



VIETNAM INDUSTRIAL CONSTRUCTION REPORT

8 MONTHS OF 2021

**All data included in the Report has been updated up to August 31st, 2021.*

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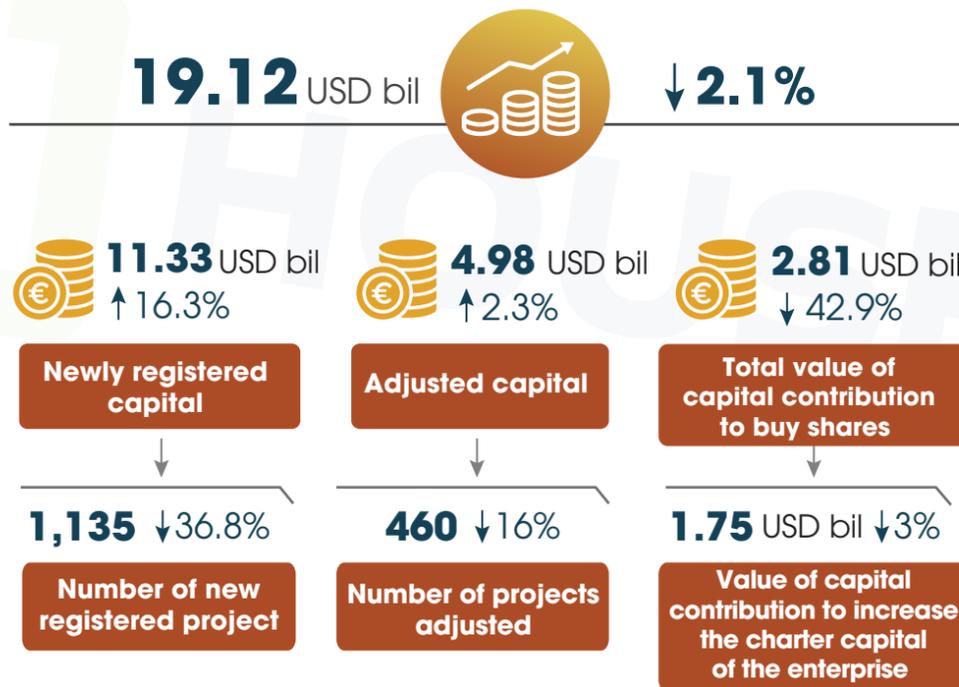
**I/ SOCIO – ECONOMIC OVERVIEW
IN 8 MONTHS OF 2021**

1. FOREIGN DIRECT INVESTMENT (FDI)

The total value of foreign direct investment reached US\$ 19,12 billion in the first 8 months of 2021, decreased 2,1% compared to the same period of last year due to the decrease of the capital contribution and share purchase of foreign investors. In particular, the value of newly registered capital and adjusted capital increased sharply over the same period last year, reaching US\$ 11,33 billion (increased 16,3%) and US\$ 4,95 billion (increased 2,3%).

Following the trend from the beginning of 2021, the number of newly registered projects decreased by about 36.8% over the same period last year, but the total value of newly registered capital increased by more than 16%. This shows that the trend of foreign investors invest in large-scale projects is continuing in the first 8 months of 2021.

FOREIGN DIRET INVESTMENT IN FIRST 8 MONTHS OF 2021 (Compared to the same period last year)



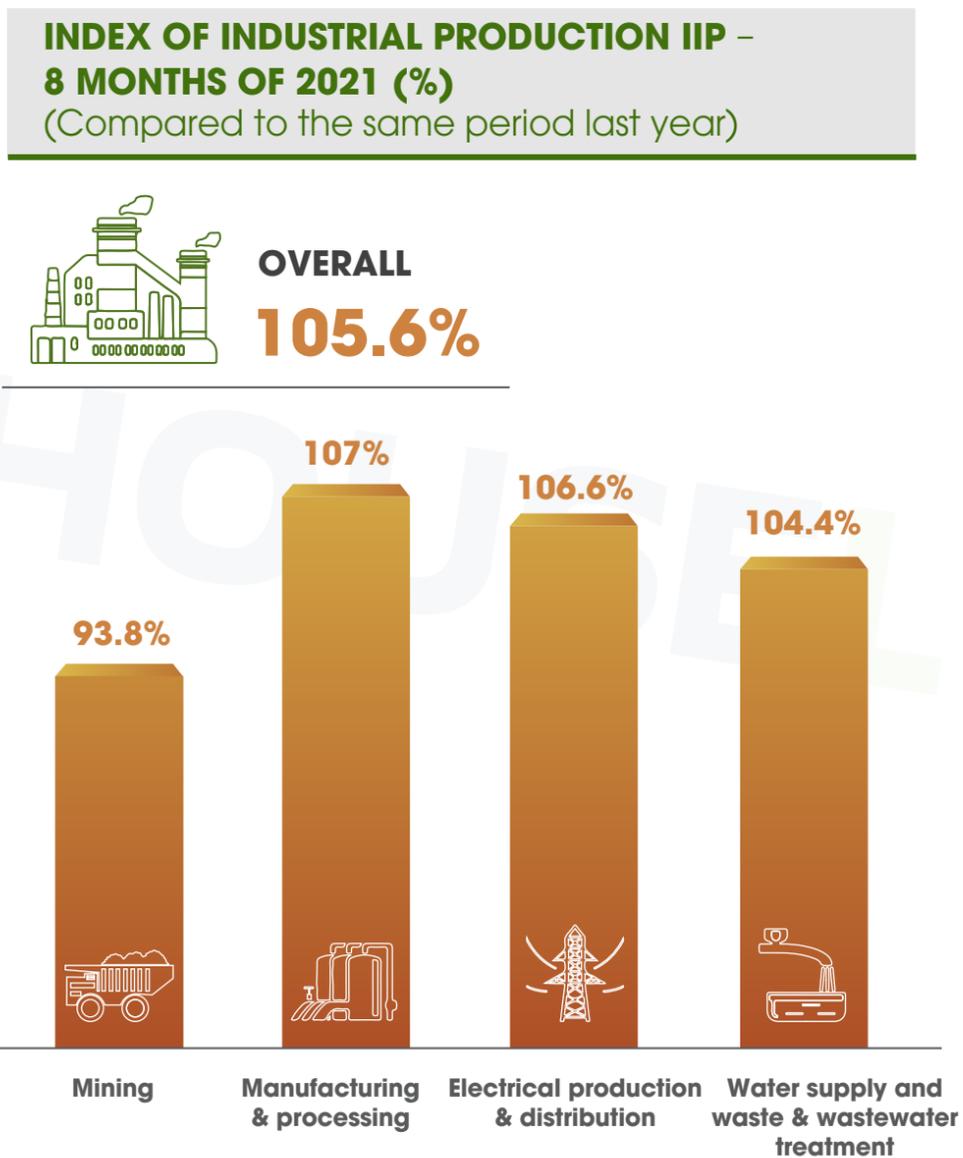
Source: GSO, HOUSELINK



2. INDEX OF INDUSTRIAL PRODUCTION (IIP)

According to IIP data recorded in August 2021, industrial production in general faced many difficulties due to the strong outbreak of the Covid-19 epidemic, especially in cities/provinces with many industrial zones such as: Binh Duong, Dong Nai, Long An, Ho Chi Minh, etc. In August 2021, the IIP index decreased by 4.2% compared to the previous month and decreased by 7.4% compared to the August in 2020. The IIP index of large industry groups tended to decrease, including: the mining industry, the processing-manufacturing industry (decreased 2.4% and 9.2% over the same period last year accordingly). Only the electricity generation and distribution industry, and the water supply, waste and wastewater treatment and management activities increased but only slightly (1.5% and 0.2% over the same period last year accordingly).

Generally, in the first 8 months of 2021, IIP is estimated to increase by 5.6% over the same period last year, although it was higher than the growth rate of 2.2% in the same period in 2020 but much lower than the growth rate of 9, 5% of the same period in 2019. In which, the processing and manufacturing industry increased the highest at 7% (the same period in 2020 increased by 3.7%). In the opposite side, crude oil and gas exploitation activities dropped sharply, causing IIP of mining industry decreased by 6.2% over the same period last year.



Source: GSO, HOUSELINK



3. IMPORT AND EXPORT OF GOODS

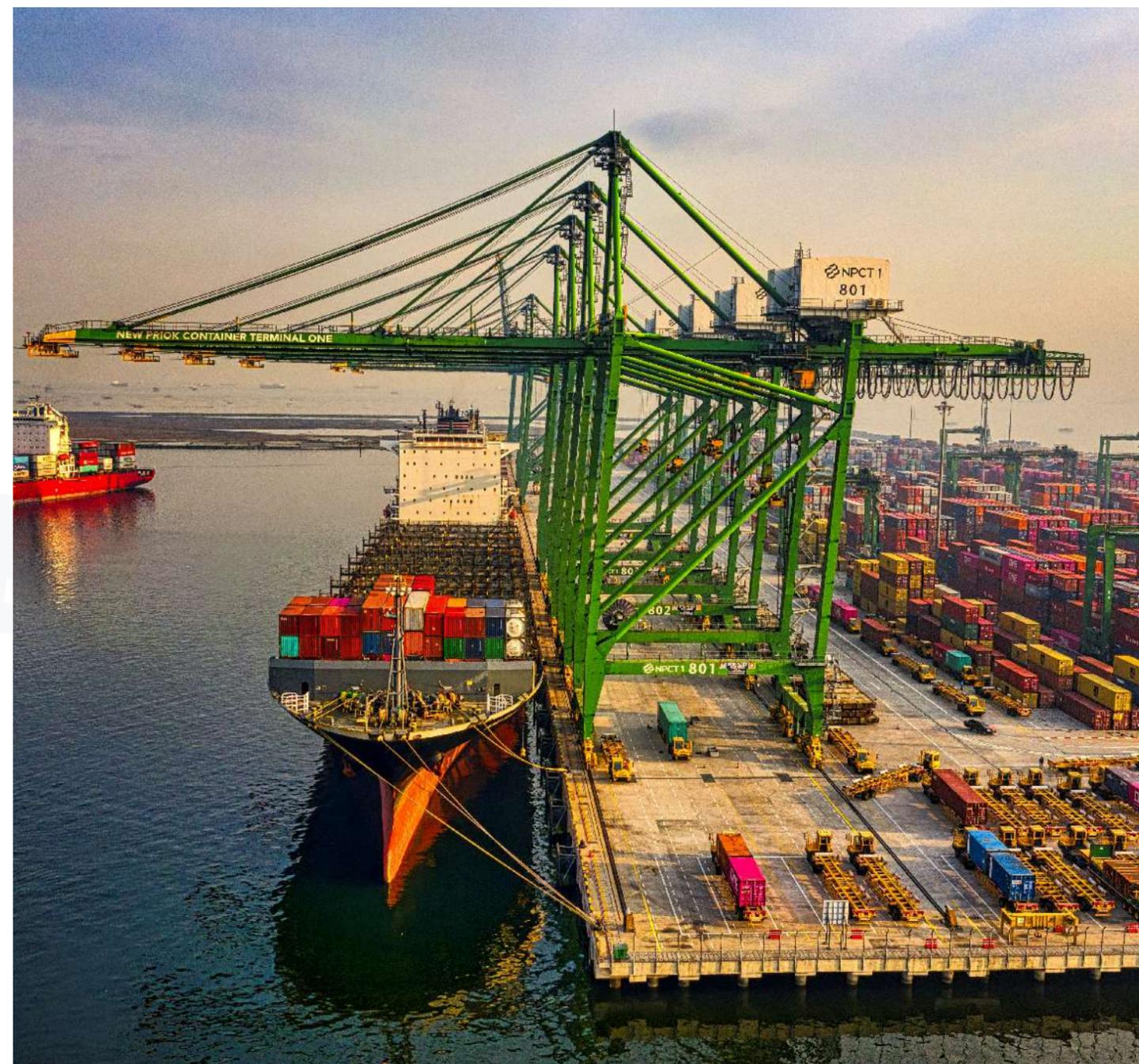
The complicated situation of the Covid-19 epidemic in Vietnam and around the world have led to the disruption of the supply chain, continued to negatively affect the import and export activities. Accordingly, the value of exported goods reached \$212,55 billion (up 21,2% over the same period last year), the value of imported goods reached \$216,26 billion (up 33,8% over the same period last year). Vietnam has an estimated trade deficit of 3,71 billion USD in 8 months of 2021.

It should be noted that FDI enterprises accounted for 73,8% of the total import-export value of the country, reaching 156,86 billion USD (increased 25,5%). Trade balance of FDI enterprises in the quarter reached a surplus of USD 16,6 billion.

IMPORT AND EXPORT OF GOODS IN 8 MONTHS OF 2021 (COMPARED TO THE SAME PERIOD LAST YEAR)



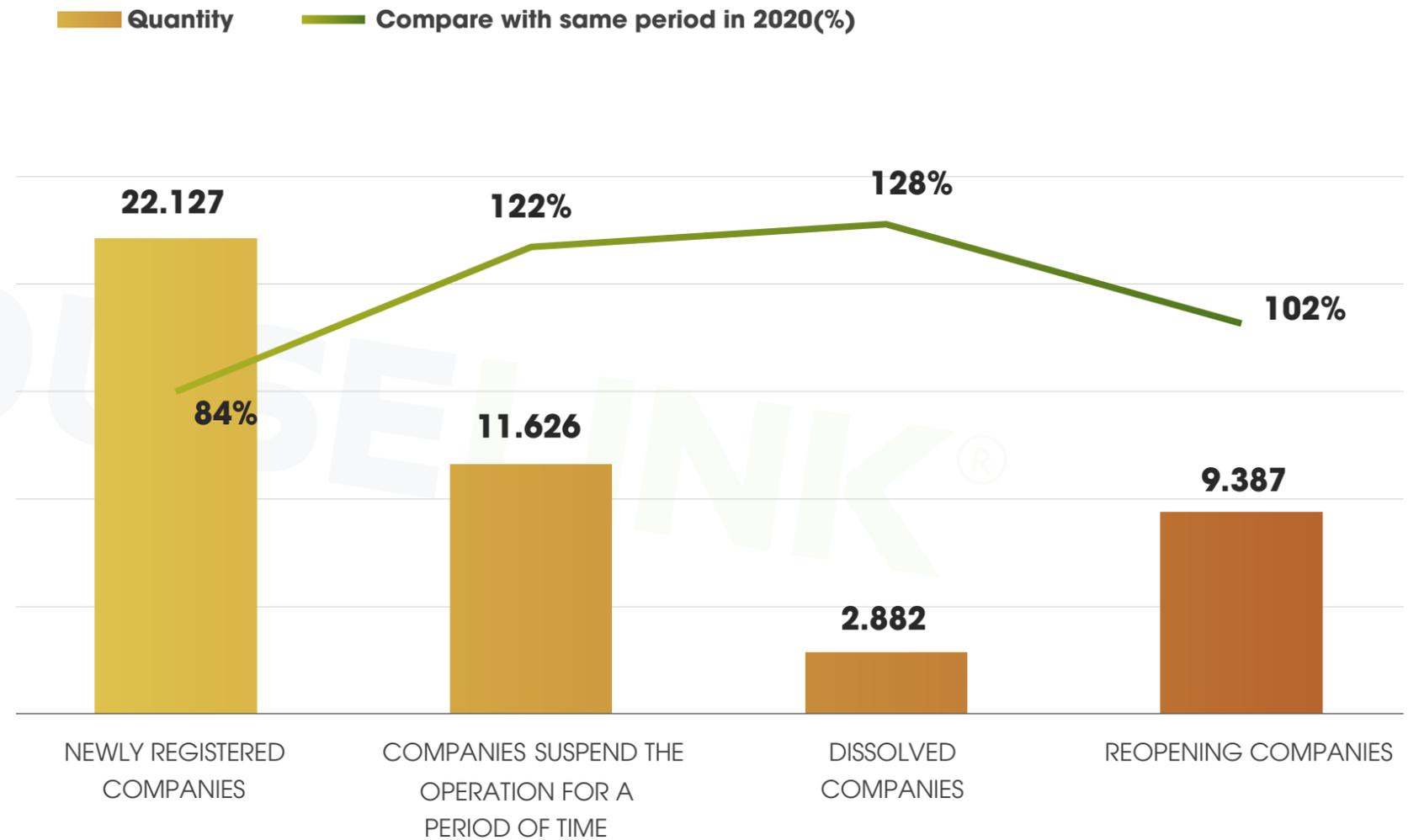
Source: GSO, HOUSELINK



4. NUMBER OF ENTERPRISES IN INDUSTRY AND CONSTRUCTION SECTORS

The reduction in the number of FDI projects combined with the difficult situation in the implementation of construction projects due to the impact of the epidemic, the high price of construction materials in the first 6 months of 2021 has made many enterprises in the industry and construction sector is dissolved or temporarily suspended (The number of enterprises dissolved and suspended in the first 8 months of 2021 increased by 28% and 22% accordingly). While the number of newly established enterprises decreased compared to the same period in 2020. In the current situation, if there is no intervention of the Government in limiting the impact of the epidemic along with increasing public investment to boost the economy and attract foreign investment, a series of enterprises will still have to face the situation of being unable to maintain and develop their current operations.

COMPANIES IN THE FIELD OF INDUSTRY AND CONSTRUCTION IN 8 MONTHS OF 2021



Source: GSO, HOUSELINK



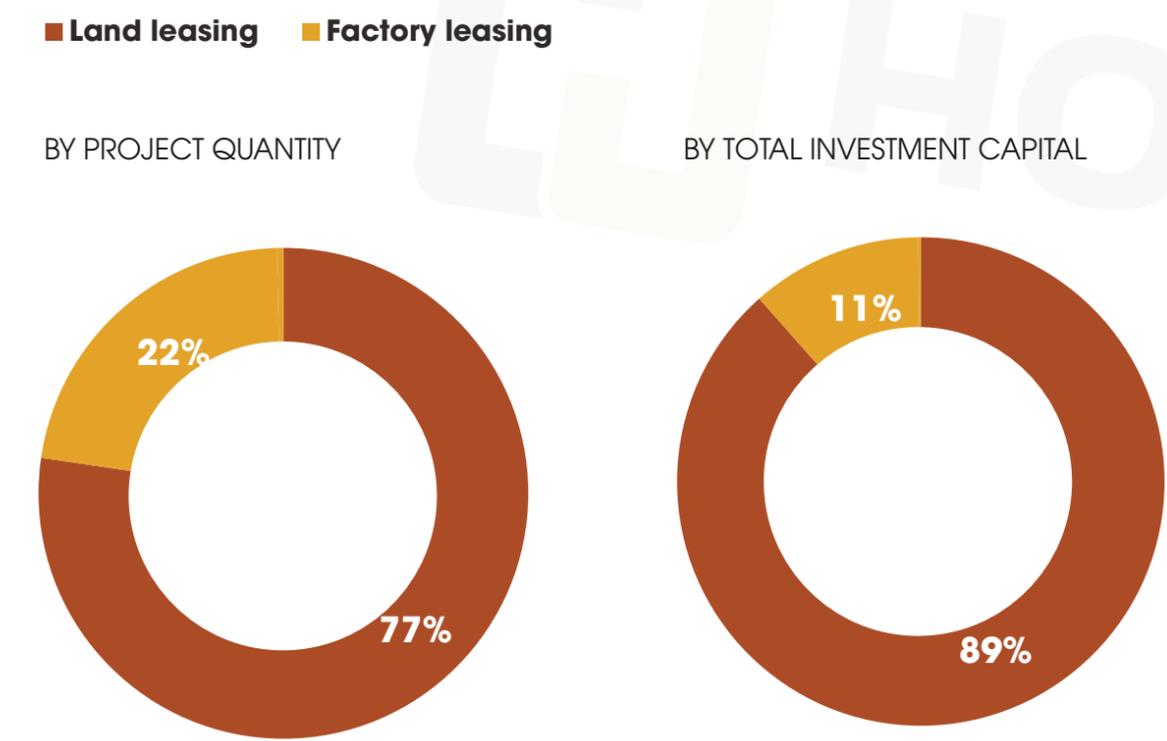
II/ DEVELOPMENT STATUS OF VIETNAM INDUSTRIAL PROJECTS IN 8 MONTHS OF 2021

Based on industrial projects data which have the total investment capital of more than 2 million USD (equivalent to 46 billion VND) in the form of foreign direct investment (FDI) and domestic direct investment (DDI) on the HOUSELINK platform; we synthesized, analyzed data and made reports on projects under construction and are in the process of preparation (project preparation, design, contractor selection); along with the new licensed industrial projects in the field of processing-manufacturing and warehousing in the first 8 months of 2021.

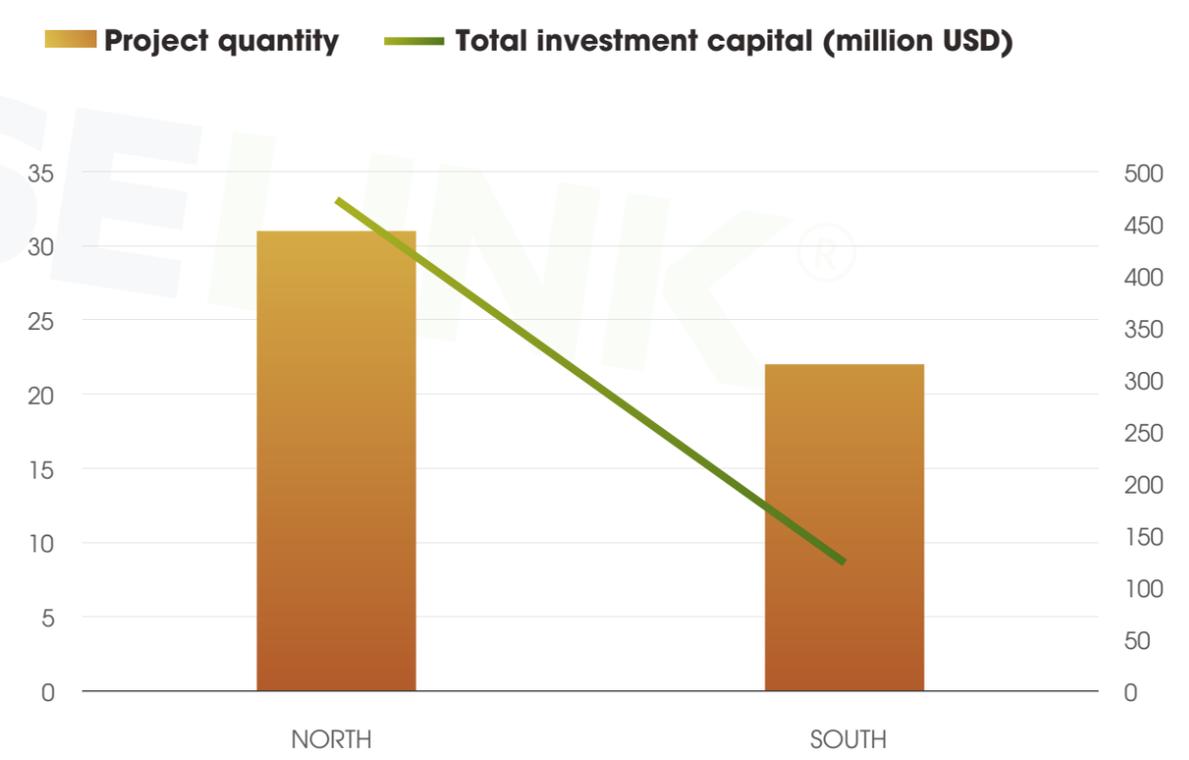
1. RENTING FACTORY FOR MANUFACTURING

In the first 8 months of 2021, the number of newly registered industrial projects which have plan to rent factory accounted for 22% of the total number of projects, the registered investment capital of these projects accounted for 11%. The majority are still land lease projects for construction, however, according to our observations, the rental and acquisition of factories continues to be a trend with expanded production scale. Factory leasing projects are mainly in the North market with overwhelming numbers both in terms of the number of projects and the value of registered investment capital.

NEWLY REGISTERED INDUSTRIAL PROJECTS IN 8 MONTHS OF 2021



FACTORY LEASING INDUSTRIAL PROJECTS



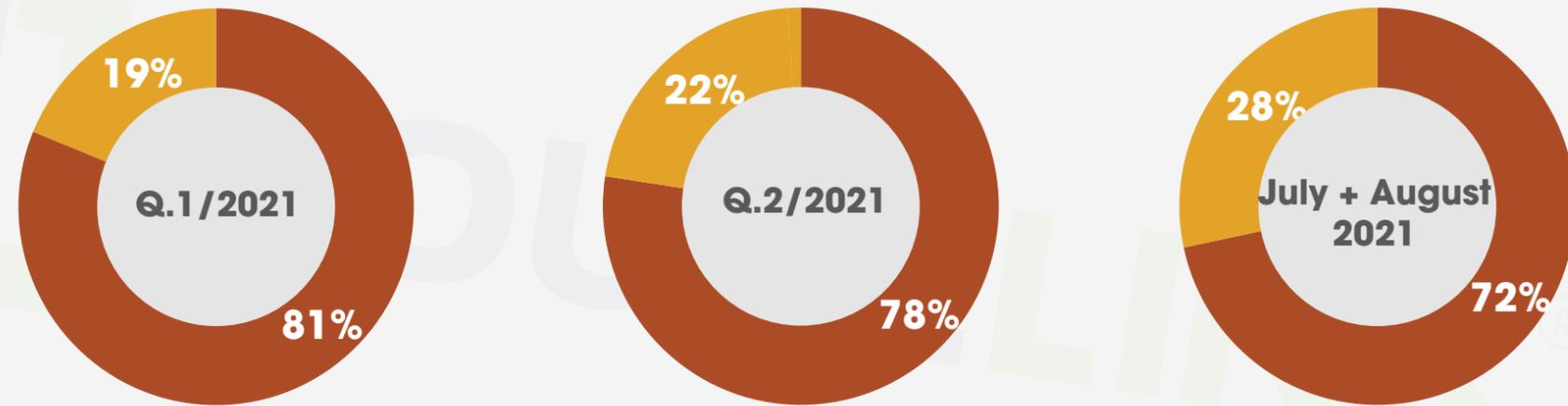
Source: HOUSELINK data

The value of registered capital of factory leasing projects accounted for only 16%, 13% and 4% respectively in Quarter 1, Quarter 2 and July + August 2021. However, in terms of the number of projects, the number of projects increased continuously from Quarter 1 to Quarter 2 (increasing from 19% to 22%). In July and August, the number of factory leasing projects accounted for 28% and is expected to continue to increase in the last month of the third quarter of this year.

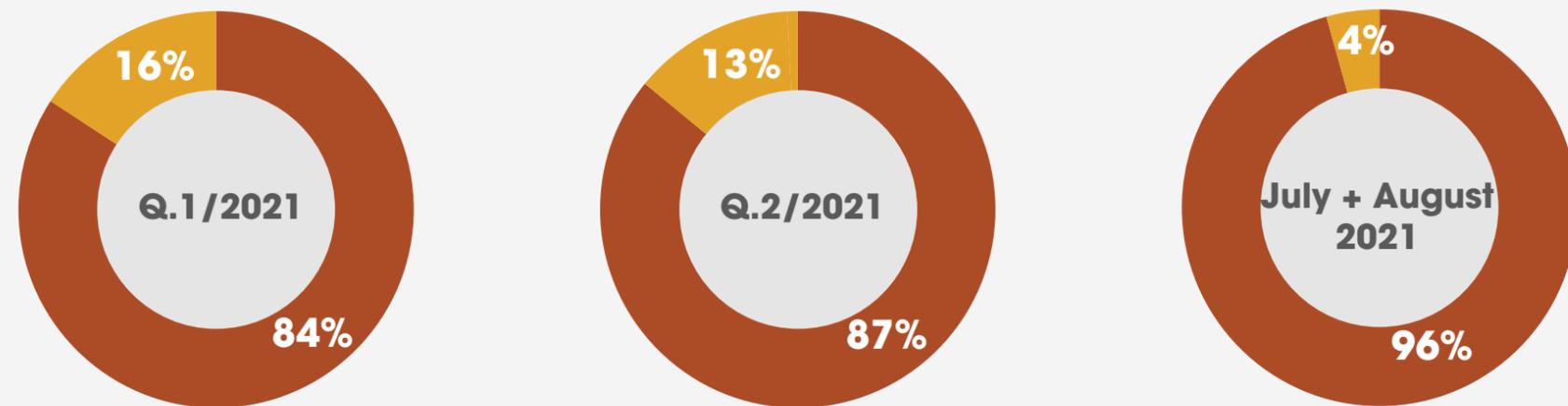
DEVELOPMENT METHOD OF NEWLY REGISTERED INDUSTRIAL PROJECTS

■ Land leasing ■ Factory leasing

BY PROJECT QUANTITY



BY TOTAL INVESTMENT CAPITAL



Source: HOUSELINK Data

2. OVERVIEW OF VIETNAM INDUSTRIAL CONSTRUCTION IN 8 MONTHS OF 2021

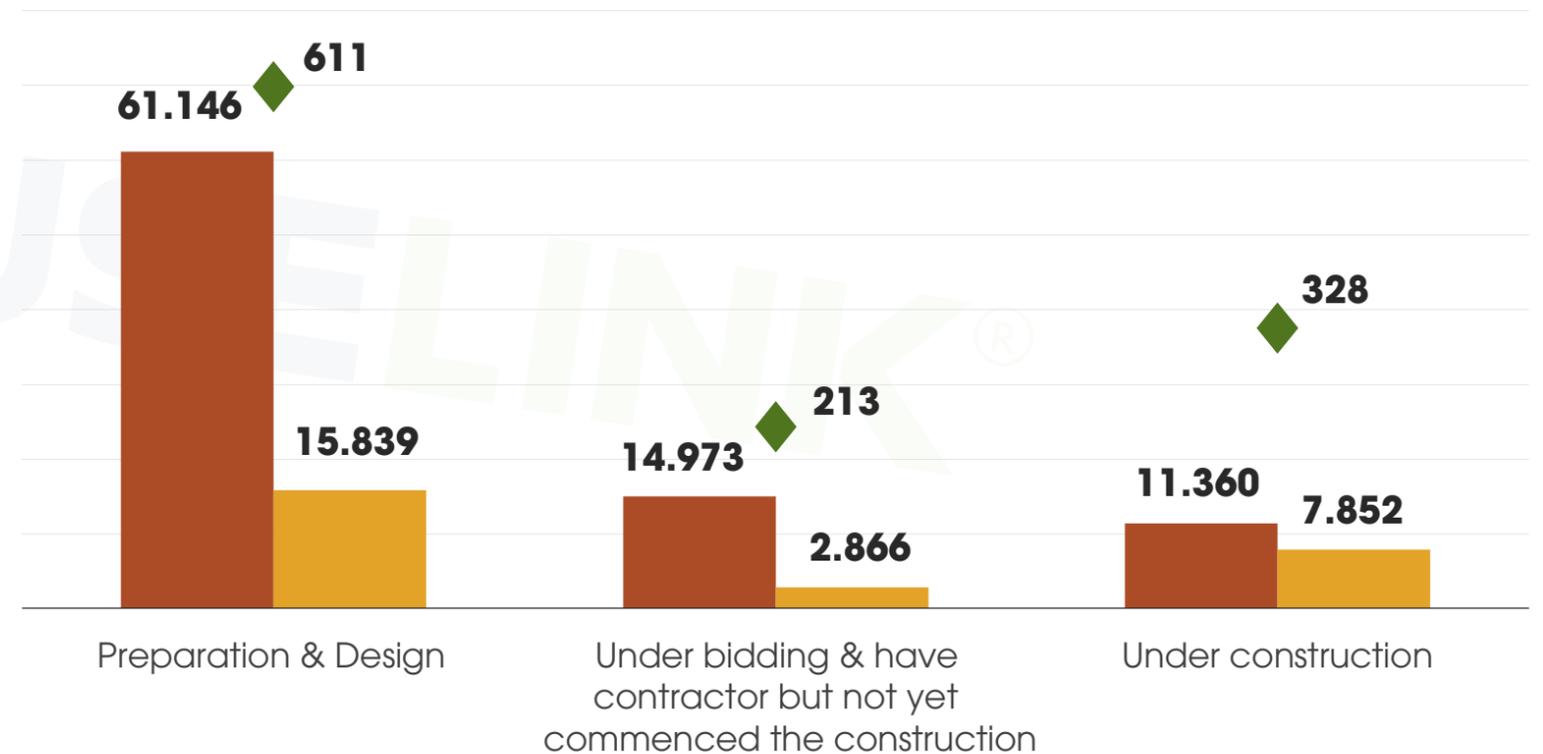
Industrial projects in planning stage witnessed a decline in quantity, but growth in the project's investment scale.

In the framework of the **Report on the Implementation of Industrial Projects in Vietnam in 8 months of 2021**, HOUSELINK focuses on analyzing projects in the planning for construction (Project planning, Designing, Bidding, Main contractor Selection) and projects under construction based on the following criteria: Work type, Locality, Type of project, Type of investment at the end of August 2021.

Projects under preparation and design phase account for the largest amount both in number and total investment capital among industrial projects. Due to the complicated situation of the epidemic in the past 8 months, it has greatly affected the project implementation, as well as the psychology of investors who are afraid of investing in project construction during the epidemic, especially the problem of high price of construction materials will affect the overall cost, so most of the projects are still in the preparation and design phase.

PROJECTS IN THE PREPARATION STAGE HAVE AN INCREASINGLY LARGE INVESTMENT SCALE

■ Total investment capital (million USD) ■ Land area (ha) ◆ Project quantity



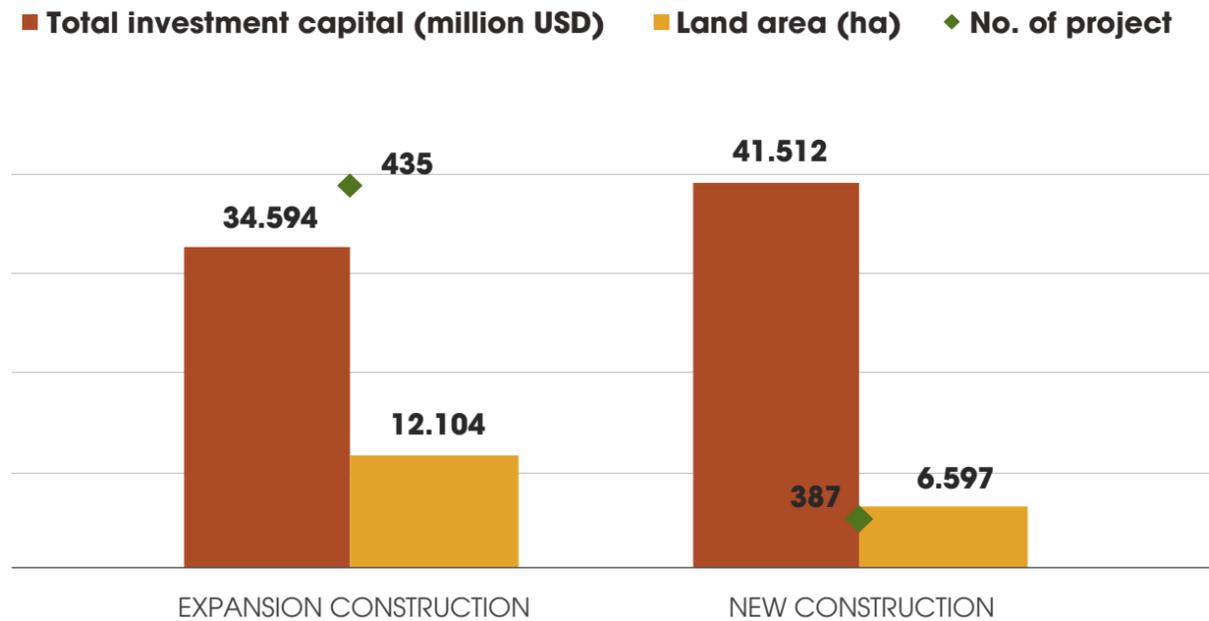
Source: HOUSELINK Data

3. INDUSTRIAL PROJECTS UNDER PREPARATION AND DESIGN PHASE

a. The increasing number of expansion projects

HOUSELINK data shows that at the end of August 2021, the expansion project is quite small compared to the new construction projects. However, the number of expansion projects of 435 is much higher than the number of new construction projects (387). This shows that more and more investors tend to expand production, but the scale is not too large. In addition, new construction projects are smaller in number, but the investment capital scale reach great number. It can be seen that the trend of new investment in large-scale projects is still going on in the Vietnam market.

EXPANSION PROJECTS HAVE MODEST SCALE COMPARED TO NEWLY CONSTRUCTED ONES



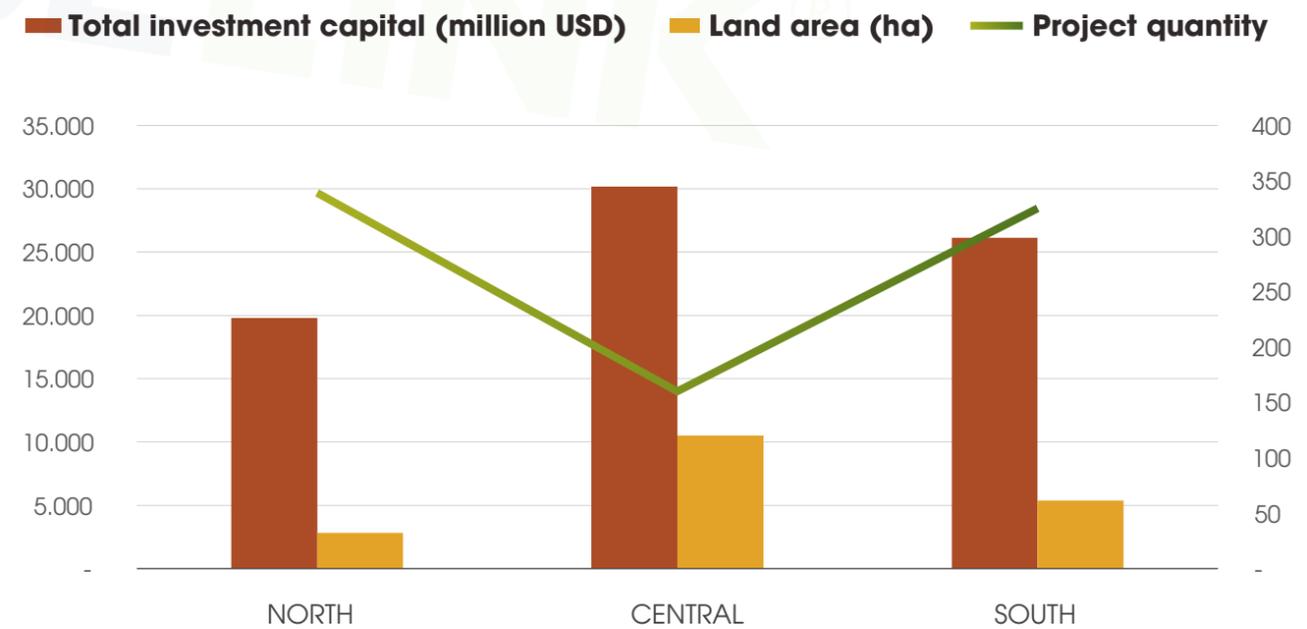
Source: HOUSELINK Data

b. Each region has differentiated investment priority in the future

Each region has different priorities for future development. While the Northern provinces have numerous projects in electrical – electronic businesses, energy and agriculture are the investment priority in the Central region, or logistic centers are investment trends in the South.

The Domestic Direct Investment capital (DDI) is still the main source of development investment capital in the near future when appearing in the top 5 largest investment forms in all 3 regions, of which especially accounting for 56% of the total investment capital of projects that are in the preparation phase in the Central region.

THE TOTAL INVESTMENT CAPITAL IN THE CENTRAL IS BIGGEST, BUT THE NUMBER OF PROJECTS IS SMALLEST



Source: HOUSELINK Data



The North

19.8 bil USD

339 projects

The Central

30.2 bil USD

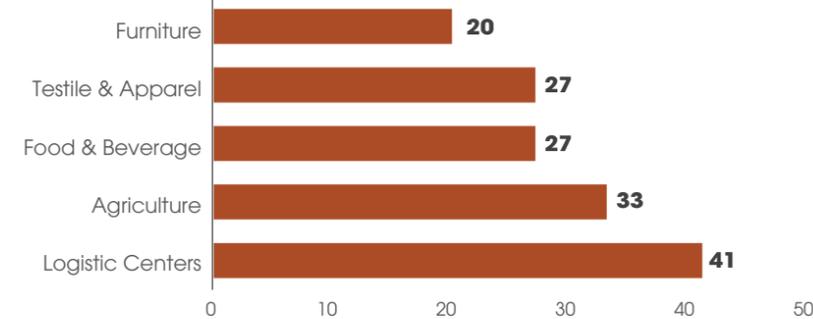
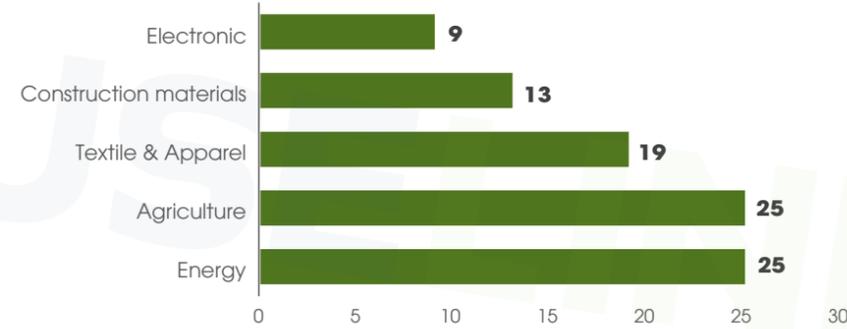
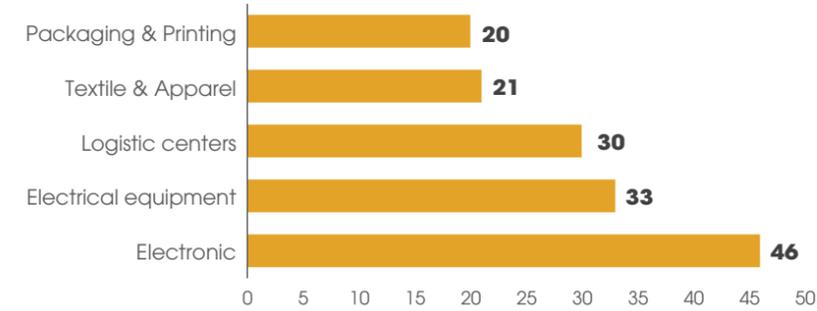
160 projects

The South

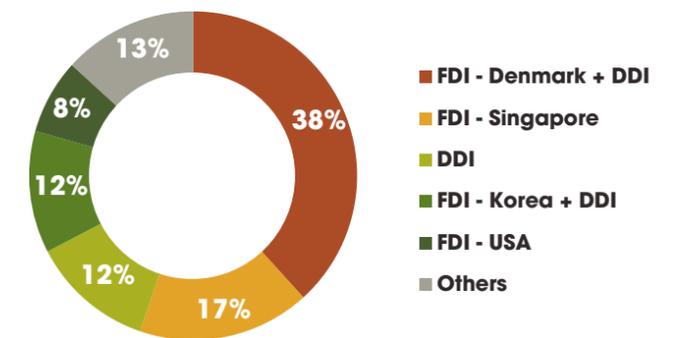
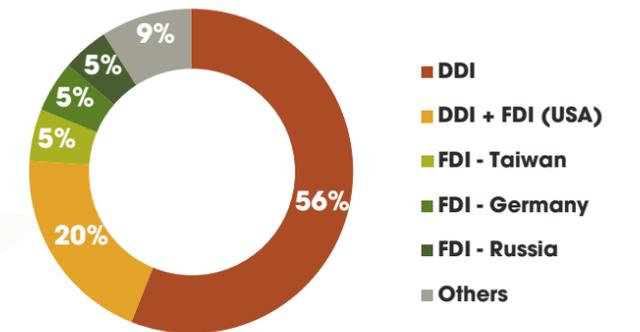
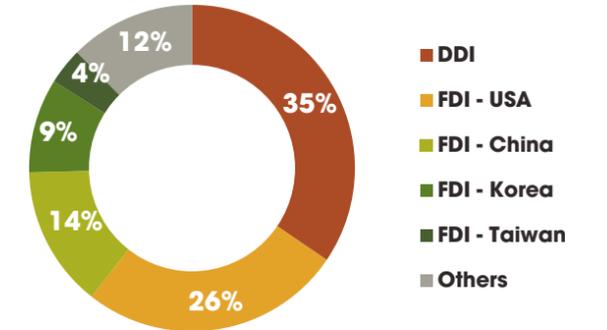
26.1 bil USD

325 projects

TOP 5 PROJECT TYPES, BY QUANTITY



TOP 5 INVESTMENT TYPES, BY VALUE (USD MIL)



Source: HOUSELINK Data

4. INDUSTRIAL PROJECTS UNDER CONSTRUCTION

a. Expansion construction is the tendency

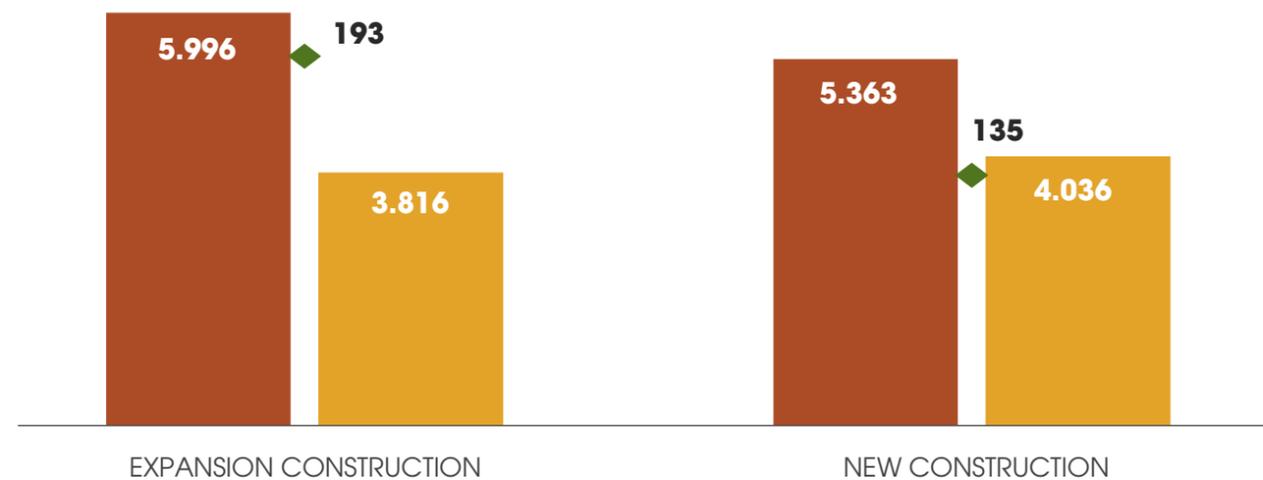
At the end of August 2021, there are 193 projects are expanding the existing production scale, with a total investment capital reached nearly 6 billion USD and 3,81 thousand hectares of land area.

New construction includes 135 projects, with total investment capital and land area of 5,4 billion USD and about 4 thousand ha accordingly).

This shows that expansion construction is and will continue to be the development trend of the industrial construction segment in the coming time.

MANUFACTURERS PROMOTE THE EXPANSION OF THEIR EXISTING PRODUCTION SCALE

■ Total investment capital (million USD) ■ Land area (ha) ◆ Project quantity



Source: HOUSELINK Data

b. Construction activities have been accelerated in the Southern region

HOUSELINK data shows that at the end of August 2021, the number of projects under construction in the southern region accounts for the majority with a total investment of about 4,1 billion USD. Although the number of projects in the North is less than in the South, the total investment value of projects is the largest among the three regions (5,6 billion USD).

In all three regions, most of the resources are focused on the construction of projects in the energy sector. In addition, in the North and Central region, the projects in the field of electronics are also very focused to be invested. Meanwhile in the South, the pharmaceutical sector is behind the energy sector.

Besides, the northern provinces are the only region where the total value of a foreign direct investment (Netherlands FDI) is greater than domestic direct investment (DDI) due to the presence of the Pondera wind power plant project in Thai Binh province. Domestic direct investment is still the main driver of development of industrial construction projects in the Central region, mainly focusing on the energy sector.



The North

5.6 bil USD

136 projects

The Central

1.4 bil USD

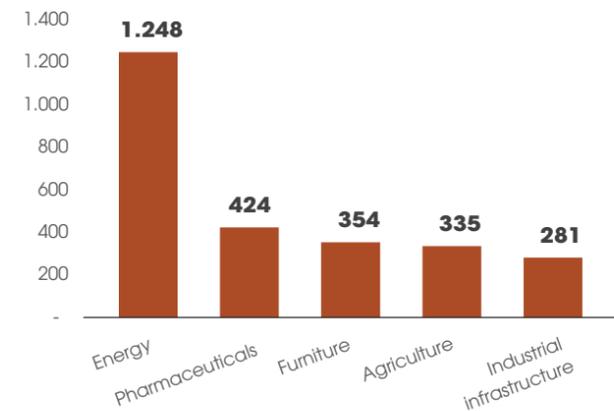
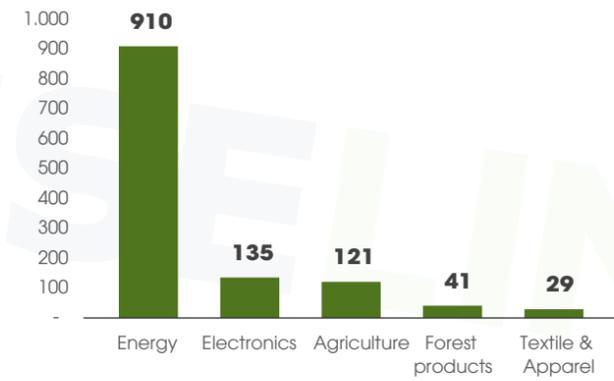
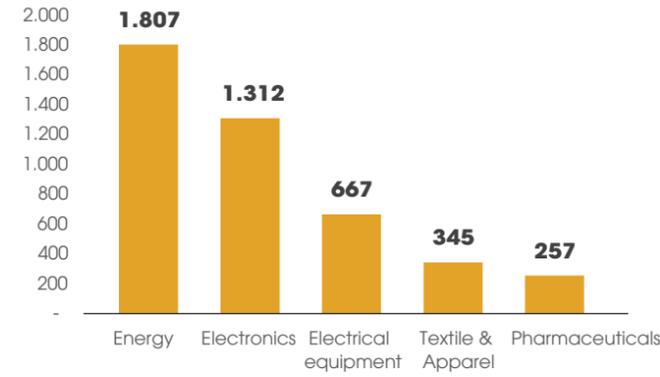
34 projects

The South

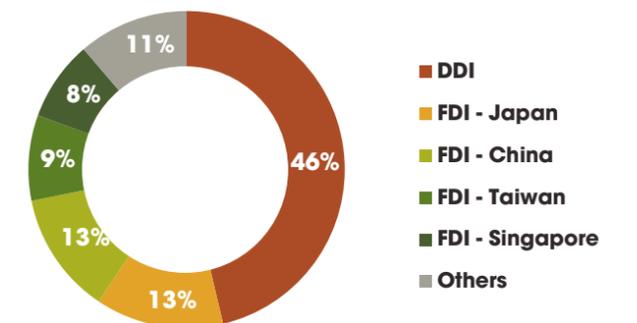
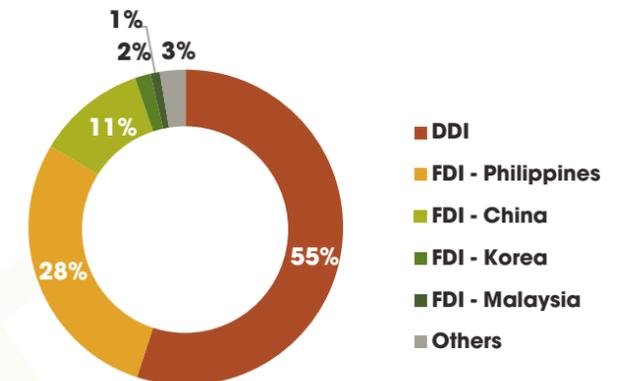
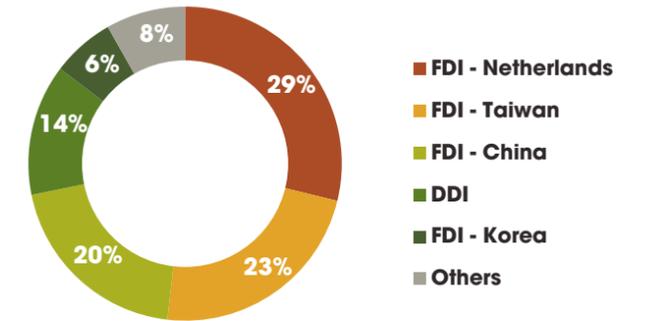
4.1 bil USD

158 projects

TOP 5 PROJECT TYPE, BY INVESTMENT VALUE (USD MIL)



TOP 5 INVESTMENT TYPE, BY VALUE (USD MIL)



Source: HOUSELINK Data



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III/ TOP 10 OUTSTANDING

INDUSTRIAL CONSTRUCTION PROJECTS
IN THE FIRST 8 MONTHS OF 2021

1. VINA KRAFT VINH PHUC FACTORY

📍 Vinh Phuc Province ⚙️ Industrial Paper Products

Est. Value

1 bil USD

FDI - Thailand

Planning

3. BYD ELECTRONICS FACTORY

📍 Phu Tho Province ⚙️ Industrial Electronic factory

Est. Value

269 mil USD

FDI - China

Planning

5. GREENWORKS TOOLS THAI BINH FACTORY

📍 Thai Binh Province ⚙️ Industrial Machinery factory

Est. Value

200 mil USD

FDI - China

Planning

7. ASHTON FURNITURE LOGISTIC CENTER

📍 Ba Ria - Vung Tau Province ⚙️ Industrial Logistic center

Est. Value

130 mil USD

FDI - USA

Planning

9. UNITED STATES ENTERPRISE SEMICONDUCTOR MATERIALS FACTORY

📍 Da Nang City ⚙️ Industrial Electronic factory

Est. Value

110 mil USD

FDI - USA

Planning

2. JINKO SOLAR PANELS FACTORY PHASE 2

📍 Quang Ninh Province ⚙️ Industrial Electrical equipment & supplies factory

Est. Value

400 mil USD

FDI - China

Planning

4. JA SOLAR PHOTOELECTRIC CELLS FACTORY

📍 Bac Giang Province ⚙️ Industrial Electrical equipment & supplies factory

Est. Value

210 mil USD

FDI - China

Under construction

6. EVERWIN ELECTRONICS NGHE AN FACTORY

📍 Nghe An Province ⚙️ Industrial Electronic factory

Est. Value

200 mil USD

FDI - China

Planning

8. LOTES VIETNAM ELECTRONIC FACTORY

📍 Thai Binh Province ⚙️ Industrial Electronic factory

Est. Value

120 mil USD

FDI - Taiwan

Planning

10. ILD COFFEE VIETNAM MANUFACTURING PLANT

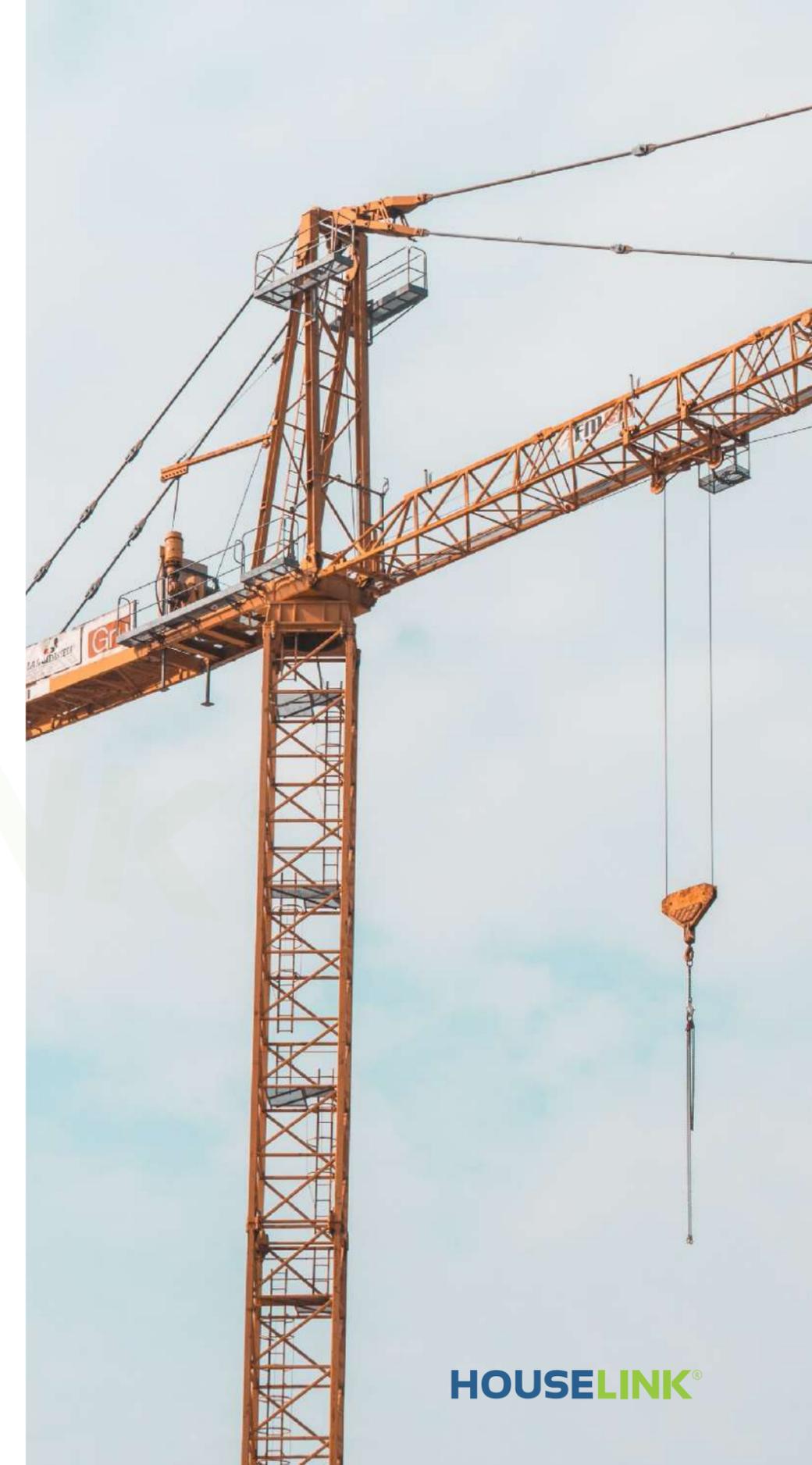
📍 Binh Duong Province ⚙️ Industrial Food & Beverage factory

Est. Value

78 mil USD

FDI - Singapore

Planning





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Established on May 27th 2008, Khang Hy Construction Corporation operates in the fields of construction of civil and industrial projects, fabrication and installation of steel structures, electrical engineering in civil and industrial projects, leveling, interior decoration, trading in building materials, etc.



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Since 2006 with 8 affiliates, KAXIM is a leading technology corporation focusing on "Managing investment activities to create technology products to bring better things human, environment and society. Kaxim Technology Group comprises of six core businesses (DEMECI): Digital, Energy, Machinery, Equipment, Consulting, Investment.



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