ECONOMY

Vietnam taps Samsung hub and Ha Long Bay province as growth zones

Bac Ninh and Quang Ninh set for central government status as Hanoi seeks to boost investment and industry



A Samsung Electronics factory in Bac Ninh province. Vietnam's largest exporting locality is expected to become a centrally governed city under a government plan to create new growth poles. © Reuters

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HANOI -- Vietnam is seeking to turn two of its biggest FDI destinations, Bac Ninh and Quang Ninh, into central government-run cities, a move it hopes will accelerate the growth of the Samsung manufacturing hub and the home of Ha Long Bay.

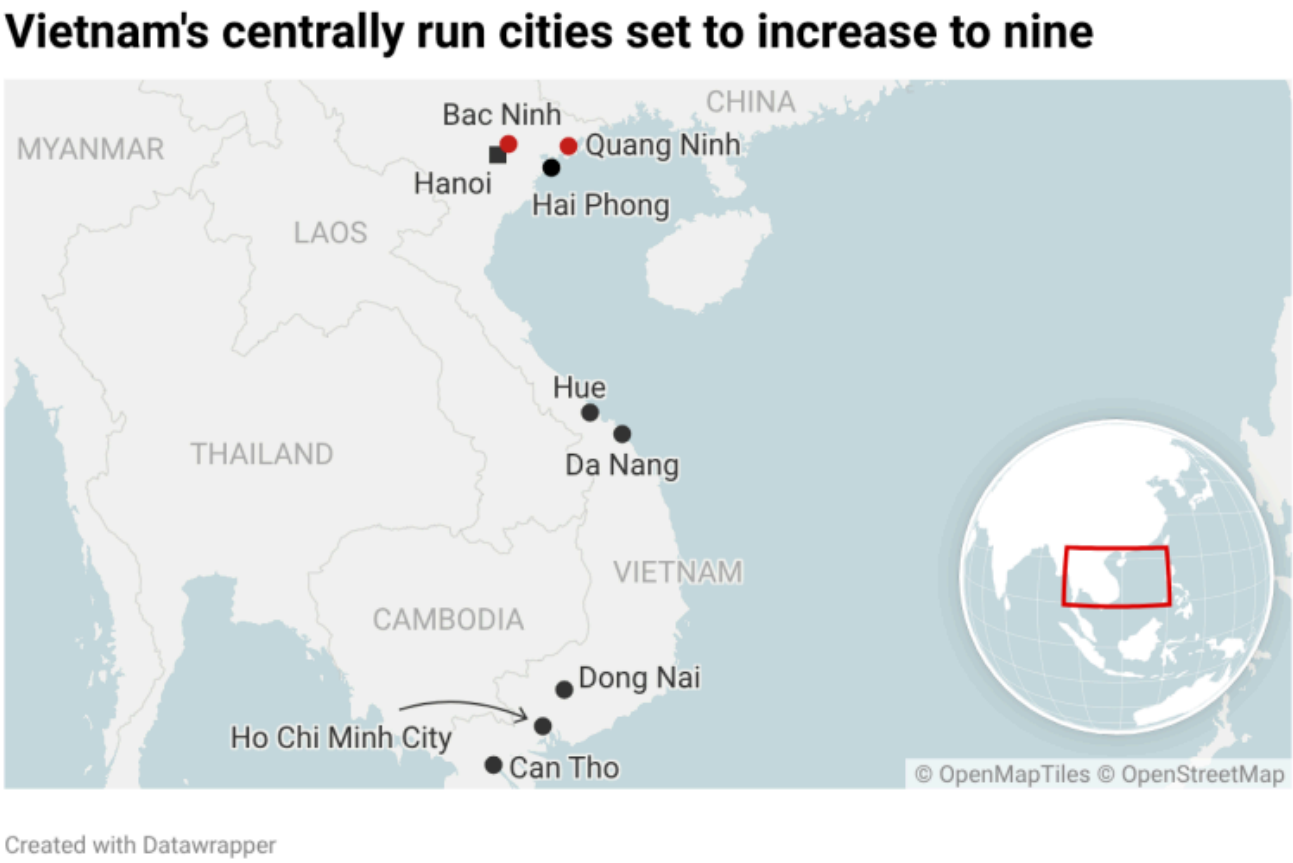
The provinces are expected to come under the direct administration of the central government, which will assume greater authority in planning, investment and infrastructure, potentially streamlining major project approvals.

In Vietnam's highly centralized system, the new status is expected to give the two localities a more direct channel to Hanoi, potentially smoothing decisions on infrastructure and investment.

Lawmakers are scheduled to vote on the proposal later this month, with approval widely expected.

"This represents not only an upgrade of the urban administrative unit and an innovation in governance models but also a strategic move to restructure the development landscape and establish new growth poles for the Red River Delta and the entire country," Home Affairs Minister Nguyen Tien Hai told lawmakers.

Once approved, Bac Ninh and Quang Ninh will join Vietnam's seven centrally run cities. Dong Nai was added to the club in April. The city is home to Long Thanh, Vietnam's largest airport, which is due to begin operations later this year.



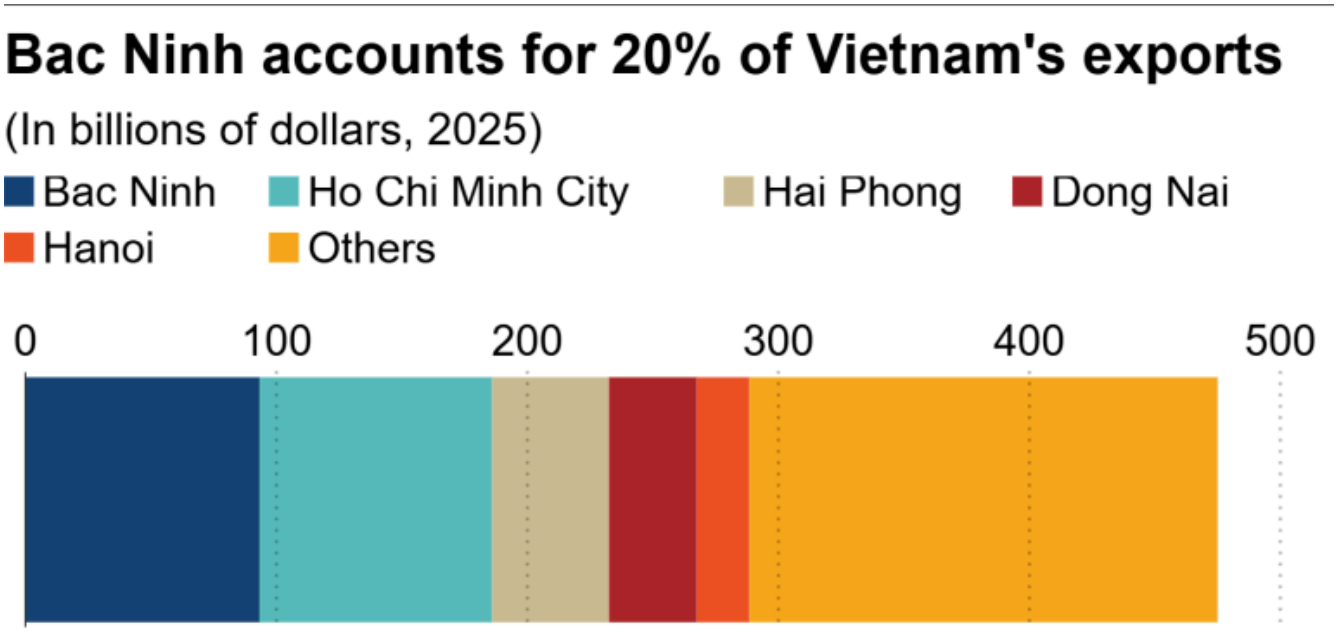
The status could also help the two localities secure greater resources for investment in infrastructure and key sectors. The designation also raises a locality's political profile, placing it among a small group of strategically important cities that play a larger role in national development plans.

The move comes as Vietnam undertakes its biggest administrative overhaul in decades under Communist Party General Secretary To Lam, cutting the number of provinces and government ministries while pushing economic reforms and major infrastructure projects to support faster growth.

"It means a direct line to Hanoi on budget, infrastructure and policy, cutting out the provincial layer, which often creates friction and delay," said Marco Forster, a director and FDI adviser at consultancy and business services firm Ascentium. "For large-scale, long-horizon FDI decisions being made right now, the signal is that the central government views these as strategic national assets.

"For foreign investors, the administrative upgrade matters less than what these two places have already built on the ground."

Bac Ninh has been a major Samsung manufacturing hub since 2008, when the South Korean electronics giant opened its first mobile-phone factory in Vietnam. Samsung has since expanded its operations there, while Foxconn, Goertek and Luxshare have also established factories in the province.



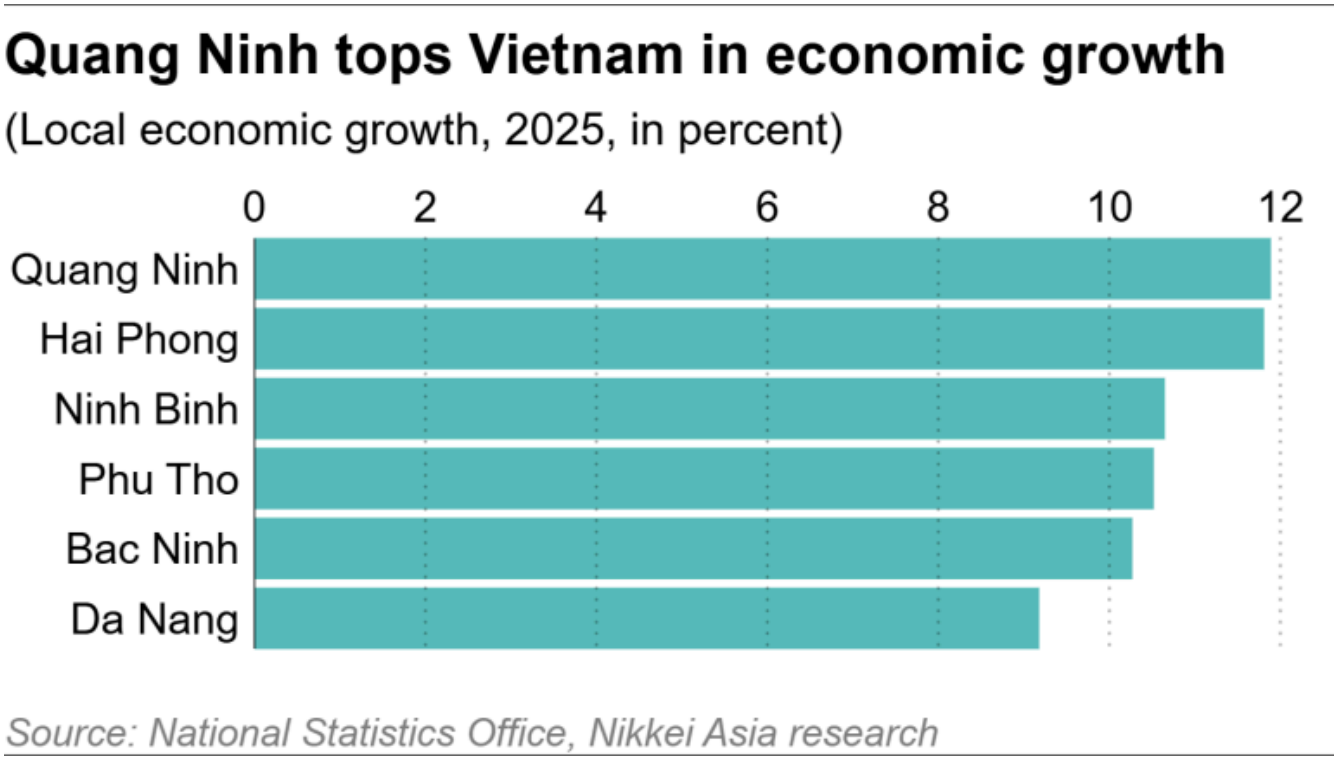
Source: Ministry of Finance of Vietnam

Bac Ninh was Vietnam's biggest exporting locality in 2025, with shipments of about $93 billion, accounting for nearly one-fifth of Vietnam's exports, largely driven by electronics and other manufactured goods.

The province was also the country's second-largest FDI recipient last year, attracting nearly $19 billion in domestic and foreign investment, according to provincial data. As of June, cumulative FDI stood at about $41 billion.

Bac Ninh is also preparing for the opening of Gia Binh International Airport, with operations currently set to begin in 2027. The airport is planned as a major passenger and cargo gateway for northern Vietnam and could help ease pressure on Hanoi's Noi Bai airport.

Quang Ninh, meanwhile, combines tourism, trade and a rapidly expanding manufacturing base. The province recorded Vietnam's fastest economic growth last year at 11.9%, underscoring its emergence as one of the country's most dynamic economies.



Once dominated by coal mining, the province has increasingly shifted to manufacturing. In the five years to last September, it attracted about $9 billion of investment into industrial projects, most of it from foreign investors, according to provincial data.

Its location next to China's Guangxi province, combined with ports and industrial zones, gives Quang Ninh potential as a China-Vietnam supply chain gateway. Sediment, however, is building up in its once-deep-water Cai Lan port, which is limiting its ability to handle larger vessels.

The province is also home to Ha Long Bay, a UNESCO World Heritage site featuring thousands of limestone islands, pillars and islets rising from emerald waters.

A planned express railway is expected to link Hanoi and Ha Long by the end of 2028, cutting travel time to around 25 minutes, down from the current two and a half hours.

Vietnam's move to elevate Bac Ninh and Quang Ninh has parallels with China, which offers both a model and a warning, said Ascentium's Forster.

Shenzhen and Chongqing show how administrative reforms, industrial policy and government backing can help accelerate growth when backed by strong economic fundamentals. Meanwhile, Tianjin offers the opposite lesson, where debt-fueled development without a strong industrial base led to weak growth and empty skyscrapers.

"Bac Ninh and Quang Ninh look much more like the Chongqing model than the Tianjin one," Forster said. "The fundamentals are real, the upgrade formalizes and accelerates rather than invents. I'd watch the Gia Binh airport development in Bac Ninh specifically as the next big catalyst."



Workers leave a Jinko Solar factory in Quang Ninh province. Once known mainly for coal mining and Ha Long Bay tourism, Quang Ninh has become one of Vietnam's fastest-growing manufacturing destinations. (Photo by Yuji Nitta)

Quang Ninh had the country's fifth-highest average income last year, at about 6.9 million dong ($263) a month, according to data from the National Statistics Office.

Bac Ninh's economy grew 10.27% last year, and its average income stood at around 6 million a month, roughly the national average.

But rising prosperity is also pushing up labor and land costs.

"If you're looking at an industrial FDI investment, then lower-cost industries still have plenty of options in terms of other provinces," said Matthew Powell, a director at real-estate brokerage firm Savills who covers northern and central Vietnam. "Low value-added industries and heavy industry sectors will be in provinces with cheaper land.

"This is to continue Bac Ninh and Quang Ninh's journey towards the higher tech sector and higher value-added industries. It's to do with unlocking the next stage of capital growth."

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