

# **NGHI SON ECONOMIC ZONE AND OTHER INDUSTRIAL PARKS OF THANH HOA PROVINCE**

## **1. Nghi Son Economic Zone**

Nghi Son Economic Zone (Nghi Son EZ), located in the South of Thanh Hoa province, on the national North-South transport line, established according to the Decision 102/QĐ-TTg of the Prime Minister, dated May 15<sup>th</sup> 2006, has an area of over 18,000 ha linked to Nghi Son deep sea port; and now it has been expanded to 106,000 ha. This is a general multi-sectorial economic zone focusing on heavy and basic industries such as refinery and petrochemical, advanced steel casting and rolling, shipbuilding and repairing, thermal power, construction materials, producing and processing goods for domestic consumption and export. With its potentials, advantages and favorable position, Nghi Son EZ will be developed into a major dynamic development zone in the south of northern concentrating economic region, creating strong driving force and encouragement promoting the socio-economic development of Thanh Hoa province and neighboring provinces.

To develop Nghi Son EZ, the Government of Vietnam has issued and applied open, attractive investment incentive policies and mechanisms for investors. The development of Nghi Son EZ is the important goal and task of Thanh Hoa province. Therefore, with the assistance and support from the Central Government, Thanh Hoa province have been prioritizing the highest resources to social and technical infrastructure construction of Nghi Son EZ like ports, wave breaking dykes, fairway dredging, main transport lines, water and power supply systems as well as residential areas. The site clearance has been carried out with high determination and commitment to assign the clean site to investors for ensuring the project progress.

To the early in 2016, Nghi Son Economic Zone has attracted 136 investment projects, of which 127 domestic projects with total registered capital of about 96,302 billion VND and 9 foreign investment projects with total registered capital of about 9.68 billion USD including: Nghi Son refinery petrochemical complex with the investment of over 9 billion USD and capacity of 10 million tons of products per year, is one of the biggest foreign projects in Vietnam expected to be put into commercial operation in 2017. Some large projects like Nghi Son Cement factory - capacity of 4.3 million tons/year, thermal power center - total capacity of 2,400MW, Nghi Son steel mill of 1 million tons of steel billets per year, etc are operating or under construction, accelerating Nghi Son EZ to develop into a large industrial center of the country.

Coming to Nghi Son EZ, investors will be given the guidance on processing formalities with fast and favorable “one-door” mechanism. With its distinctive potentials and advantages as well as especially favorable investment and business environment compared to other areas, Nghi Son EZ is an opportunity and a successful destination of investors.

## **1. Natural and social conditions of Nghi Son EZ**

*1.1. Geographical position:* Nghi Son EZ is located in the south of Thanh Hoa province, 200 kilometers from Hanoi Capital to the south and 1,500 kilometers from Hochiminh City to the north, bounded on the east by the East Sea and on the west by Nhu Thanh district.

Natural area is 106,000 ha, of which the land and island are 66,497.57 ha and water surface is 39,502.43 ha.

*1.2. Climate:* Average yearly temperature is 23.4°C, average yearly atmosphere humidity is 85-86% and average yearly rainfall is 1,833 mm.

*1.3. Topography:* Diversified topography including mountainous, plain and coastal areas. Of which, the plain accounts for about 60% of total natural area.

*1.4. Population, labor:* Population of Nghi Son EZ is more than 80,000 people, of which, the labor force is about 45,000 people (The provincial labor force is about 2.16 million. Most of them is young having rather high education level). In Nghi Son EZ, operating Nghi Son secondary vocational school and Licogi technology vocational school being constructed are able to train thousands technical workers.

For providing human resources to EZ, currently the Management Board of Nghi Son EZ designed Nghi Son human resources training and development serving for Nghi Son EZ and the IZs project to 2020 and got approval by Thanh Hoa PPC in 2015.

## **2. Technical infrastructure**

### *2.1. Transport system*

- Roads: Situated on the north-south transport line of Vietnam, Nghi Son EZ has the National road 1A and the national north-south highway planned in the west. It owns an uninterrupted transport road system reaching different areas of the province and region. The major transport lines connect the urban centers to industrial zones and Nghi Son port, the east – west lines connect Nghi Son port to the north – south highway and Hochiminh highway.

- Railway: 15 kilometers of the national railway passing through Nghi Son, of which Khoa Truong station (200km from Hanoi station) is expected to be upgraded into the central station of Nghi Son EZ

- Sea port: Nghi Son port has 50 wharfs, of which the general wharfs No 1, 2, 3 and two wharfs of Nghi Son Thermal Power Plant are capable of accommodating ships of 30,000DWT with the loading capacity of about 5 million tons per year. Currently, dozens of general, specialized and container's wharfs as well as general port logistics sectors are being constructed by investors.

From Nghi Son port position:

To Hai Phong port: 119 miles

To Hochiminh City port: 700 miles

To Hong Kong port: 650 miles

To Singapore port: 1,280 miles

To Tokyo port: 1,900 miles

- Airlines: Tho Xuan airport is of 4E grade, located 60 kilometers from Nghi Son EZ. Thanh Hoa province has commenced building the high way from Tho Xuan airport to Nghi Son EZ in 29/8/2014 and expected to complete and operate in 2017.

### *2.2. Power supply*

- Nghi Son EZ is exploiting the national power grid including North-South 500 KV and Thanh Hoa – Nghe An 220 KV lines. Currently, the 220/110/22 KV - 250 MVA transformer station has ensured the power supply for civil consumption and production.

- The Government has planned Nghi Son EZ into a big thermal power center with total capacity of 2,400MW. In which, Nghi Son Thermal Plant 1 of 600MW will generate electricity in October 2013. Nghi Son Thermal Plant 2, with capacity of 1,200MW invested by Marubeni (Japan) and Kepco (South Korea) corporations under BOT is expected to start its construction in 2016. Cong Thanh thermal plant with capacity of 600MW is urgently leveled by investor.

### *2.3. Water supply*

- Raw water: The raw water is taken from Yen My Lake (87 million cubic meters) and Song Muc Lake (200 mill. cubic meters) by raw water supply piping system. The pipeline of the 1<sup>st</sup> period with the capacity of 30,000m<sup>3</sup> per day leading to Dong Chua Lake has been built and put into operation. The pipeline of the 2<sup>nd</sup> period with the capacity of 90,000m<sup>3</sup>/day being invested from ODA source is expected to be completed by 2017.

- Clean water: There are two clean water supply plants including the plant at Dong Chua Lake which has finished the 1<sup>st</sup> construction period for supplying 30,000m<sup>3</sup> water per day and is expected to increase the capacity to 90,000m<sup>3</sup>/day and the plant of 20,000m<sup>3</sup>/day on the west of National Road 1A which is being constructed.

*2.4. Telecommunications services:* The infrastructure of telecommunications – Information Technology in Nghi Son EZ has been planned for development with advanced services, broadband, high speed and modern technology; capable of meeting the customer's demand on telecommunications services – information technology with the highest quality.

## **3. Social infrastructure**

The network of schools, hospitals, trade services, hotels and tourism... has been comprehensively planned. Some projects are under construction like: Nghi Son island ecological tourism zone, North Nghi Son island convalescence and tourism zone, Licogi technology vocational school, Nghi Son polyclinic, worker's accommodation, commercial banks and insurance services... meeting the demand on accommodation, learning and entertainment of workers, specialists and people in Nghi Son EZ.

## **4. Planning**

### *4.1. Master planning*

The master development planning of Nghi Son EZ has been approved by the Prime Minister at the Decision No 1364/QĐ-TTg dated October 10<sup>th</sup> 2007. Up to now, the 1/2000 detailed planning of all functional sectors have been approved, including the important sectors as:

a. Nghi Son port: Its detailed planning has been approved by the Ministry of Transport at the Decision No1401/QĐ-BGTVT dated May 26, 2010. The total planning area is 2,020 ha, of which the land area is 916.8 ha and the water surface is 1,103.2 ha. Nghi Son port has been planned with general, container and specialized wharfs. It is capable of accommodating ships of 30,000 – 50,000 DWT with the loading capacity of 80 mill. tons/year.

b. Industrial parks:

- Refinery and Petrochemical complex: Planning area is 504 ha; of which 394 ha belong to the refinery site of 1 period (including the refinery, port area and oil pipelines), 110 ha are planned for the expansion period raising the capacity to 20 million tons per year.

- Nghi Son thermal power center: The planning area is 347 ha including the site of Nghi Son thermal plant 1, Nghi Son thermal plant 2 and the specialized port area (20 ha);

- Concentrated industrial parks: industrial park No1 (241.29 ha), industrial park No2 (128.37 ha), industrial park No3 (247.12 ha), industrial park No4 (385.24 ha), industrial park No5 (462.87 ha), metallurgy industrial park (473.60 ha).

c. Other functional sectors:

- Central urban area: 1,613.28 ha;

- Urban area No3: 572.2 ha;

- Public service center: 38.70 ha;

- Nghi Son Island ecological tourism area: 100 ha;

- Truong Lam solid waste treatment area: 40.03 ha;

- North Xuoc Mountain public service area: 14.58 ha.

- Other functional areas such as residential area, resettlement area, golf course...

## **II. The industrial parks of Thanh Hoa province**

Along with the development of Nghi Son EZ, Thanh Hoa province has planned 5 concentrating industrial parks with completed infrastructure and open policy mechanism to attract investors to do business such as Bim Son, Lam Son – Sao Vang, Dinh Huong – North West station, Hoang Long, Le Mon, Thach Quang, Ngoc Lac and Bai Tranh industrial parks.

### **1. Lam Son – Sao Vang industrial park**

*1.1. Location:* It is located in the west of Thanh Hoa city, 40 kilometer from the city's center, nearby Tho Xuan airport, Hochiminh highway and national road 47. Thanh Hoa is concentrating to develop Lam Son – Sao Vang into hi-tech industrial park linking to Lam Son – Sao Vang hi-tech agricultural park, with total area of 6,000 ha. In the future development direction, together with Nghi Son EZ, it will become an economic motive force of the province.

- Borders: bounded

+ On the north by the national road 47;

+ On the south by Cua Chat lake;

+ On the east by future highway leading from Sao Vang airport to Nghi Son EZ;

+ On the west by Hochiminh highway.

- Distance to the industrial zone:

+ 40 kilometers from Thanh Hoa city to the west;

+ 120 kilometers from Hanoi Capital to the south;

+ 1,600 kilometers from Hochiminh City to the north;

+ 225 kilometers from Hai Phong port to the south;

+ 150 kilometer from Noi Bai airport to the south.

*1.2. Scale: 590 ha (Lam Son-Sao Vang IZ is located in planning of Lam Son-Sao Vang High technology agricultural-industrial zone)*

*1.3. Investment attracting occupations:*

Production of electronic components and telecommunication equipment, assembling of electric and electronic equipment... Currently, there are many projects have been granted investment certificate like: Hightech assembly factory of cases, components and accessories for phone ; Plant of nutritious food, functional food, healthy food products; Plant of edible mushrooms, high technology mushroom foods; Production and assembly factory of industrial, civil hightech LED lighting...

## **2. Bim Son industrial park**

*2.1. Location:* It is situated in the north of Thanh Hoa province, at the side of National Road 1A; 30 kilometers from Thanh Hoa city, 120 kilometers from Hanoi Capital to the south; 150 kilometers from Hai Phong port, with the north-south railway passing through.

This is an industrial park having favorable geographical position, located nearby Bim Son county town; having advantage on power and water supply, transport and services; easily to attract skillful labor, with much lower cost on land and infrastructure investment compared to other industrial parks in the north of Vietnam.

*2.2. Scale:* Area is 566 ha with existing infrastructure investor, of which:

- Sector A: located in the West of national road no 1A, 308 ha of area. Boundaries: hills of Ha Long commune, Ha Trung district in the North; Tran Hung Dao drive in the South; national road no 1A in the East; Ha Long commune, Ha Trung district in the West.

*Investment attracting occupations:* small trucks assembling, agricultural-forestry products processing, engine manufacturing, steel casting and rolling for construction, manufacture of leather and shoes

- Sector B: located in the East of national road 1A, 258 ha of area. Boundaries: Bac Son 3 drive and rock mountain in the Northeast; Tran Hung Dao drive in the Southwest; national road no 1A in the Northwest; Pham Hung drive in the Southeast.

*Investment attracting occupations:* manufacturing mechanics, production of advanced construction materials, foods processing, textile and garment, electronics, household goods and handicraft.

Currently, there are 03 enterprise operating infrastructure:

- Thanh Hoa Investment and Development Joint-stock Company (VID): investor of infrastructure in the North of sector A, area of 163 ha.

- Phuc Hung Architecture Joint-stock Company: investor of infrastructure in the South of sector A, area of 145 ha.

- HUD 4 Investment and Construction Joint-stock Company: investor of infrastructure in sector B, area of 258 ha.

*1.4. Invested and investing projects:* Currently, there are 22 investment projects with total investment capital of hundreds millions USD. Of which, there are effective enterprises

such as VEAM automobile factory with capacity of 33,000 unit/year; gas works; construction material plant; cement package factory...

### **3. Hoang Long industrial park**

*3.1. Location:* It is located in the north of Thanh Hoa city, near to the National Road 1A, 3 kilometers from the city's center.

*3.2. Scale:* 286.82 ha with existing infrastructure investor.

*3.3. Investment attracting occupations:*

Garment, leather and shoes, arts and crafts, electric and electronics, software, mechanical assembling and repairing, hi-tech assembling, household commodities, construction of worker's accommodation and public commercial – service works...

*3.4. Invested projects:*

Currently, some projects are operating effectively like two shoes making enterprises of Hong-Fu Corporation (Taiwan)...

### **4. Ngoc Lac industrial park, Ngoc Lac district:**

*4.1. Location:*

It is located in Southeast area of Hochiminh highway, on the territory bordering Quang Trung commune in Ngoc Lac district, Cam Chau commune in Cam Thuy district, include Quang Thai Binh (Lu Khoen) village, Quang Tho village areas and whole area of Quang Trung commune, Ngoc Lac district, 7km from Ngoc Lac ville. Total area of 150 ha. Boundaries:

- + En village, Cam Chau commune in Cam Thuy district to the Northeast;
- + Lu spring, Quang Trung commune, Ngoc Lac district to the Southwest;
- + 500KV power line to the Southeast;
- + Ho Chi Minh highway to the Northwest.

*4.2. Scale:* planning area of 100 ha

*4.3. Investment attracting occupations*

Textile and garment, leather and shoes, automobile manufacturing and assembling, high-end construction materials manufacturing, steel structure manufacturing, electronics, hightech products, agricultural-forestry product processing for export.

### **5. Thach Quang industrial park, Thach Thanh district**

*5.1. Location:*

It is in the administrative boundaries of Thach Quang, Thach Tuong communes, in the West of Thach Quang urban, 500m from Ho Chi Minh highway to the West. Boundaries:

- + Ngang spring and hills to the North;
- + Canh Gio and Dong Chua mountains to the South;
- + Thach Quang urban's planning road to the East;
- + Thach Tuong commune in the West.

*5.2. Scale:* Total area of 140 ha, of which, industrial land of 85.38 ha

### *5.3. Investment attracting occupations*

The projects on agricultural-forestry product processing, foods processing, cattle food processing, fertilizer manufacturing and construction materials manufacturing.

## **6. Bai Tranh industrial park, Nhu Xuan district:**

### *6.1. Location*

Location of studied planning land is determined in administrative boundary of Xuan Binh commune. It is located in the Southeast of urban, on Nghi Son-Bai Tranh route, 33km from Nhu Xuan district's center area to the South. Follow Nghi Son –Bai Tranh route: it is located 4.8km from Ho Chi Minh highway, 48km from Nghi Son port. It has 116 ha of area. Boundaries:

- + Bai Tranh farm, Bai Tranh urban's planning road to the North;
- + Nghi Son –Bai Tranh route to the South;
- + Hills in the East;
- + Hills in the West.

*6.2. Scale:* 179.03 of planning area, of which, industrial land of 145 ha.

### *6.3. Investment attracting occupations*

The projects on agricultural-forestry product processing, mineral processing and construction material manufacturing. After 2017, Bai Tranh IZ attract the projects on processing several products of downstream industries for Nghi Son refinery and petrochemical plant.

## **7. Le Mon industrial park**

*7.1. Location:* Established in 1998, Le Mon IZ has occupied 100% of area currently. This is the industrial zone situated in Thanh Hoa city, with particularly favorable location on transport infrastructure, electricity and water supply and labor attraction from other locality in province, near to Sam Son town and the high-end resorts.

*4.2. Scale:* 87.61 ha (fully occupied).

### *4.3. Industrial park characteristics:*

Industries of consumer goods, textile and garment, leather shoes for export, agricultural and forestry product processing, mechanical manufacturing and assembling, electronics, telecommunication equipment, software production, advanced construction material production, traditional arts and crafts production...

### *4.4. Invested projects:*

Presently, many projects have operated effectively, especially the projects of Japanese businesses like Vietnam Sakurai garment factory, Yotsuba Dress, Thanh Hoa Nomura garment factory, export footwear factory...Le Mon IZ creates jobs yearly for more than 22,000 workers, contribute hundreds billion VND annually for state budget.

## **8. Dinh Huong – Tay Bac Ga industrial park**

*8.1. Location:* It is located in the north of Thanh Hoa city, at the side the National Road 1A, 2 kilometers from the city center, 7 kilometer from Le Mon port and 3 kilometer from north-south railway station. Boundaries: general planning road of Thanh Hoa city to the

North; North-South railway to the South; agricultural land of Phu Son ward to the West; agricultural land of Dong Tho ward to the East.

2.2. *Scale*: 162.7 ha, of which:

- North-west station industrial park (1st period + 2nd period): 133.85 ha.

+ 1st period: 84.3 ha: fully occupied

+ 2<sup>nd</sup> period: 49.55 ha: The infrastructure investor and exploiter is Phuc Hung architecture Join stock company.

- Dinh Huong industrial park: 28.85 ha (fully occupied).

2.3. *Investment attracting occupations*: production of high quality industrial goods in Northwest station IZ in 2nd period.

2.4. *Invested Projects*:

Currently, hundreds projects are operating. Many effective projects like Z111 mechanics manufacturing factory, steel mill, paper package factory...