



Danang: Current Economic Landscape and Business Outlook

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Danang: Economy & FDI Update

Danang by Numbers



Land area
Approximately
1,285 km²



Districts:
6 urban
2 suburban



Population
1.447 Million
(2017)



Tourism
6.6 (2017)
million
19% increase
than 2016



GRDP Growth
9.04 %
(2017)



GRDP
\$2,576 (2017)
million



GDP/ capita
\$2980 (2016)



FDI
78 Million (2016)
115 Million (2017)
48% (YoY increase)

2018Q1 FDI

S. Korea & Japan
Account for **99%**












Index of Industrial
Production
8.03% (YoY Jan-
Apr 2018)

Sources: <https://cucthongke.danang.gov.vn> (Da Nang Statistics department)

<http://baodanang.vn> (Da Nang Online)

Since 2016, FDI in Da Nang has been increasing significantly

- **Total FDI significantly increased in 2017, 48% increase**
- **Japan and South Korea are always the top tier**
- **For Q1/2018, South Korea became No.1 foreigner investor (in terms of registered capital)**

	Total FDI (USD) by Nationalities	2018 (as of April)	2017	2016	2016-2017 %growth
 1	South Korea	50,305,272	19,099,449	3,210,445	495%
 2	Japan	20,601,820	63,525,910	67,533,952	-6%
 3	Thailand	222,548	-	2,753,000	
 4	Singapore	100,000	26,464,015	50,000	500%+
 5	Australia	40,000	1,325,000	270,700	389%
 6	USA	15,000	1,141,000	711,160	60%
 7	China	-	1,184,384	2,617,323	-55%
 8	Hong Kong	-	300,000	-	
 9	Saudi Arabia	-	-	1,000,000	
	Other countries	330,000	2,822,650	315,720	500%+
	Total	71,614,640	115,862,408	78,462,300	48%

Source: KPMG Vietnam 2018

Source: KPMG Vietnam May 2018



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Infrastructure developing quickly



Danang International Airport, the 3rd largest airport in VN, is operating more than 390 flights/month connecting Danang with 9 big cities in Vietnam and 25 cities across Asia.

The new \$154 million international terminal, opened at the end of 2017, is already running close to capacity.

Decision No. 3066/QD-BG TVT by Ministry of Transport proposes an upgrade by 2020 to handle up to **13 million passengers and 50,000 tonnes of cargo each year**.

Source: <https://e.vnexpress.net/news/video/da-nang-airport-set-to-burst-despite-recent-expansion-3719069.html>
<https://vnexpress.net/tin-tuc/thoi-su/da-nang-xin-mo-rong-cang-hang-khong-quoc-te-3717745.html>

Danang benefits from its strategic location: between the nation's two largest economic centres of Hanoi and HCMC, access to National Road 1A, deep seaport, with a strategic position along **East-West Corridor** linking Vietnam, Laos, Thailand and other nations.

Danang Port is a modern, equipped container port and one of the largest commercial ports of Vietnam. It currently consists of two (2) main terminals, Tien Sa Seaport and Song Han Terminal.

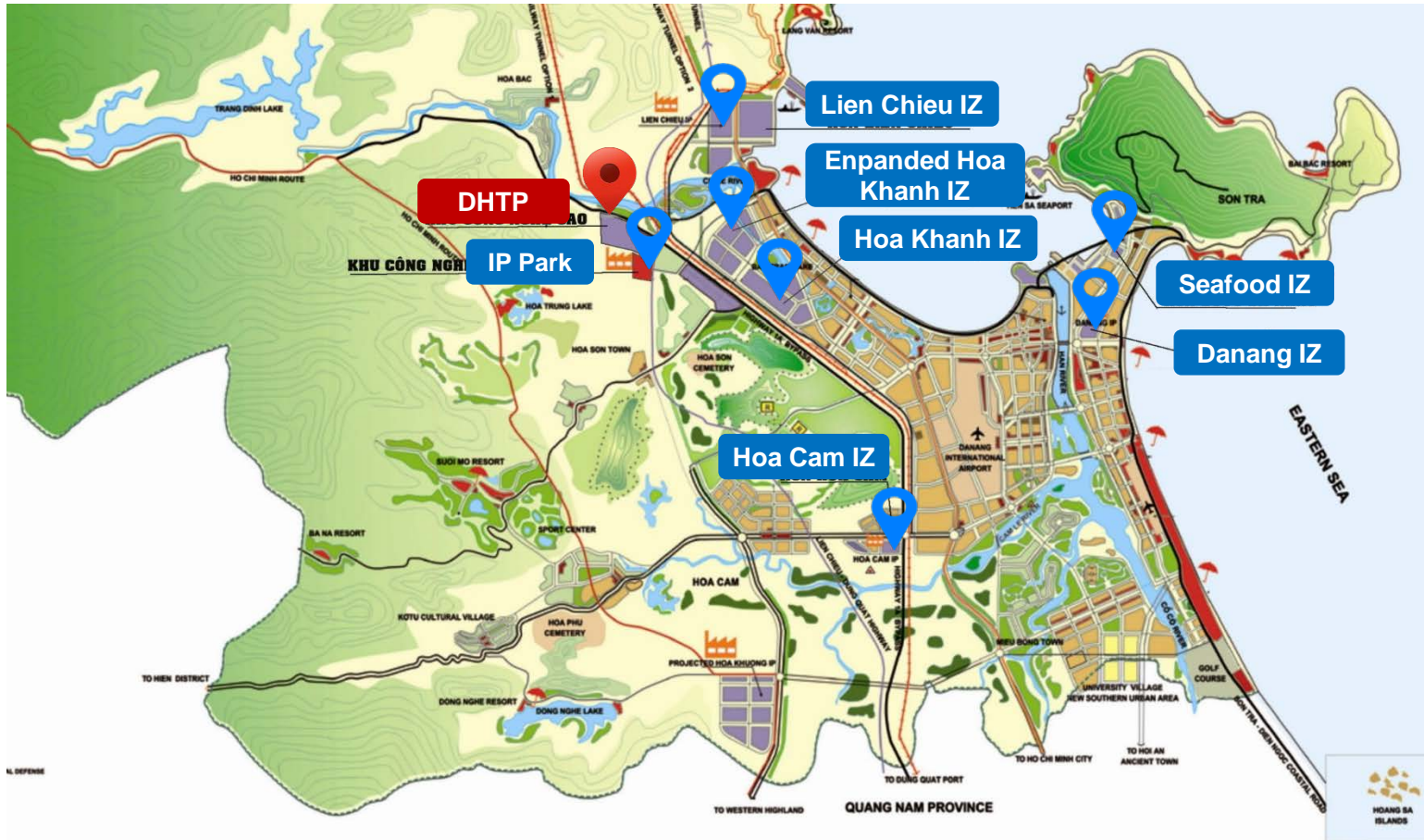
2020 Plans for Lien Chieu Port – The volume of goods through Da Nang port was 7.26 million tons in 2016, and is estimated to **rise to 12 million tons in 2020**, 30 million tons in 2030. These amounts will exceed the capacity of Tien Sa Port after 2020.

The Danang People's Committee recently announced a plan to call for investment to join in the construction of Lien Chieu Port, utilizing a PPP model. The project will cost an estimated \$179 million USD.

Source: <http://www.baodanang.vn/english/business/201803/work-on-lien-chieu-port-project-needs-to-start-soon-2591636/>
<https://baomoi.com/da-nang-cap-thiet-mo-rong-san-bay-doi-ga-duong-sat-va-xay-cang-bien/c/25128111.epj>

Danang's industrial hubs

Danang has 6 industrial parks, which house 319 local and 100 FDI projects, employing 74,000 local workers. **The city also has 1 Hi-tech Park, 1 Software Park and 01 Centralised IT Park.**



Source (image): [Danang Hi-Tech Park](#)

Danang Hi-Tech Park

11 projects

\$274 mil.

40.9 hectares occupied

Yamato
Yamato Sewing Machine Mfg. Co., Ltd.

28 mil.USD - 2.85ha



15 mil. USD
5 ha



2.2 mil.USD
0.53ha



0.5 mil.USD
0.5ha



ESTEC

8 mil. USD
0.982 ha



54.2 mil USD
9.151 ha



Danapha

68 mil. USD
7.7ha



25 mil.USD
6.38ha



3.51 mil. USD - 1.69ha



30 mil.USD
3.16ha



40 mil.USD
3.04ha





Danang: Business Outlook

Things to consider in doing business in Vietnam

Centralized investment procedures with local authorities:

Danang Investment Promotion Center is responsible for implementation of investment promotion activities to attract domestic and foreign investors invest in Da Nang.

It acts as a **‘one-stop’ shop** which carries out some main responsibilities and works to provide solutions to companies investing inside and outside industrial zones in Danang.

Da Nang Hi-Tech Park Authority, DIEPZA, Department of Planning and Investment have **“One-stop shop service”** in granting investment and business certificates.

Attractive incentives to go High-Tech

Danang High-Tech Park (DHTP)

On 4 January 2018, the Government issued Decree No. 04/2018/ND-CP (“Decree 04”) stipulating preferential mechanisms and policies for Da Nang Hi-Tech Park (“DHTP”).

According to Decree 04, enterprises with investment projects in DHTP will enjoy a number of incentives in terms of Corporate Income Tax, land lease, investment credits and other incentives.

Taking effect on 20 February 2018, Decree 04 is expected to attract more investments into the Da Nang Hi-tech Park.

High-tech agriculture for Hoa Vang district

The city has issued a plan to implement Resolution 03-NQ/TU on developing Hoa Vang district, built mechanisms and policies to attract investment in hi-tech farming, approved seven high-tech agriculture zones, and built a scheme to open a high-tech agricultural area.



Thank you



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