



# Binh Dinh

## Gate to the Central Highlands

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*Please note that this article is part of a marketing project in cooperation with Becamex Binh Dinh JSC.*

## Geographical and Social Characteristics

Binh Dinh is an up-and-coming province in Southern Central Vietnam. It has a long history upon which it can build. Recently, it has been making itself known as a tourist destination and for its woodworking industries. Now, Binh Dinh is aiming to diversify itself further. Next stop: Becoming a destination for industrial manufacturing. We are proud to introduce this ambitious new player to you.

Binh Dinh is located in Southern Central Vietnam. Its climate is therefore influenced by tropical monsoons with a dry season from February through August and a wet season from September through January. The province sits on the Pacific Ocean on its eastern side. In the north lie the provinces of Quang Ngai, west Gia Lai, and south Phu Yen. Its topography is largely hilly with mountains reaching up to 1,200 m in height. While there are some lowlands, they tend to be rather small. The biggest plain is located around the lower Con River where most of Binh Dinh's 1.5 million population resides. Here also lies the province's capital; Quy Nhon.

The first major entry into history books for the region within which Binh Dinh lies today was when the Champa Empire decided to relocate its capital to the city of Vijaya, today's Quy Nhon in 1,000 AD. Champa was a collection of city states focusing on trade as the driver of their economies. In contrast to today's Vietnam with its culture based on the “three teachings” (Mahayana Buddhism, Confucianism, Taoism) influenced by China, Champa`s culture came from India and thus its religion was Hinduism. In Binh Dinh, Champa ruled until 1471 when it got overthrown by Vietnamese forces coming in from the North. Nevertheless, the legacy of Champa can still be seen in the province with its many “Cham Towers”.



Figure 1: A Cham Tower in Binh Dinh (Credit: mQuang 21 / Pixabay)

## Infrastructure in Binh Dinh

Binh Dinh has established itself as a gateway to the Central Highland Regions of Vietnam. This position is made possible by four major infrastructure developments.

**Railway:** Dieu Tri train station is the provincial train station of Binh Dinh City, and also an important gateway on the railroad from North to South of Vietnam. The station is stop point of most trains on system of Express train between North and South of Vietnam. It should be noted though, that the tracks of this line are “narrow gauge” based on French colonial construction. Hence, maximum speed is limited to 60 to 80 km/h.

**Port:** While the port of Quy Nhon does not match its counterparts in Haiphong, HCMC and Vung Tau it is Vietnam's seventh largest harbor by throughput. With 11 million metric tons of freight transported it is [on par with Da Nang port](#). Quy Nhon Port mostly handles transshipments from the Central Highlands and Cambodia. Shipping lines typically connect to destinations in Vietnam or in the region.

**Road:** The National Route 19 straddles from east to west of the province. It connects Quy Nhon and its port to the province of Gia Lai and to Cambodia. National Route 1a traverses Binh Dinh from north to south and by doing so connects to the rest of the country, especially with the Central Highland provinces in the southwest.

**Airport:** Quy Nhon's airport “Phu Cat” has been built in 1967 as a military airfield for the US military. In 1984 it began to be used as a commercial airport with a passenger terminal having been built in 2003 which has recently been replaced by a new state-of-the-art terminal completed in 2018. Local carrier Bamboo Airways has its hub in Quy Nhon. Thus, a range of local airports can be reached conveniently. In January 2020, Bamboo Airways operated its first eight direct flights from Phu Cat airport to Cheongju international airport of the Republic of Korea (RoK) and vice versa. With Quy Nhon's growing tourism industry more local and international routes may follow to be established.

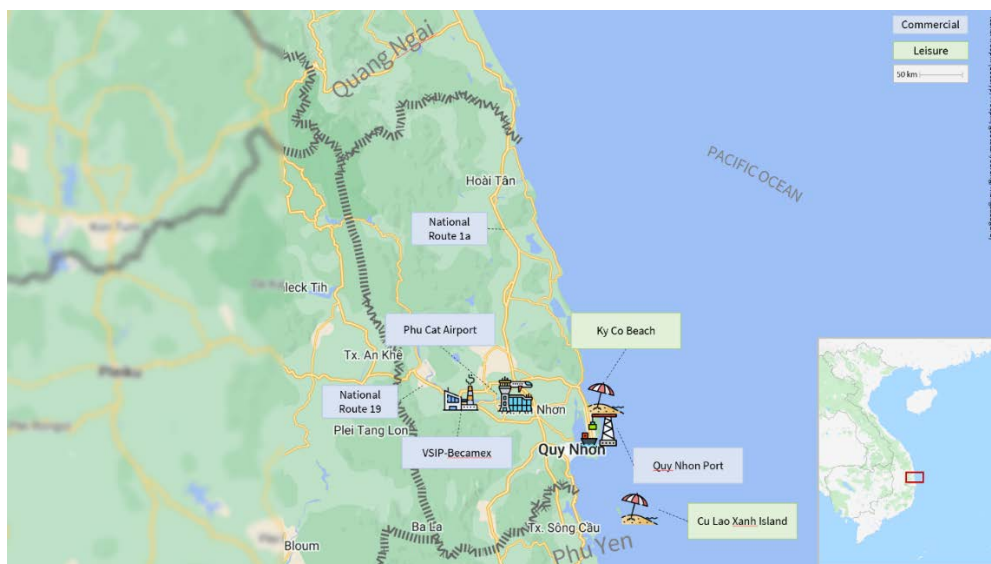


Figure 2: Places of interest in Binh Dinh

## Economic Development and International Investment

Binh Dinh has recently established itself as a new tourism destination in Vietnam. With its sunny and warm climate as well as its numerous beaches, islands, and fantastic rural landscape this province is poised to become a leisure travel magnet. This is proven by strongly increasing air passenger numbers. The FLC Group, one of Vietnam's largest hotel developers has its headquarters in Quy Nhon. A lot of new hotels are currently being planned.

Another industry which Binh Dinh is famous for is woodworking. In fact, only Binh Duong tops Binh Dinh in this field. [Roughly 50%](#) of the province`s export volume originates from woodworking exports such as furniture. The industry is growing by a third each year. Currently, [20,000 workers](#) are employed to 200 factories.

While woodworking will surely remain an important pillar of Binh Dinh`s industry, the province is looking to diversify its economy. One such approach will be software engineering. In a valley close to Quy Nhon, right on the beach, a software center has been established with IT companies, a university and complete living infrastructure. This project is called “AI Valley”. But apart from software, “hardware” manufacturing will also play a key role in Binh Dinh's further development.

Binh Dinh's manufacturing landscape is, apart from woodworking, not yet as developed as in other parts of the country, e.g., the Red River delta, the Greater HCMC region or the Greater Da Nang region. However, this may change in the future. While aforementioned regions' labor and land supply is becoming scarce, Binh Dinh can offer both production factors in plenty at reasonable prices. It has a population of 1.5 million concentrated in the province's southern region. This makes it comparatively easy for investors here to tap into Binh Dinh's HR potential. Land supply is also still abundant at relatively low prices of 35 to 45 US-Dollars.

Binh Dinh has attracted 86 FDI projects with a total registered capital of US\$ 1.1 billion. There are four projects from Germany:

1. **Viet-Stone Stone Co., Ltd:** Project of processing and trading basalt, granite, and construction stone (Total capital of 434,470 USD)
2. **Fresenius Kabi Vietnam JSC.:** Paste the GMP-WHO standard injectable-infusion drug factory in Binh Dinh (total capital of 13,176,000 USD)
3. **Mountech Co., Ltd. Branch:** Hoa Sen Garment Factory Project (Total capital of 1,485,000 USD)
4. **Kurz Group:** High-tech emulsion and thin-film factory (total investment capital of about 40 million USD)

## Our Partner

The diversification of Binh Dinh's economy will be driven by new, next-generation industrial zones. One of those new projects is our partner. Becamex VSIP Binh Dinh Township and Industrial Park is an integrated industrial project that offers full working and living amenities for workers and management staff. With a total area of 1,374 ha including 1,000 ha of Industrial Park and 374 ha of urban, commercial, and service area this is Binh Dinh`s largest industrial project so far. It is implemented by two leading real estate developers in the field of Industrial Park & urban areas in Vietnam, Becamex IDC and VSIP Group.

The industrial park has opened in 2020 and the first investor is actually a German automotive supplier. Leonhard Kurz will establish its manufacturing site during 2021 with an overall investment volume of 40 million US-Dollars. This company will produce coatings for car interiors. Its commitment to Binh Dinh and Becamex VSIP shows a glimpse of what the promising future for Binh Dinh might look like.



Figure 3: Becamex VSIP Binh Dinh Industrial Park from above

## Conclusion

Binh Dinh is in the early stages of transforming itself into a center for tourism, software engineering and industrial manufacturing. With new investments crowding out of the more developed Vietnamese regions it is now time for the province to grab the opportunity to make the most of its great geographical location, its infrastructure and ample HR supply. For investors it offers the chance to profit of low land and labor costs in a key province for Vietnam`s future developments.

If you have any further questions or are in search of a manufacturing location in Vietnam, feel free letting us know. For contact details see: <https://vietnam.ahk.de/en/services/investment-location-analysis>

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