



INDUSTRIAL ZONEs IN VIET NAM AND POLICIES

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Ministry of Planning and Investment

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- I. Development of IZs**
- II. Advantages to invest in IZs**
- III. IZs development orientation**



TRUNG QUỐC

Trung du và miền núi phía Bắc

- Gồm 10 tỉnh: Bắc Giang, Bắc Kan, Hà Giang, Hòa Bình, Phú Thọ, Sơn La, Thái Nguyên, Tuyên Quang, Yên Bái, Lào Cai
- Số lượng: 23 khu
- Diện tích đất công nghiệp đã cho thuê: 2.878 ha
- Diện tích đất công nghiệp đã cho thuê: 1.462 ha

Đồng bằng sông Hồng

- Gồm 11 tỉnh: thành phố Bắc Ninh, Hà Nội, Hải Dương, Hải Phòng, Hưng Yên, Nam Định, Ninh Bình, Quảng Ninh, Thái Bình, Vĩnh Phúc
- Số lượng: 70 khu
- Diện tích đất công nghiệp đã cho thuê: 10.184 ha
- Diện tích đất công nghiệp đã cho thuê: 4.945 ha

Bắc Trung bộ và Duyên hải miền Trung

- Gồm 14 tỉnh, thành phố: Đà Nẵng, Bình Định, Bình Thuận, Hà Tĩnh, Khánh Hòa, Nghệ An, Ninh Thuận, Phú Yên, Quảng Bình, Quảng Nam, Quảng Ngãi, Quảng Trị, Thanh Hóa, Thừa Thiên Huế
- Số lượng: 44 khu
- Diện tích đất công nghiệp đã cho thuê: 3.475 ha
- Diện tích đất công nghiệp đã cho thuê: 2.462 ha

Quần đảo Hoàng Sa (Đà Nẵng - Việt Nam)

Tây nguyên

- Gồm 05 tỉnh: Đắk Lắk, Đắk Nông, Gia Lai, Kon Tum, Lâm Đồng
- Số lượng: 8 khu
- Diện tích đất công nghiệp đã cho thuê: 682 ha
- Diện tích đất công nghiệp đã cho thuê: 611 ha

Đồng bằng sông Cửu Long

- Gồm 09 tỉnh: An Giang, Bạc Liêu, Bạc Liêu, Bến Tre, Cà Mau, Cần Thơ, Đồng Tháp, Hậu Giang, Kiên Giang, Long An, Sóc Trăng, Tiền Giang, Trà Vinh, Vĩnh Long
- Số lượng: 45 khu
- Diện tích đất công nghiệp đã cho thuê: 7.556 ha
- Diện tích đất công nghiệp đã cho thuê: 2.478 ha

Quần đảo Trường Sa (Ninh Hòa - Việt Nam)

CHÚ THÍCH:

- Các tỉnh, thành phố và khu công nghiệp được thành lập theo quy định (tính đến 31/12/2011)

In the Northern region, now 100 IZs have been established with leasable industrial land of 14.700 ha, leased industrial land of 7.050 ha.



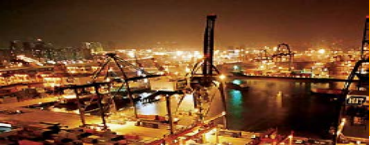
II. DEVELOPMENT OF IZs IN VIET NAM



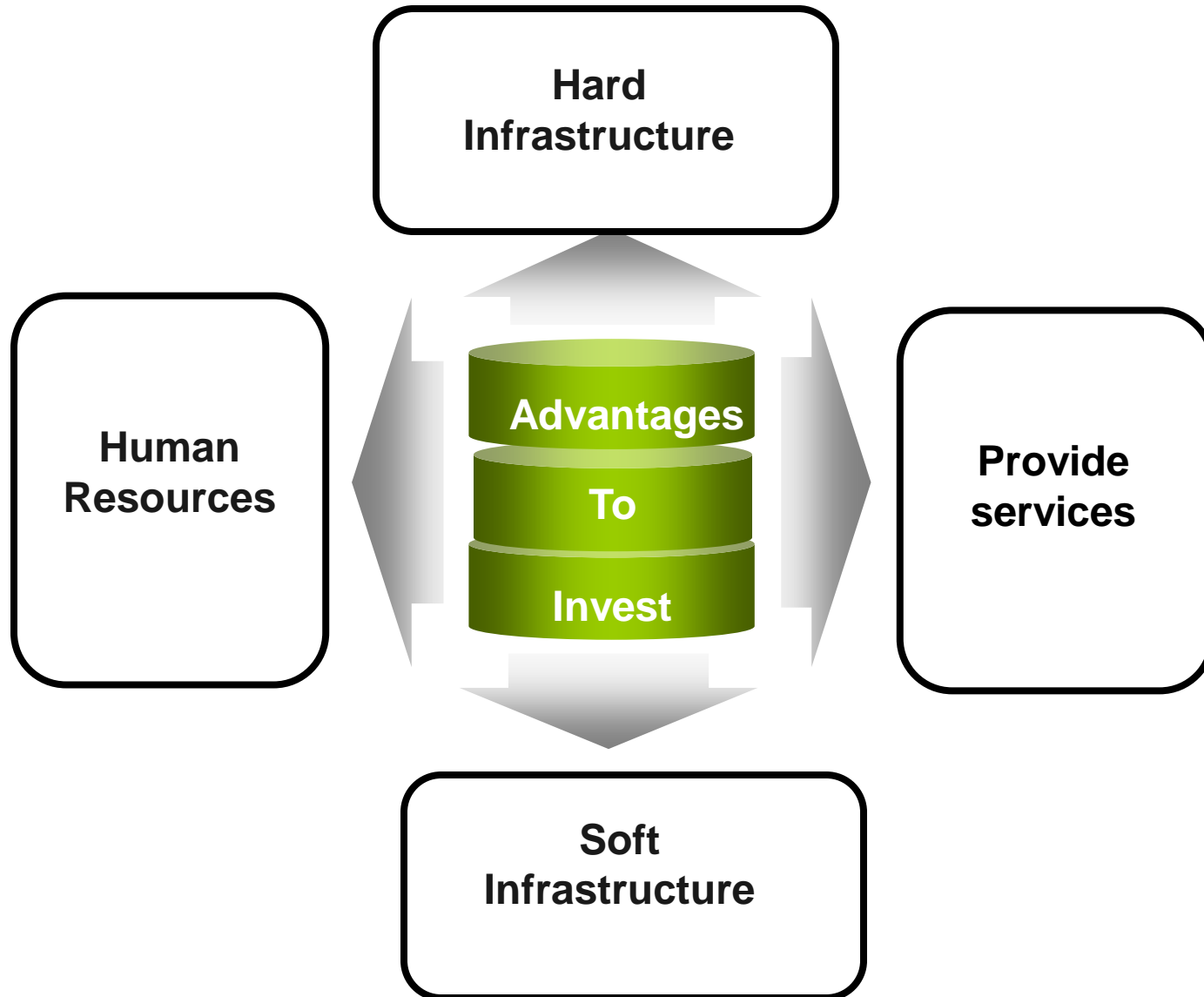
By the end in 2013, IZs have attracted approximately 5,000 FDI projects with total registered capital amounts to more than US\$ 73 billion.

In recently years, FDI in IZs accounts for 75-80% of the total industrial FDI value in Vietnam. The fill rate of operating IZs is about 65% nationwide.

Furthermore, IZs also play an important role in domestic investment attraction with more than 5000 projects and the total capital of US\$ 23 billion.

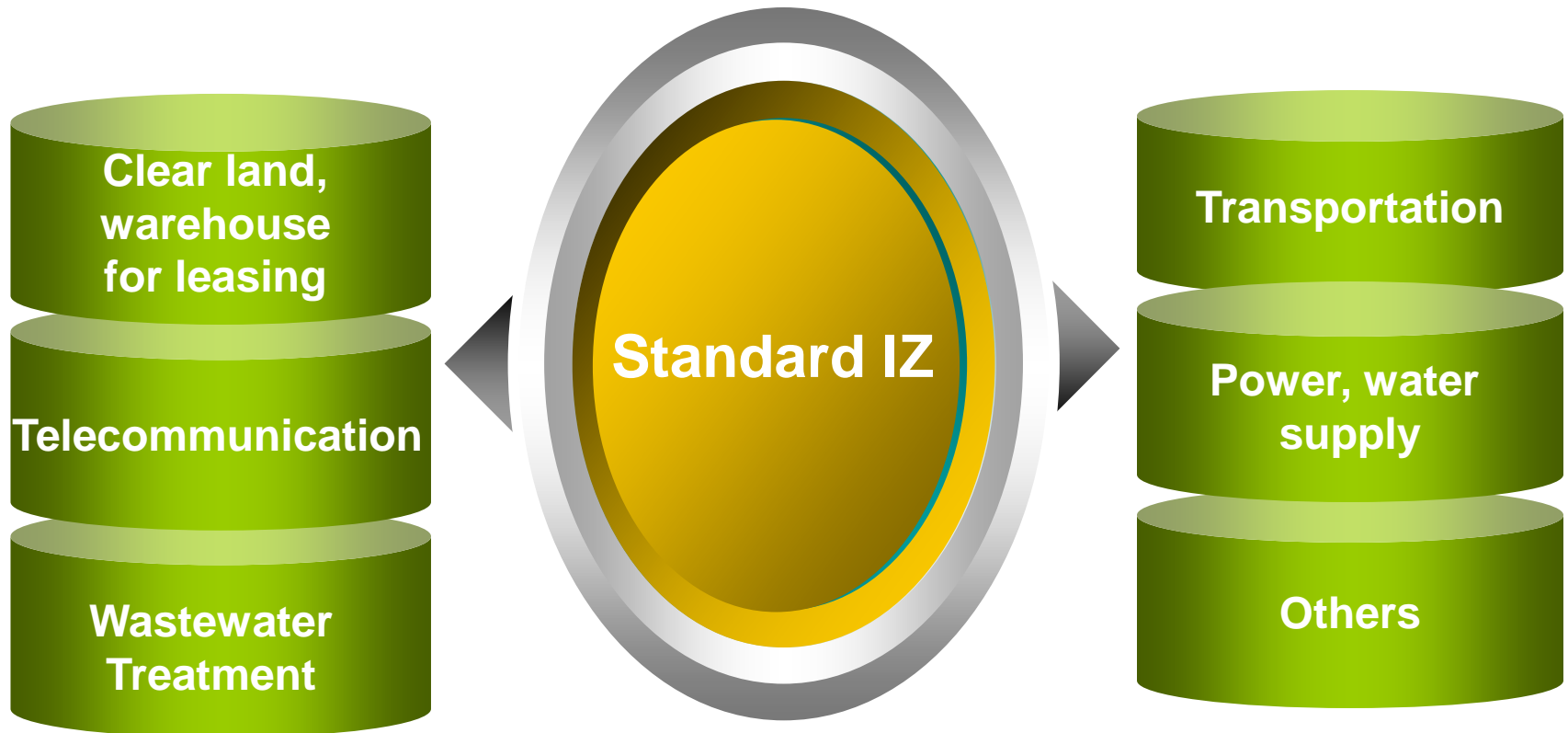


II. Advantages to invest in IZs





II. Hard infrastructure





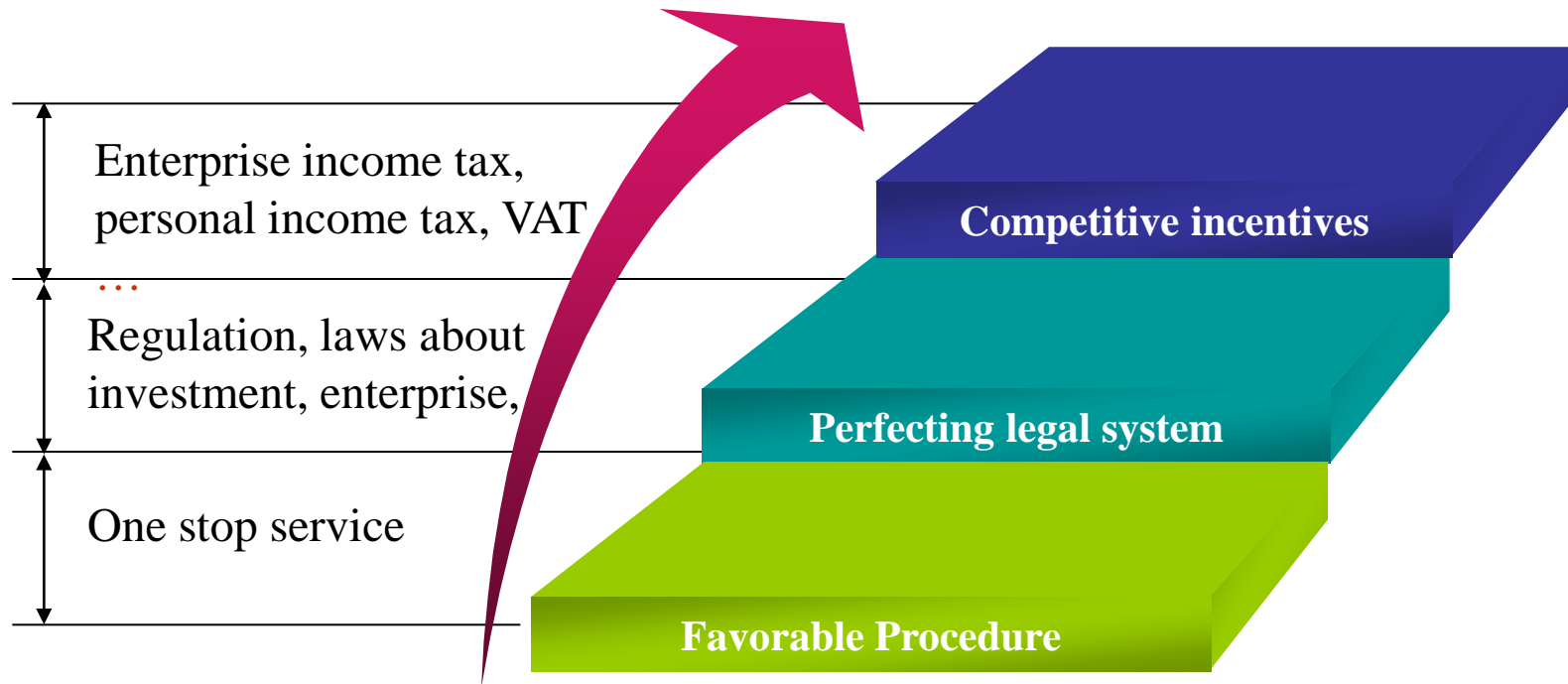
II. Hard infrastructure

- Local governments support financial subsidy for land clearance, and central wastewater treatment plan.
- Synchronous technical and social infrastructure to the fences, such as: road, power, water, workshop, warehouse, etc. has been built by local authorities; in the fences by IZs infrastructure developers
- Favorable location to connect national transportation system and approach market
- Leasable land/workshop price is stable for long time





II. Soft infrastructure





II. Soft infrastructure

To simplify administrative procedures towards the principle of “one-stop, and on-the-spot”, and to facilitate investors as much as possible

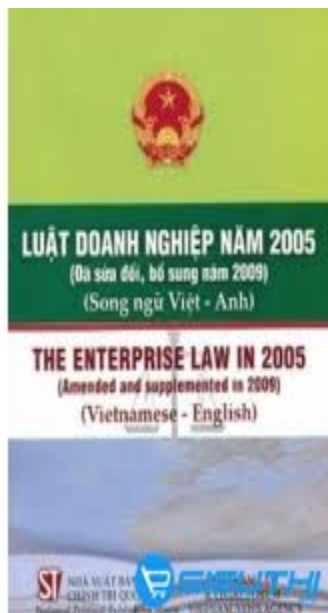
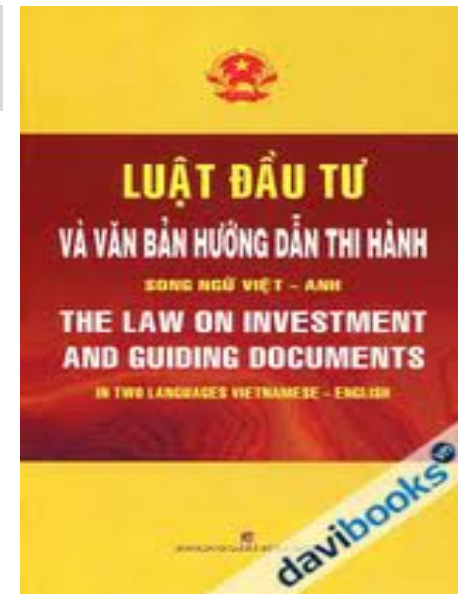
- The management boards of IZs are in charge of IZs management at local levels:
 - To provide instructions, and to issue investment license
 - To settle recommendations, concerns raised by investors.
 - To play the clue management role in terms of investment, construction, trade, labour, and environment, etc.



II. Soft infrastructure

To further complete the legal framework

- The Law on Investment, and the Law on Enterprises regulate different forms of investments, enterprises, and other procedures relating to enterprises' investment and business activities.



- The legal system has been gradually completed towards simplifying administrative procedures, avoiding overlaps, and further decentralizing to state management bodies at local levels.



II. Soft infrastructure

Investment incentives in IZs

- Depending on investment sectors, IZs are areas receiving other investment incentives on:
 - Corporate income tax, import tax, and/ or personal income tax, depending on investment sectors.
 - Land-leasing fees
 - Supports from the state budget for infrastructure building investment.
 - IZs in economic zones receive investment incentives in the highest level on Vietnam Law



II. Soft infrastructure

Type of project	Corporate Income Tax	
	Tax rate	Duration of tax exemption and reduction
Production project in IZ, which <i>located in area with difficulty of social economic condition</i>	20% in 10 years and from 1/1/2016 is 17%	Tax-exemption in 2 years and 50% tax reduction in next 4 years since operation
Production project in IZ, which <i>located in area with special difficulty of social economic condition</i>	10% in 15 years and then 22%	Tax-relief in 4 years 50% of tax reduction in next 9 years since operation
<i>Production project in IZ</i>	22 %	Tax-relief in 2 years 50% of tax reduction in next 4 years since operation



II. Soft infrastructure

Type of project	Income Tax	
	Tax rate	Duration of tax exemption and reduction
Invest on production in EZ	10% in 15 years and then 22%	Tax-relief in 4 year 50% of tax reduction in next 9 years
- Invest on R&D, high-tech application field in IP, EZ - Invest with large – scale (huge project)	Can be applied 10% for 30 years	Tax-relief in 4 year 50% of tax reduction in next 9 years
Invest on the socialized field in EZ	10% in the whole circle of the project	Tax-relief in 4 year 50% of tax reduction in next 4 or 9 years



Human Resource

Labor force

System of universities/colleges
/vocational training

Training Support

**Improving the
quality of HR**



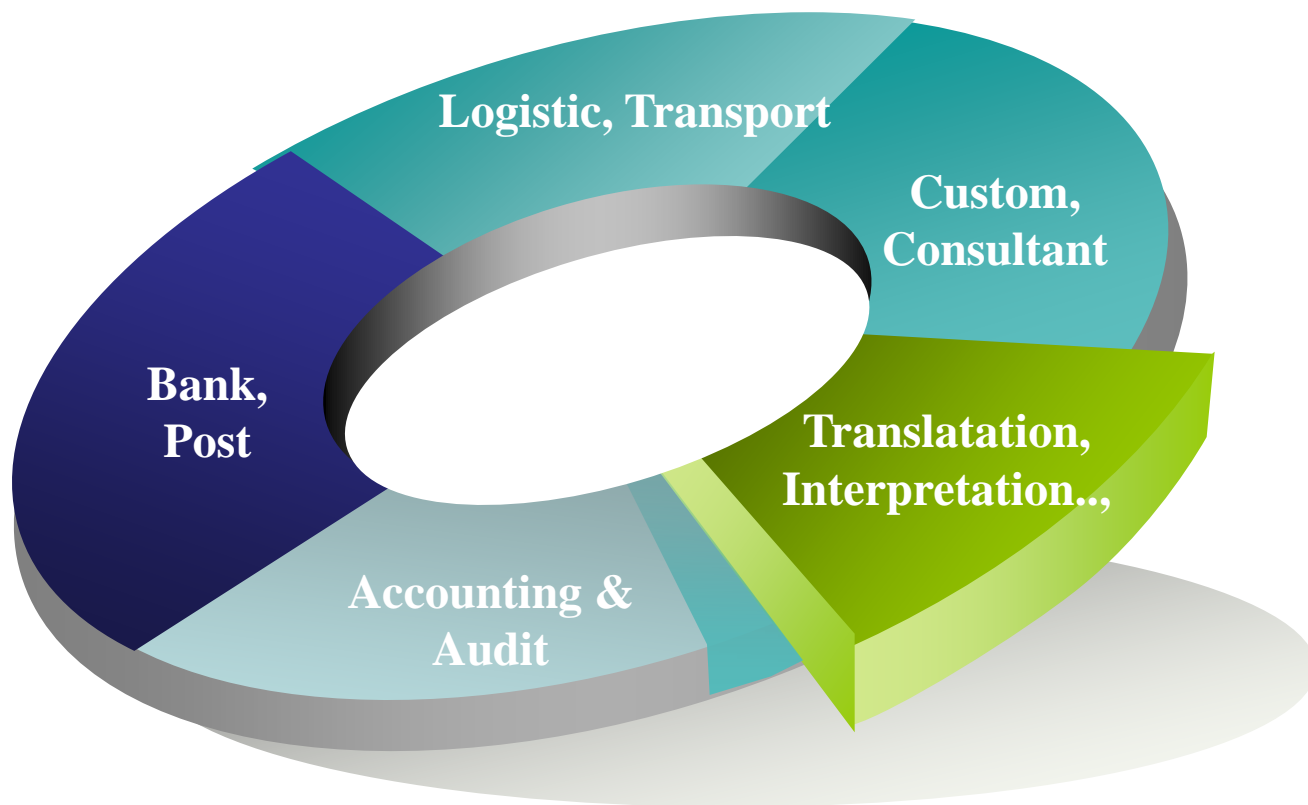
Human Resource

- World 12th population (3rd in ASEAN)
- National average age, 28 years old
- Labor with high quality and competeness
- Certain IZs are equipped with vocational schools to help train hired workers free of charge and give them the skills to work for firms established in IZs
- Overtime is accepted
- Rate “job – hopping” dramatically reduces





II. Standard Services in IZs





III. IZs development orientation

1. To make concentrated investment to complete technical and social infrastructure
2. To hold investment promotion activities, with specific focus, and targeting big investment partners and prestige groups in the world.
3. To build supporting industrial parks, special industrial zones for strategy partners, such as Japan, Korea...
4. To increase industrial linkages in Izs development in order to build industrial clusters to improve added values, competitiveness, and economic efficiency.
5. Continue to review and amend management mechanism of IZs in way of more effective management of IZs.

Thank you

