

Doing business in Da Nang: New Investment Opportunities



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Director of IPA Da Nang
Da Nang, May 12, 2021*

**IPA
DANANG**

Business Opportunities: Why Da Nang?



Strategic location



Developed infrastructure



Qualified workforce



Favorable business environment



High-quality life

Da Nang Seaport

An important link in the logistics chain in the Central Viet Nam

The main gateway to the East Sea for the whole region

The eastern gateway to the East West Economic Corridor.
Connect to 13 provinces and cities of four countries: Myanmar, Thailand, Laos, Viet Nam.



	Current Tien Sa Port	New Lien Chieu Port Project
<i>Area</i>	29 ha	450 ha
<i>Deadweight capacity</i>	30,000 -50,000 tons	100,000 tons
<i>Container capacity</i>	4,000 TEU	8,000 TEU
<i>Throughput capacity per year</i>	12 million tons	46 million tons



Da Nang International Airport



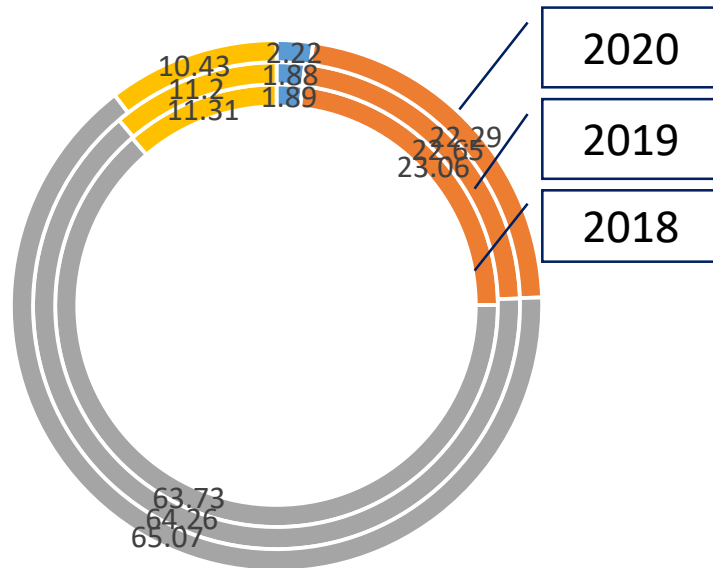
- Da Nang International Airport is one of the three busiest airports in Viet Nam
- Capacity: **12** million passengers/year
- **09** domestic routes: **697** weekly flights
- **37** international routes: **536** weekly flights
- Upgrading plan: *Cargo terminal with capacity of 100,000 tons/year; Upgrading passenger terminal T1 accommodating up to 14 million passengers/year; New T3 construction.*



A dynamic economic city and financial hub of Central Viet Nam

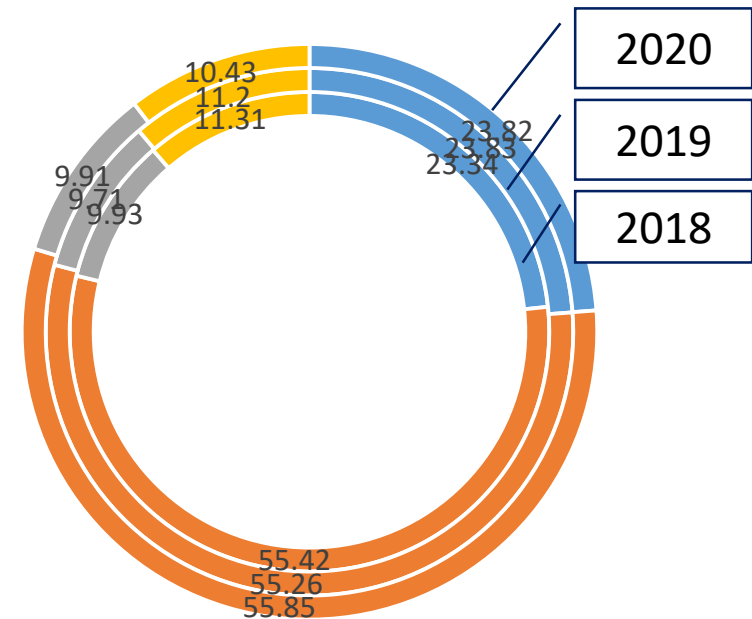
- GRDP (2020): **4.4** billion USD
- GRDP per capita (2020): **3,678** USD
- GRDP growth rate (2016 – 2019/2016 – 2020): **7.55% - 3.96%**
- No of enterprises (2020): **32,317**

GRDP COMPOSITION BY SECTOR



- Agro-Forestry-Fishery
- Industry-Construction
- Services
- Indirect tax minus subsidies

GRDP COMPOSITION BY ECONOMIC FORM



- State
- Non-state
- FDI
- Indirect tax minus subsidies



Integration into the global economy

IMPORT
1.24 bil USD



EXPORT
1.56 bil USD

MAIN IMPORT PRODUCTS



Production materials



Electrical products



Medical drugs



Automobiles

TOP IMPORT MARKETS

Japan



370
mil USD

China



232
mil USD

EU



130
mil USD

TOP EXPORT COMMODITIES



Electrical and electronic products

33%



Textiles and garments

26%



Seafood

11%



Toys

5%

TOP EXPORT MARKETS

Japan



572
mil USD

USA



328
mil USD

EU



255
mil USD

As of December 2020



Foreign Direct Investment in Da Nang

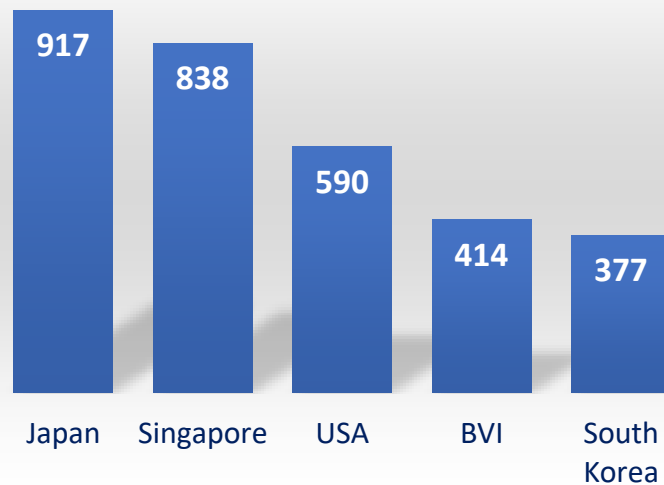
881 projects

3.707 billion USD

45 countries and territories

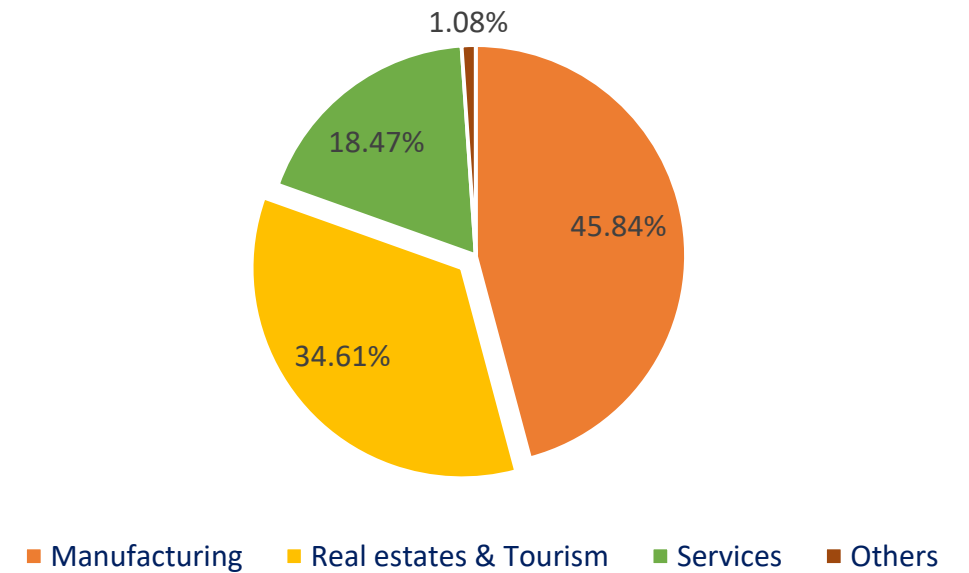
36,853 jobs

FDI BY COUNTRY



Unit: million USD

FDI BY SECTOR



As of December 2020



Da Nang – Singapore Economic Relations

Singapore is Da Nang's strategic trading partner

- Total trade volume (2020): **29** million USD
- Export to Singapore: **10.5** million USD
- Import from Singapore: **18.5** million USD

Singapore is Da Nang's 2nd largest investors



28 projects



838 million USD

As of December 2020

Da Nang's top exports to Singapore



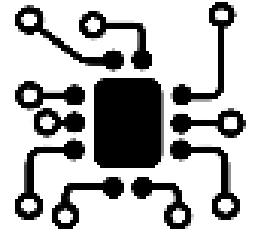
Textiles



Seafood

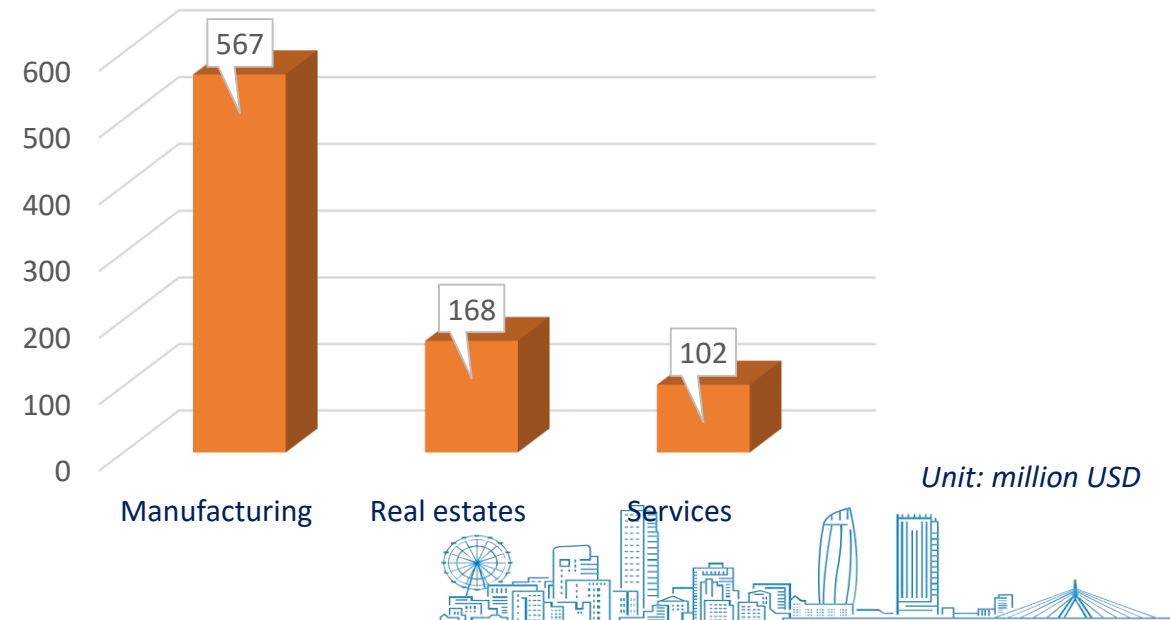


Toys



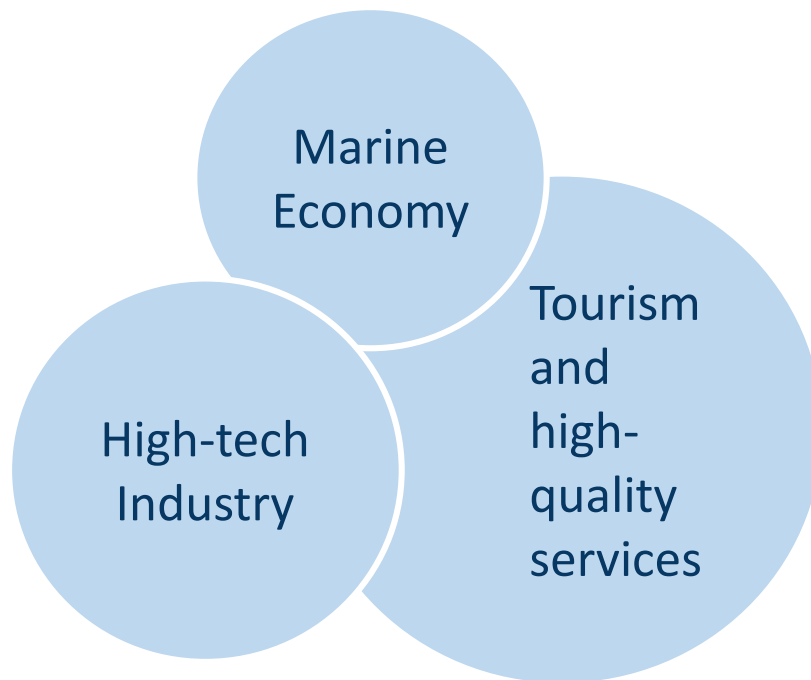
Electrical and electronic products

Investment by sectors



“To develop Da Nang into a major ecological and smart city, a center of entrepreneurship, innovation, and a coastal city worth living in Asia.”

THREE ECONOMIC PILLARS



FIVE KEY DEVELOPMENT SECTORS

Tourism and high quality services associated with real estate and resorts

Seaports and airports associated with logistics services

High-tech industry associated with smart city and start-ups

Information technology industry associated with digital economy

High-tech agricultural and fishery products



INDUSTRY

Hi-tech Industry

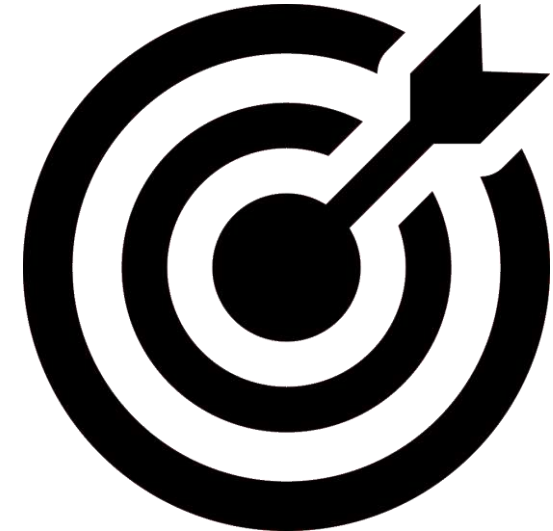
- ❖ Microelectronics, mechatronics, and opto-electronics
- ❖ Biotech
- ❖ ICT
- ❖ Automation, precision mechanics
- ❖ New energies, nano tech, new materials
- ❖ Tech-applied for petro chemistry, and other special industries

Supporting Industry

SERVICES

- ❖ Tourism - real estate
- ❖ Trade, wholesales and retails
- ❖ **Healthcare**
- ❖ **Education and training**
- ❖ Airport and seaport logistics
- ❖ **Banking and Finance**

Start-ups -
Innovation Projects



Da Nang Hi-tech Park

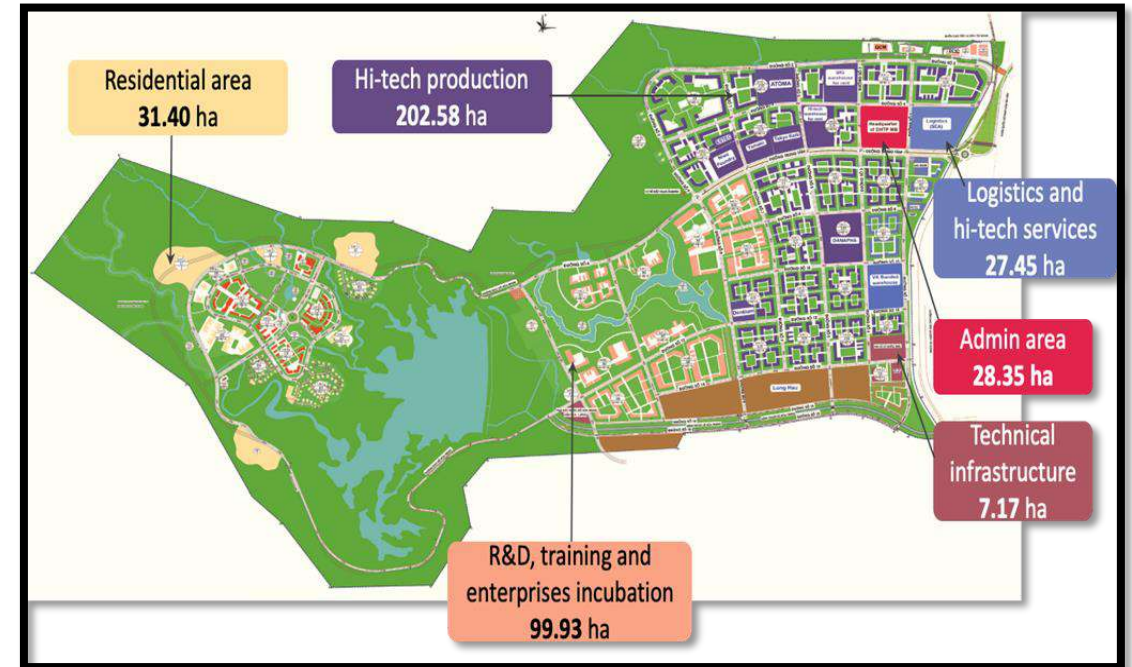


Prioritized industries

99 high technologies

107 high-tech products

- Microelectronics, mechatronics and opto-electronics
- Biotech
- ICT
- Automation, Precision mechanics
- New energies, nano tech, new materials
- Tech applied for petrochemistry and other special industries



Master plan

Total area: **1,128.4** ha

Of which land for rent is **612.27** ha

Investment attraction (March 2021)

12 FDI projects: **545.1** million USD

12 domestic projects: **266.9** million USD

Filled rate (March 2021)

Hi-tech production: 63.55%

R&D, training and enterprises incubation: 34.21%

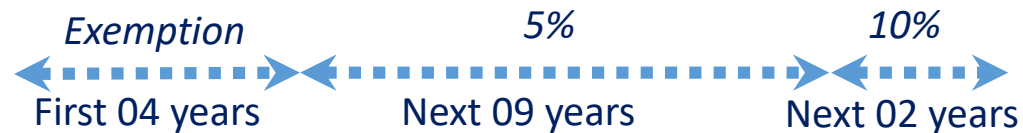


Invest in Da Nang Hi-tech Park

INVESTMENT INCENTIVES

*Corporate income tax

Tax rate of 10% for a period of 15 years



Projects from 3,000 bil VND ~ 129 mil USD: 10% for 30 years

*Import tax

Exemption on goods to create fixed assets, including machinery, equipment and components.

*Land rental exemption

- *During the construction period:* exemption for not over 03 years
- *After the construction period:*
 - The entire leasing period: projects in the list regulated by the PM; manufacturing hi-tech products; hi-tech incubation and hi-tech enterprise incubation; R&D; HR institutions...
 - 19 years: Fairs, exhibitions, supermarkets and shopping malls; logistics, warehouses; sports centers
 - 15 years: Construction and commercial operation of infrastructures; services projects related to residency in DHTP

INVESTMENT COSTS

	<i>Production</i>	<i>Services</i>
Electricity	0.067 – 0.123 USD/kWh	0.104 – 0.182 USD/kWh
Water	0.381 USD/m ³	
Land rental	0.61 – 1.1 USD/m ² /year	0.78 – 1.38 USD/m ² /year
	Depend on the payment method and routes	
Infrastructure usage fee	0.26 USD/m ² /year	
Land clearance compensation fee	1.3 USD/m ² <i>Projects from 3,000 bil VND ~ 129 mil USD are exempted from paying land clearance compensation fee</i>	



INVESTMENT INCENTIVES

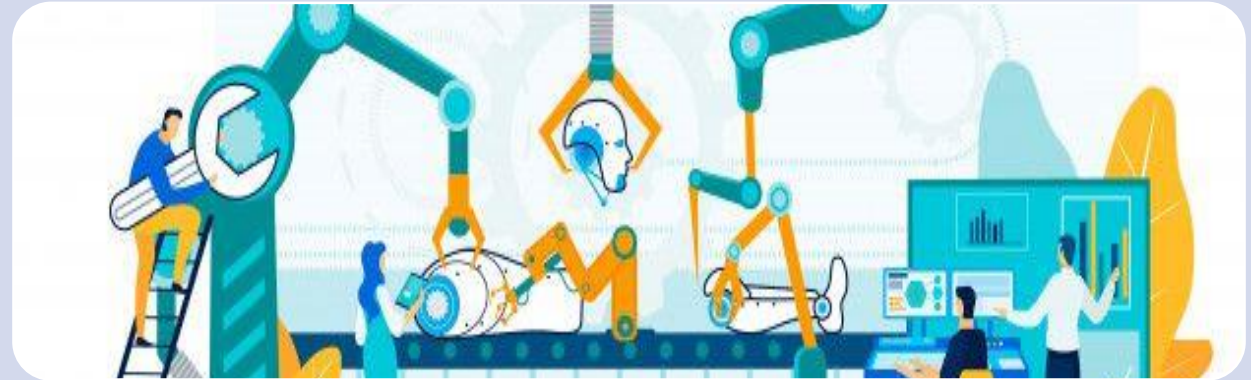
Corporate Income Tax

10% for 15 years

Import Tax

Tax exemption for goods imported to create fixed assets of the project

(Decree No. 111/2015/ND-CP of the Government)



Supporting products used in hi-tech industry

- Types of mold
- High standard mechanical parts
- Types of electronic components , electronic circuits used for creating equipment
- Components and accessories used for new power generator and renewable generator
- High quality plastic components: high precision drive train, durable, heat-resistant and wear-resistant plastic components
- Types of sensors
- New generation engines



Long Hau Factory For Lease

Total area

29.6 ha

Flexible rental size

From **800** m²

Compound ready-built factory

From **\$3.9**/m²/month

Built-to-suit factory

From **\$4.9**/m²/month



Da Nang Supporting Industrial Park

Location: Hoa Lien, Hoa Vang District, near Da Nang Hi-tech Park

Area: 58.531 ha

Infrastructure investment capital: 235 billion VND (from state budget)

Estimated year of completion: 2022



Da Nang IT Park

Developer: Da Nang IT Park Development JSC

Location: Hoa Lien, Hoa Vang District, Da Nang City, Viet Nam

Total area (phase 1): 131ha

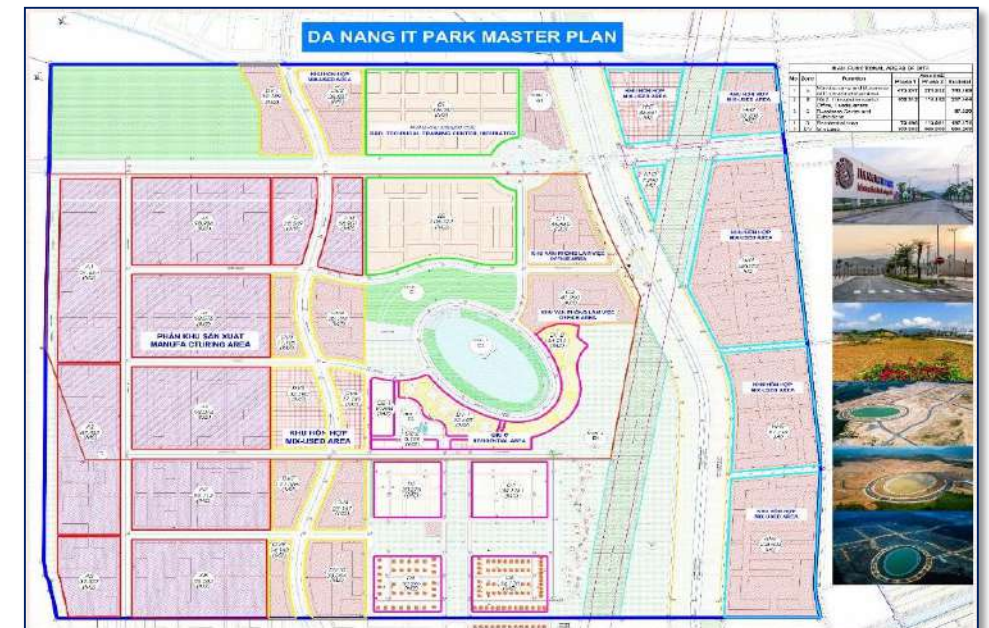
INCENTIVES

Incentives from the Developer: Exemption from land lease depending on the type, size of investment and time from 5 to 10 years.



Import tax Exemption for goods imported to create fixed assets and serve for production of information technology products and services of enterprises

Infrastructure usage fee



INCENTIVES	PROJECTS
Exemption 100% in first 02 years Reduction 50% in next 03 years	IT R&D, IT incubation, IT enterprise incubation or HR training
Reduction 50% in 02 years	Manufacturing products applied in Group VI-Supporting products for hi-tech industry



Da Nang Software Park 2



Location: **Thuan Phuoc Ward, Hai Chau District**

Area: **28,573 m2**

Investment capital (phase 1): **800 billion VND**

Commencement time: **10/2020**

Estimated time of completion: **2023**

03 functional areas:

1. ICT building: 20 floors

2. ICT1 headquarter office building: 8 floors

3. ICT2 headquarter office and cafeteria building: 8 floors



Healthcare Sector

High – quality international cancer treatment center

- *Oncology hospital, Lien Chieu Dist*
- *Capacity: 500 patient beds*

LIEN CHIEU DIST

High – quality health screening center

- *Aear: 5,000 – 10,000 m²*

SON TRA DIST

Elderly care center

- *Functional zone including caring and nursing zone*
- *Area: 10,840 m²*

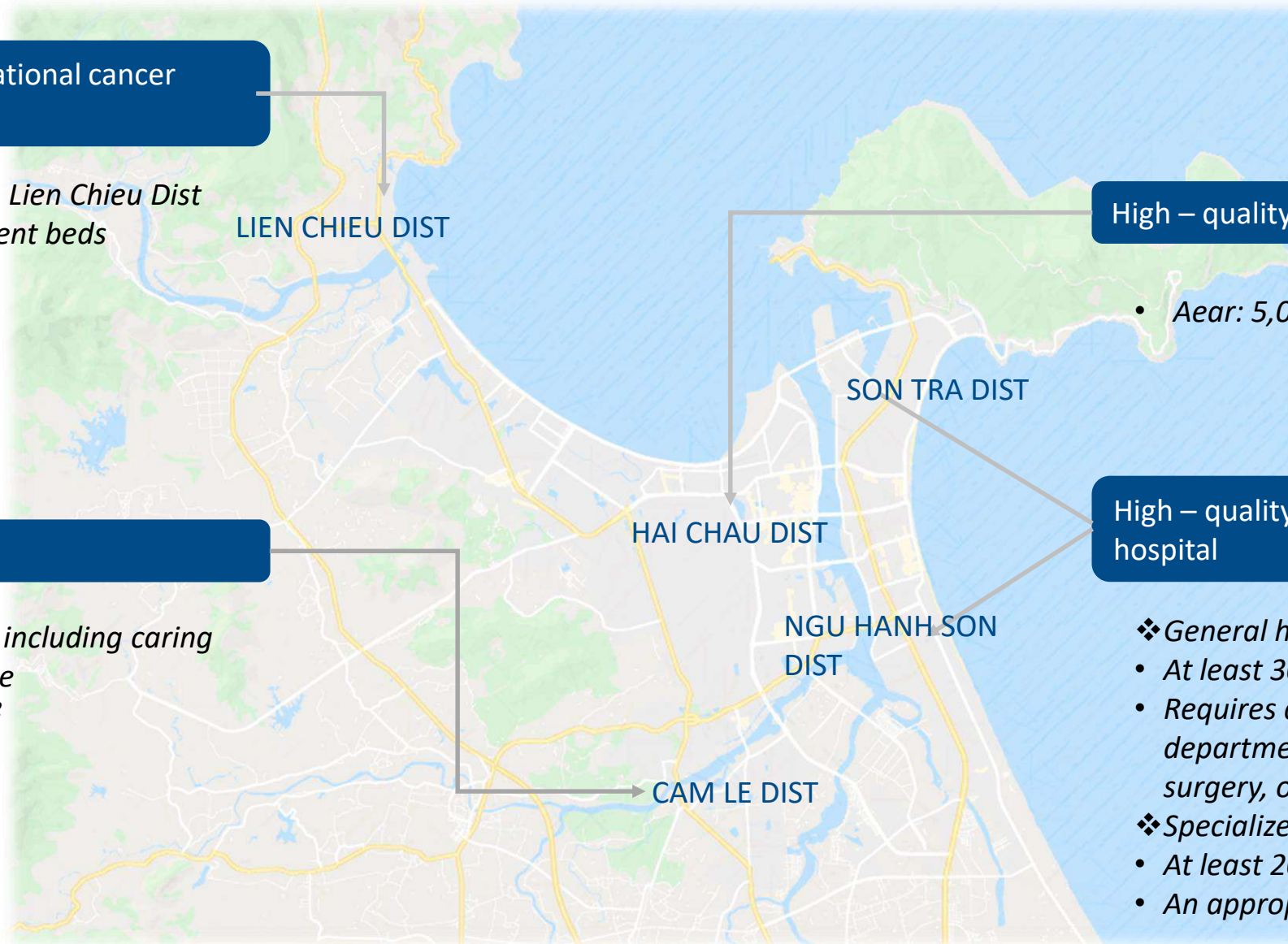
HAI CHAU DIST

High – quality general/specialized hospital

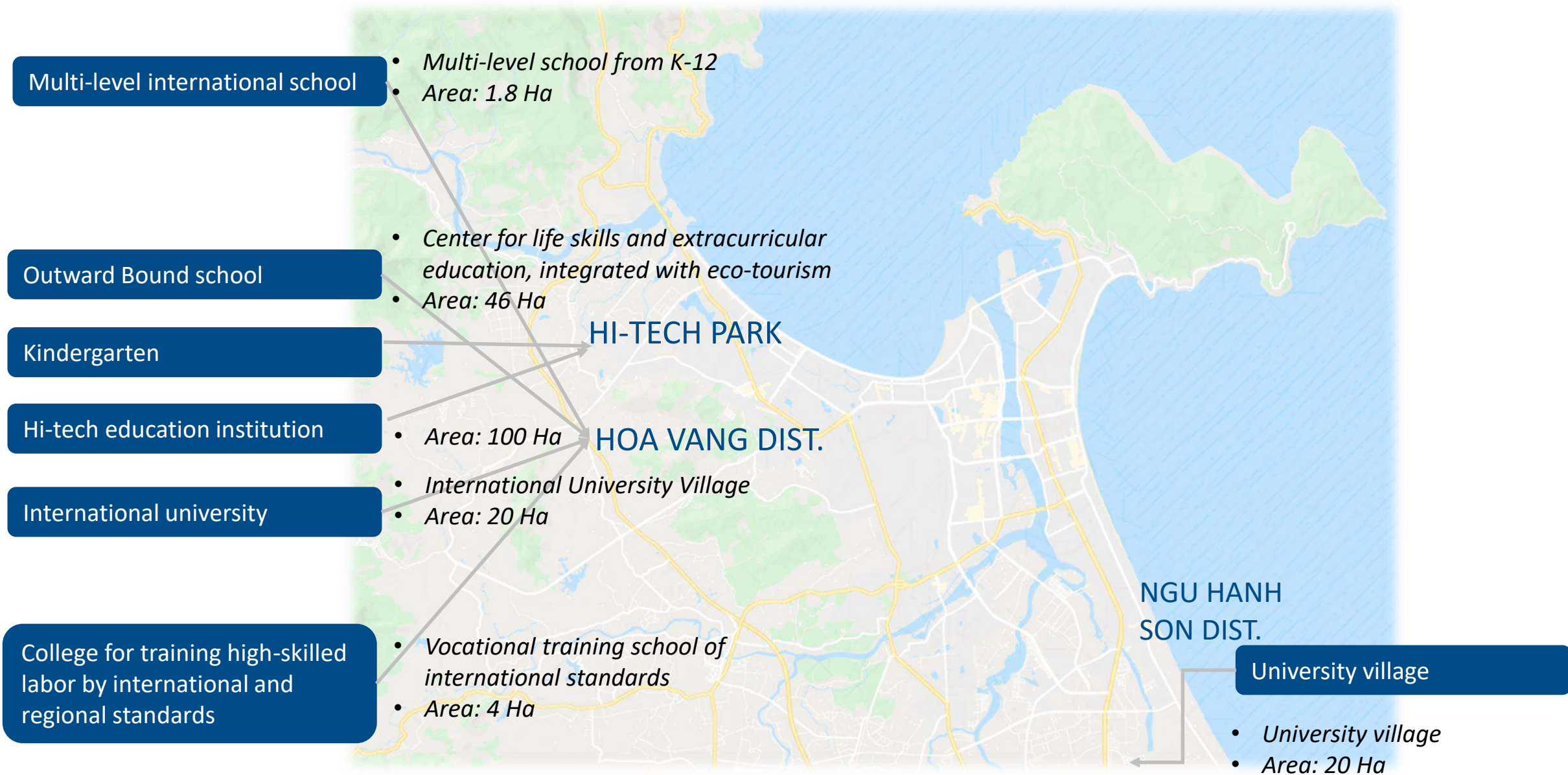
- ❖ *General hospital:*
 - *At least 30 patient beds*
 - *Requires at least 02 out of 04 departments (internal medicine, surgery, obstetric, pediatric)*
- ❖ *Specialized hospital:*
 - *At least 20 patient beds*
 - *An appropriate clinical department*

NGU HANH SON DIST

CAM LE DIST



Education Sector





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