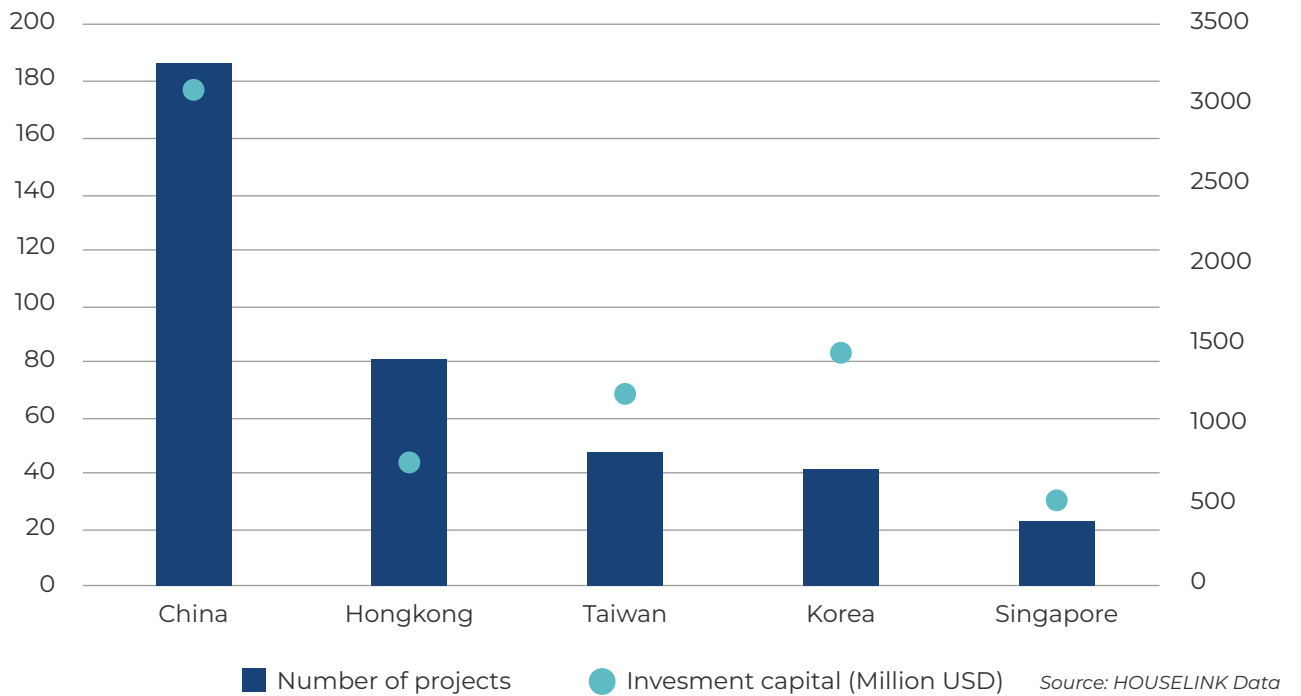
► Top 10 provinces attracting investment (By number of projects)



Source: HOUSELINK Research

China is the country with the highest number of investment projects in the first half of 2024. Following China are Hong Kong, Taiwan, South Korea, and Singapore. Hong Kong ranks second in terms of the number of projects but has a relatively low total investment amount. In addition, South Korea's investment projects rank fourth in terms of the number of projects but have a significant investment scale, ranking second only to China.

► Top 5 investment countries by number of projects

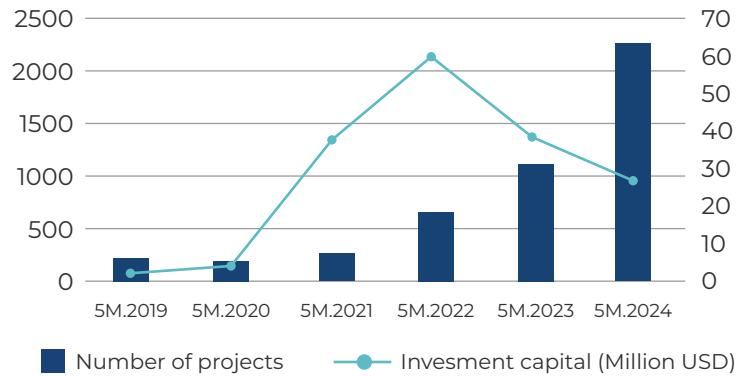


The situation of attracting investment in DDI projects

Note: The DDI projects in this analysis are industrial production investment projects with an investment capital of 02 million USD or more per project, located in industrial parks nationwide.

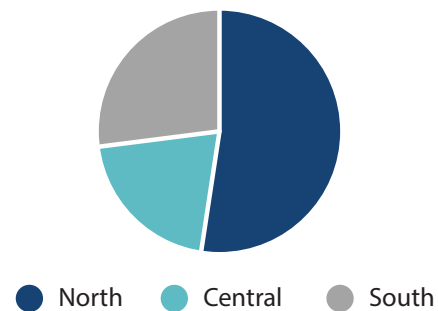
During the analysis period of the report (accumulated for the first 5 months of each year), DDI projects tend to grow both in terms of the number of projects and the scale of registered investment capital. Specifically, the first 5 months of 2024 witnessed the highest number of DDI projects invested during this period (increasing by 103% compared to the same period in 2023). However, in terms of total investment, the scale of projects in the first 5 months of 2024 did not show significant growth compared to the same period in 2023 and only exceeded the levels of the first 5 months of 2019 and 2020. During the first 5 months of this year, DDI projects mainly focused on the Northern region (accounting for 52%) and were evenly distributed in the Central and Southern regions (21% and 27% respectively), with investments concentrated in the agriculture-food, metal and plastic-rubber sectors

► The scale of DDI projects in IPs during the the first 5 months of each year



Source: HOUSELINK Data

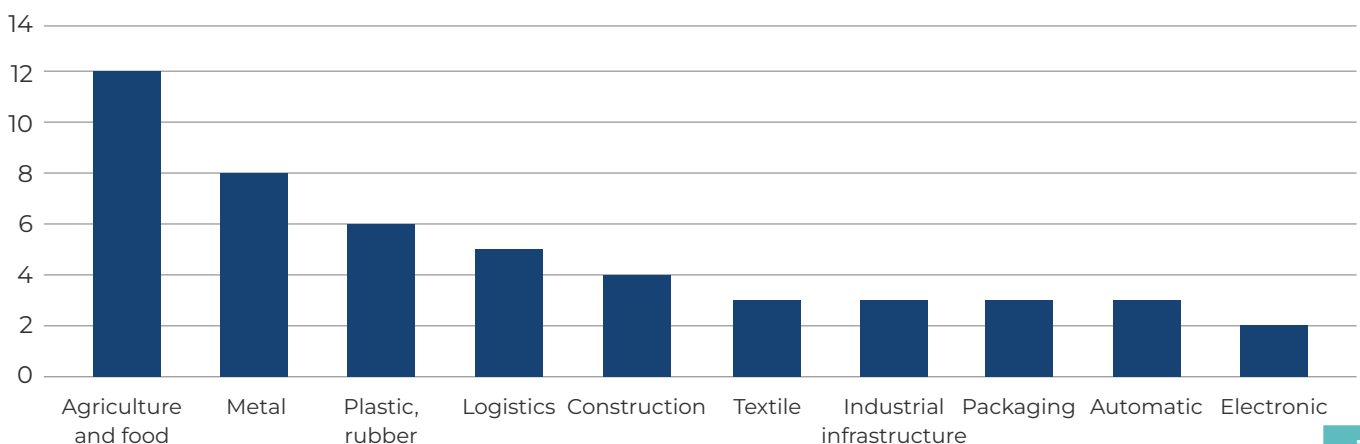
► Allocation of DDI projects in the first 5 months of 2024 by region



Source: HOUSELINK Data

*“Agriculture and food continue to be prominent sectors attracting investment for DDI projects. Following them are metal, plastic, rubber, logistics, ...”*

► Top 10 industries for DDI investment in the first 5 months of 2024



Source: HOUSELINK Data

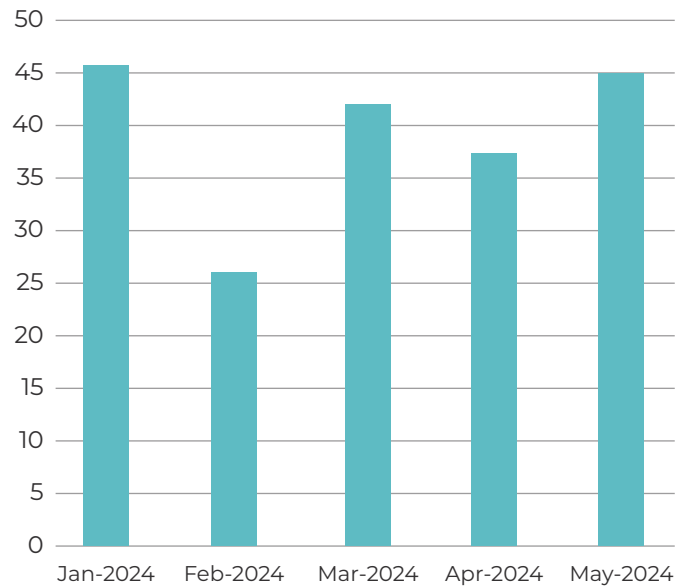
Trends of factory and land leasing projects

In this section, we analyze the leasing of factories and land based on data from new FDI projects engaged in industrial production.

**Trend of factory leasing projects:**

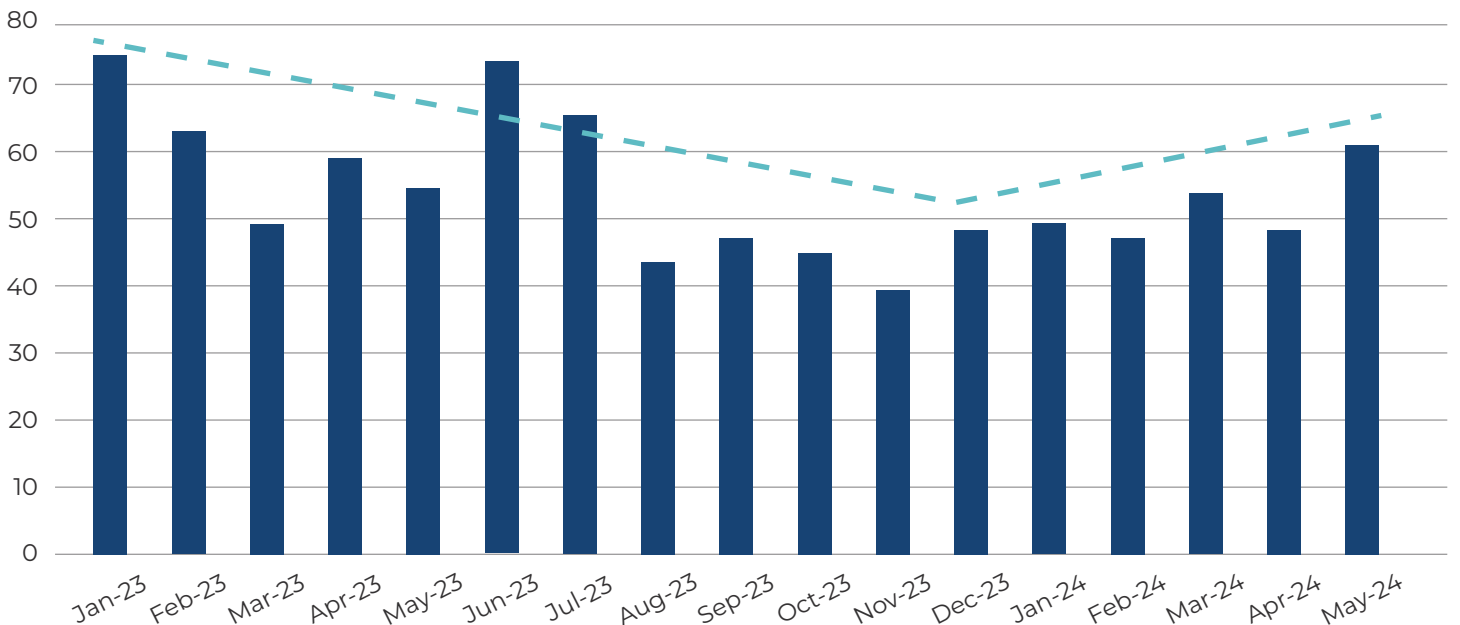
According to updated data from HOUSELINK, in terms of proportion, the trend for leasing factories showed a decrease in 2023 but started to trend upwards in the early months of 2024. The growth trend of factory leasing is becoming more pronounced, with the number of projects leasing factories almost equaling or exceeding those leasing land. The increasing trend in factory leasing is driven by the fact that most investors relocating their production to Vietnam already have orders in hand. Therefore, they need to shorten the time to start production in Vietnam, and factories are their top priority choice, especially given the current situation where the supply of industrial land is slowing down due to legal factors and implementation costs.

► The number of RBF leasing projects in the first 5 months of 2024



Source: HOUSELINK Data

► Trends in RBF leasing in 2023 and the first 5 months of 2024

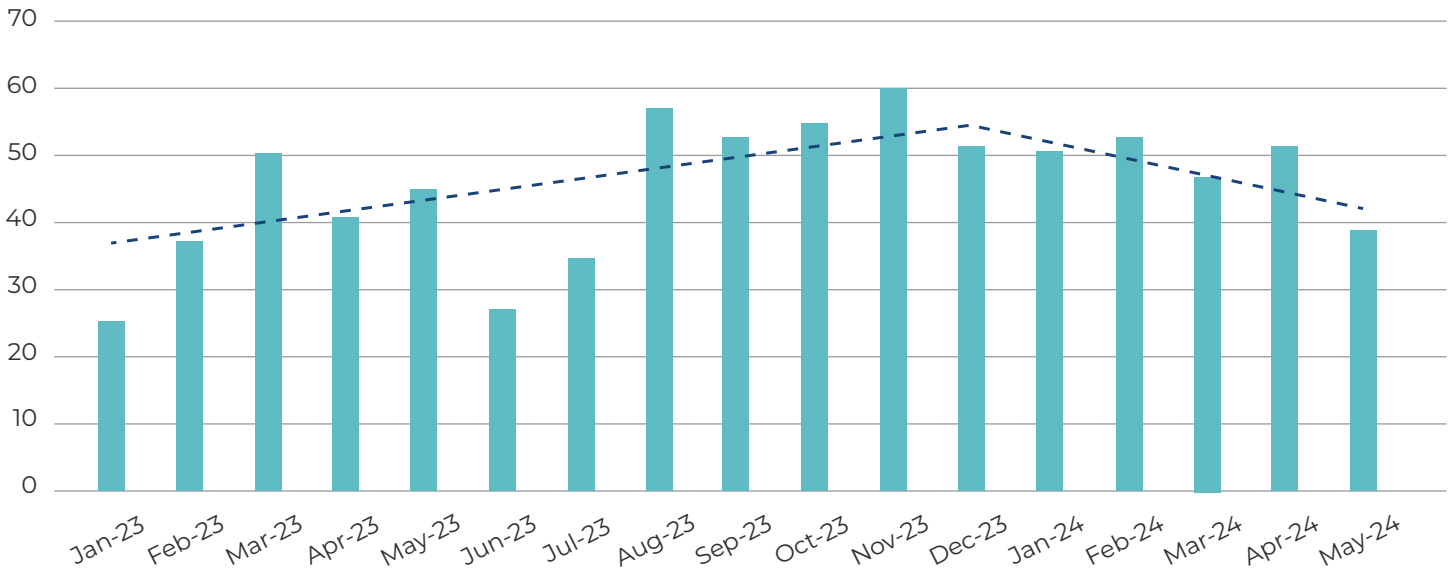


Source: HOUSELINK Data

**Trend of land leasing projects:**

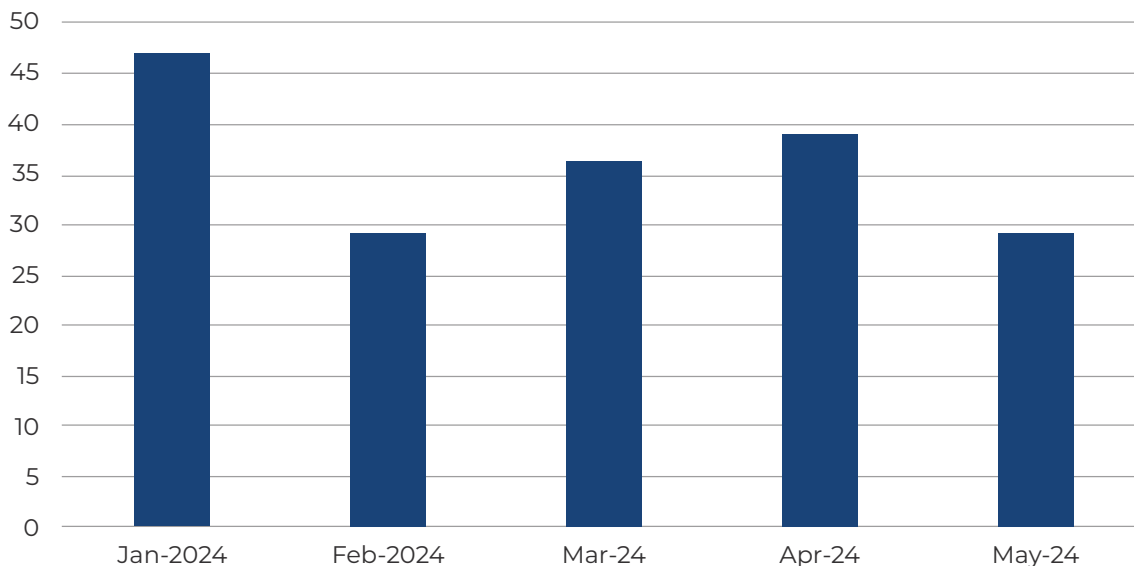
In contrast to the trend for leasing factories, the proportion of projects leasing land showed growth in 2023 but decreased in the early months of 2024. It can be observed that in the fourth quarter of 2023, there were signs of an increase in the proportion of projects leasing land compared to those leasing factories. However, by the beginning of 2024, the number of projects leasing land began to decrease, leading to a decrease in the proportion of this type of project compared to those leasing factories in the early months of this year. The decrease in land leasing can be attributed to the continuous rise in land rental prices in key provinces and cities, causing concerns among investors. Additionally, the current land supply is also limited.

► Trends in land leasing in 2023 and the first 5 months of 2024



Source: HOUSELINK Data

► The number of land leasing projects in the first 5 months of 2024

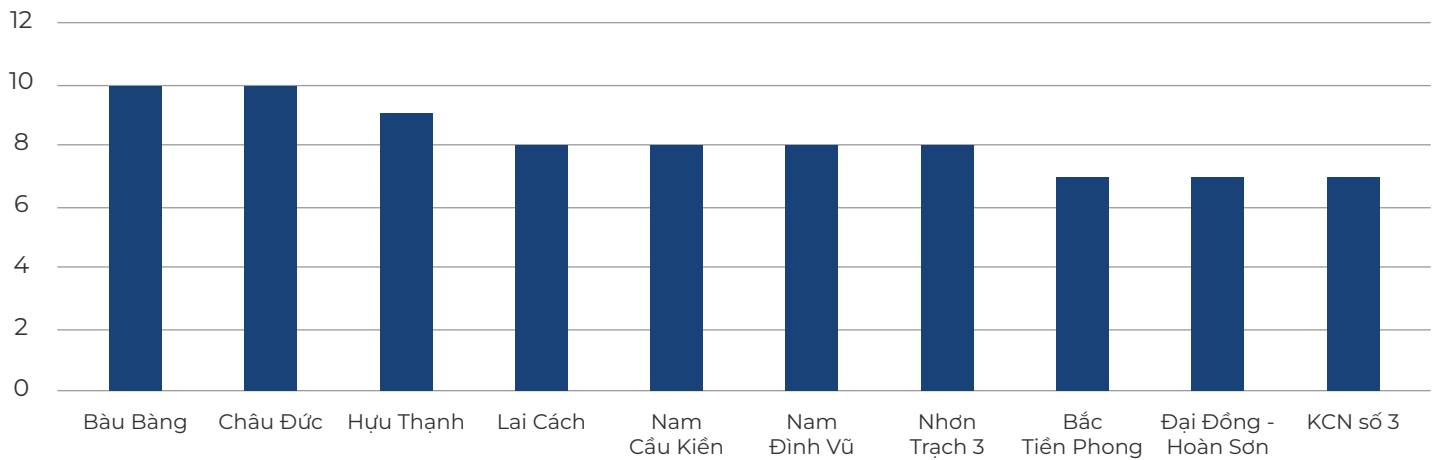


Source: HOUSELINK Data

• **4.2 Prominent industrial parks in attracting investment in the first 5 months of 2024**

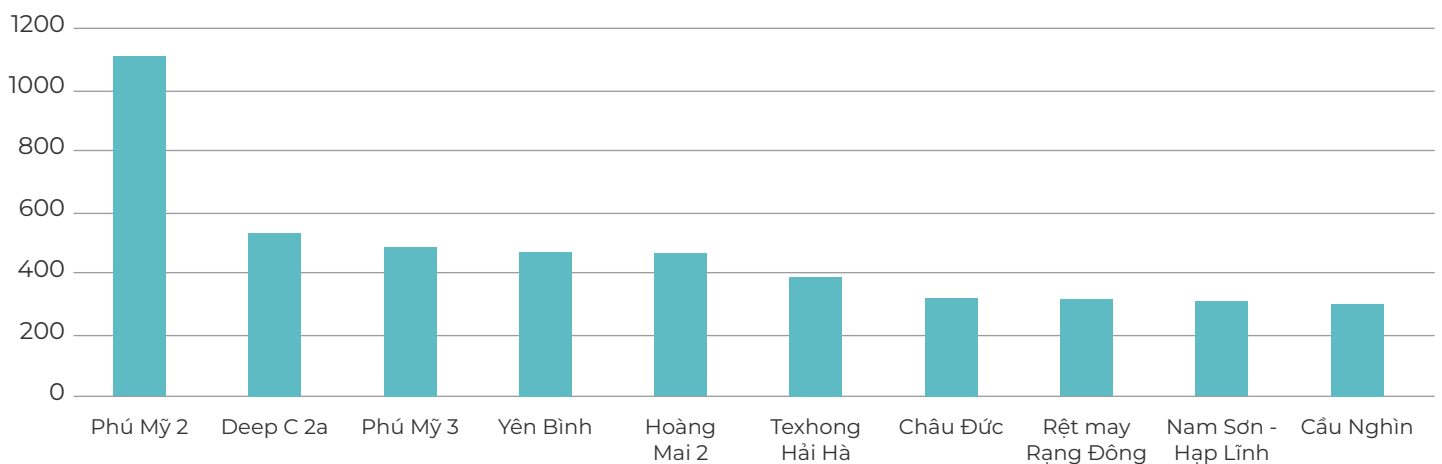
According to the data from the HOUSELINK system and new registrations, the industrial parks that attracted the most projects in the first half of 2024 are all located in the northern and southern regions of Vietnam. With favorable transportation conditions for goods trading, along with a diverse range of investment sectors covering various stages of the supply chain, the industrial parks in the northern and southern regions are attractive to investors. Moreover, the infrastructure of these industrial parks has been prioritized for investment, contributing to their attractiveness for investors when choosing factory locations. Bau Bang, Chau Duc, and Huu Thanh are the top 3 industrial parks that attracted the most projects in the first 5 months of 2024 according to data collected by HOUSELINK. Meanwhile, Phu My 2 Industrial Park attracted the largest total investment in the first 5 months of this year.

► Top 10 IPs attracting investment in the first 5 months of 2024 by number of projects



Source: HOUSELINK Data

► Top 10 IPs attracting investment in the first 5 months of 2024 by investment capital



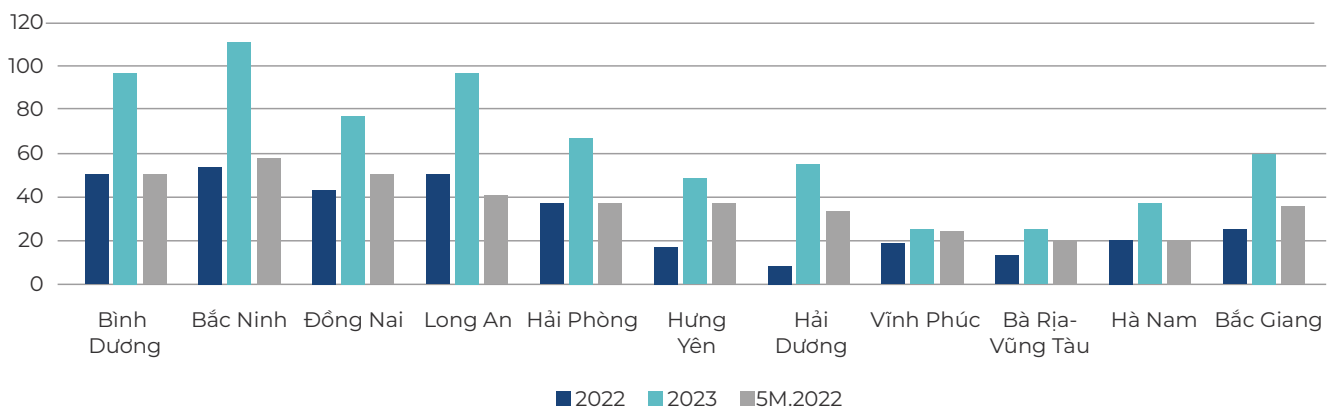
Source: HOUSELINK Data

• **4.3 The potential investment-attracting areas in the future**

In the past 3 years, the most prominent investment-attracting provinces and cities nationwide have been concentrated in the northern and southern regions. Notable examples include Bac Ninh, Binh Duong, Long An, Dong Nai, and Hai Phong, which have been attracting investors for some time, creating industrial complexes with nearly complete supply chains in both manufacturing and supporting industries. The Red River Delta and the Southeast are still the two regions with many provinces and cities attracting investment in the industrial sector.

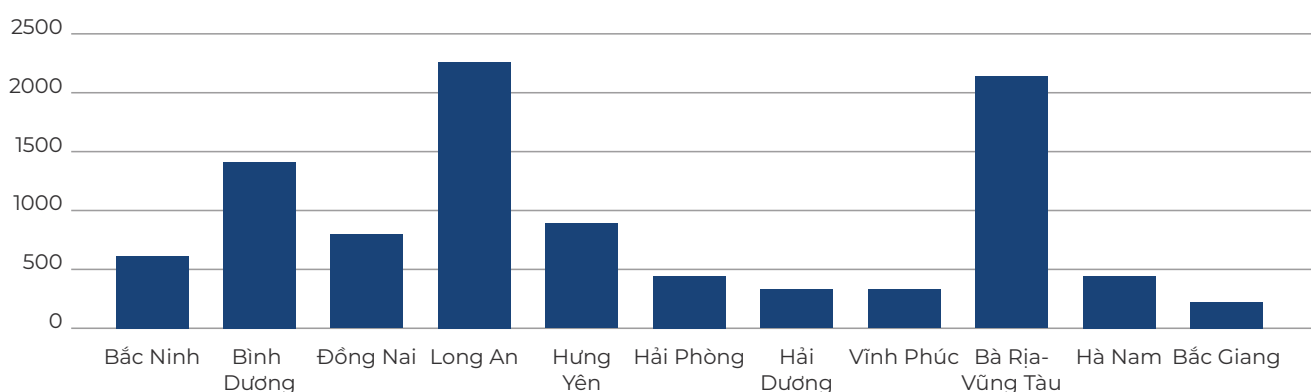
The industrial land bank of industrial parks in these provinces and cities still has a considerable surplus. In the North, provinces like Bac Ninh, Bac Giang, Hung Yen, and Hai Phong still have available land, with plans for significant additions to the industrial real estate supply in the future. In the South, provinces like Ba Ria - Vung Tau and Long An have the largest available land banks. Additionally, the government continues to collaborate with localities to invest in the construction of more industrial parks, providing additional impetus to attract investment to these areas. In the near future, these will remain the key provinces and cities attracting investment in Vietnam.

► Top provinces attracting investment in 2022 - 5M.2024



Source: HOUSELINK Data

► Vacant land area in IPs of some provinces attracting investment (ha)



Source: HOUSELINK Data

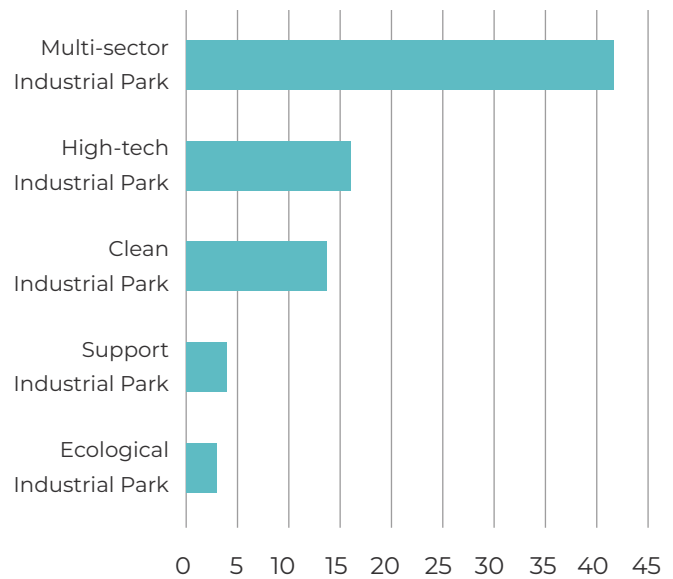
## TRENDS IN THE DEVELOPMENT OF INDUSTRIAL PARKS IN VIETNAM

The types of industrial parks in Vietnam are undergoing significant changes compared to before. Trends such as factory relocation, investor demands, and challenges from the Covid-19 pandemic have stimulated a shift in the development models of industrial parks. In addition to traditional multi-sector industrial parks, there's a growing emphasis on high-tech, specialized, and sustainable industrial parks by development entities. According to research by HOUSELINK based on data from newly planned industrial parks, multi-sector industrial parks still account for a large proportion (approximately 53%). However, other types of industrial parks are also gaining importance. Specifically, high-tech industrial parks account for 23%, clean industrial parks for 17%, supporting industrial parks for 5%, and eco-industrial parks for 3%. Moreover, industrial parks specializing in specific sectors such as pharmaceuticals and semiconductors are also receiving significant attention and are being planned for development as pilot projects.

According to the Draft Law on Industrial Zones and Economic Zones in Decision No. 7304/BKHĐT-QLKKT, Vietnam is orienting towards encouraging the development of various types of eco-industrial parks and specialized industrial parks and High-tech Industrial Park in the near future. Particularly, in its latest communication to the People's Committees of centrally governed provinces and cities, the Ministry of Planning & Investment emphasized tightening governmental oversight over industrial zone investments. This includes an important directive. To ensure sustainable development, local authorities are urged to:

- ◆ Provide specific orientations for the number of industrial zones to be developed according to new types of industrial zones.
- ◆ Guide and accompany industrial park infrastructure investors in proposing new types of industrial park projects, especially in localities with many industrial parks developing under the industrial park type attract multi-sector investment.

► The number of new IPs by type



Source: HOUSELINK Data

ENCOURAGING THE DEVELOPMENT  
OF ECO-INDUSTRIAL PARKS

DEVELOPING SPECIALIZED  
INDUSTRIAL PARKS

DEVELOPING HIGH-TECH  
INDUSTRIAL PARKS

According to HOUSELINK's research, the majority of new industrial zones preparing to enter the market are still primarily multi-sector industrial zones. Multi-sector industrial zones represent a traditional model that many industrial zone management units have implemented for a long time. However, preparing for, operating, and exploiting other types of industrial zones such as ecological, specialized, or high-tech zones requires infrastructure developers to conduct more thorough and specialized research on the development directions and strategies of industrial zones. From the outset, choosing an appropriate industrial zone model direction poses a significant challenge for industrial infrastructure developers in Vietnam.

## SOME RECOMMENDATIONS AIMED AT SUPPORTING, PROMOTING, AND DEVELOPING NEW TYPES OF INDUSTRIAL ZONES

Government departments and relevant parties need to closely coordinate to **develop appropriate and timely support policies.**

Each locality, industrial zone, and economic zone needs to deeply understand the **opportunities, challenges, strengths, and weaknesses that attract investments** to their respective areas.

Research and analyze **the production supply chain, investment in Vietnam, and globally,** corresponding to each industry sector attracting investment.

Developing appropriate **planning strategies and packaging products.**

Develop and implement **appropriate and effective promotion activities**



# VI.

## POTENTIAL NEW INDUSTRIAL PARKS PROJECTS IN VIETNAM

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# EXPLORING INVESTMENT POTENTIAL IN THE SOUTHERN KEY ECONOMIC REGION

## HAC DICH INDUSTRIAL PARK, BA RIA – VUNG TAU PROVINCE

Ba Ria – Vung Tau province is strategically positioned as a key connecting hub of the Southeastern region within the Southern key economic zone of Vietnam. The Hac Dich Industrial Park, spanning an area of up to 450 hectares, is poised to become operational. It is envisioned as a high-tech industrial park with exceptionally favorable connectivity, located in close proximity to seaports, river ports, and airports, providing easy access to Ho Chi Minh City. In addition to benefiting from its advantageous location, the Hac Dich Industrial Park is designed with modern administrative and service areas, featuring amenities such as ample parking space, exhibition centers, vocational training centers, cultural facilities, and services catering to the workforce within the park, thus providing an optimal experience for investors.



### GEOGRAPHICAL ADVANTAGES

- Distance to Cai Mep Port Cluster : ~23km
- Distance to Can Gio Seaport : ~40km
- Distance to Long Thanh Airport : ~10km
- Distance to Ho Chi Minh City : ~60km

### INVESTMENT - ATTRACTING FIELDS

- High technology sectors
- Pharmaceutical industry - Biotechnology
- Medical equipment and healthcare
- Electronics component assembly
- High-tech industries - Logistics



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in Ha Noi and Can Tho



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in HCM city



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(\* Warranty terms and conditions apply.)

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Countries have Projects

**2200+**

Number of Employees

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Vinfast Automobile  
Manufacturing Complex



Passenger Terminal - Long Thanh  
International Airport



Hoa Phat - Dung Quat  
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