

# Quang Yen Coastal Economic Zone, Quang Ninh Province (Vietnam): Potentials and Development Opportunities

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## ABSTRACT

The article focuses on the role and development potential of the Quang Yen coastal economic zone, a strategically important area in Quang Ninh Province. Established in 2020, this economic zone promises to become a modern economic hub, contributing to the overall economic development of Northern Vietnam and Quang Ninh specifically. With convenient transportation, deep-water ports, and a location connecting key economic centers, Quang Yen has significant potential to attract substantial domestic and foreign investment, especially in commerce, services, and high-tech industries. However, the area faces challenges related to infrastructure and competition in investment attraction. The development of this economic zone will help Quang Yen strengthen international connections and enhance its economic competitiveness.

**Keywords:** coastal economic zone, sustainable development, investment attraction.

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## I. INTRODUCTION

Vietnam possesses significant potential and advantages for developing its marine economy, particularly with a coastline of approximately 3,260 kilometers; over 3,000 islands and archipelagos, among which the Paracel and Spratly archipelagos hold crucial strategic positions; and maritime areas under national sovereignty, sovereign rights, and jurisdiction that span over 1 million square kilometers across 28 coastal provinces and cities. The establishment of the Quang Yen Coastal Economic Zone in Quang Ninh Province is a step toward realizing the socio-economic development directions for Vietnam's marine region and its broader national marine strategy, particularly in coastal economic zones. Its strategic advantage of both sea and land routes enhances its role in diverse import-export activities, providing it with greater potential and advantages over other economic zones. This geographical advantage has increasingly positioned Quang Yen Economic Zone as an "international transit hub," becoming a focal point for the export and import of goods and services to regions in Northeast Asia, Southeast Asia, and Southwest China.

### 1. Current status of coastal economic zones development in Vietnam

Resolution No. 09-NQ/TW dated February 9, 2007, by the Fourth Conference of the Central Committee (10<sup>th</sup> tenure) on Vietnam's Marine Strategy to 2020, emphasized the overarching goal to "strive to make our country strong from the sea, prosperous from the sea; the socio-economic development of marine, island, and coastal areas must align with the imperative of national defense, integrating the marine economy within the national economy, interacting with various regions in the context of deeper integration into regional and global economies" [1].

Resolution No. 36-NQ/TW, dated October 22, 2018, by the 8<sup>th</sup> Central Conference of the 12<sup>th</sup> Party Central Committee, on Vietnam's Sustainable Marine Economic Development Strategy to 2030, with a vision to 2045, emphasizes the establishment and expansion of coastal economic zones associated with the development of robust marine economic centers and the enhancement of national defense for maritime sovereignty. The goal is for purely marine economic sectors to contribute around 10% of the national GDP, and for the economy of the 28 coastal provinces and cities to reach approximately 65–70% of the national GDP by 2030, affirming coastal economic zones as growth cores for coastal localities [2].

With comparative advantages in terms of geographical location, economy, defense, natural conditions, natural resources, and human resources, the government has approved the establishment of 19 coastal economic zones. Following their development, these zones have made significant contributions to boosting the local

economy of the coastal areas and to Vietnam's economy as a whole. To date, Vietnam has established 19 coastal economic zones across 28 coastal provinces, with a total area of 871.55 thousand hectares (including marine areas). These zones have attracted 254 foreign investment projects with a total registered capital of USD 42 billion, and 1,079 domestic investment projects with a total investment capital of approximately VND 805.2 trillion. Approximately 60.4 thousand hectares of land have been developed with infrastructure and production facilities, and are operational. The total leased land area for production investment projects in coastal economic zones is around 44.1 thousand hectares, accounting for approximately 45% of the land designated for industrial, tourism, and service production within these zones. Notably, many investments in coastal economic zones are large-scale projects in key industrial sectors, such as petrochemical refining, steel complexes, heavy machinery, automotive engine production, and power generation.

Coastal economic zones have initially demonstrated their role in driving the socio-economic development of coastal localities and economic regions, creating hundreds of thousands of direct and indirect jobs primarily for the coastal workforce, providing high-quality human resource training, and enhancing local income and living standards. The economic structure of many coastal provinces and cities has significantly shifted from agriculture and handicrafts to services, with a focus on tourism and hospitality. The labor structure in coastal provinces and cities has also transitioned from agriculture and fisheries to services and industry. Vocational training and career orientation have developed significantly in certain localities, such as Quang Ninh, Thanh Hoa, Nghe An, and Ha Tinh province.

In addition, investments in coastal economic zone infrastructure, including foreign investments, have contributed to modernizing infrastructure systems for coastal localities and economic regions, establishing national transportation and infrastructure connectivity, and delivering positive development outcomes for the region. The integration of coastal economic zones and industrial zones with marine and island defense economic zones has also been emphasized, playing a crucial role in enhancing national defense, security, and the protection of Vietnam's sovereignty, unity, and territorial integrity.

Furthermore, the strategic location of coastal economic zones enables them to serve as economic centers for coastal regions and localities with ports and airports, facilitating economic exchange, trade, services, and workforce development. The formation of coastal economic zones has promoted urbanization in coastal regions, initiating the development of a "Coastal Urban Chain" with nearly 600 cities, accounting for about 8% of the total number of cities nationwide, with a population of approximately 19 million, particularly evident in the Central and South Central Coastal regions.

Marine economic development based on international standards for ocean and coastal governance is highly valued. In 2021, at the Ministerial Forum within the framework of the 7<sup>th</sup> East Asian Seas Congress (EASC) under the theme "Towards a Blue Economy Agenda: Healthy Oceans, People, and Economies," Vietnam committed to establishing responsible ocean governance grounded in sustainable development principles and a strategy for building a green economy [3]. Furthermore, international cooperation in marine science and technology has been strengthened with numerous countries, such as Germany, South Korea, Sweden, and Canada, as well as international organizations like the United Nations Development Programme (UNDP), the Global Environment Facility (GEF), and the Yeosu Foundation (South Korea). Vietnam has also signed memorandums of understanding with reputable international organizations in Northeast Asia to implement projects that advance the East Asian Seas Sustainable Development Strategy.

The "port-city-sea" model has been successfully applied and effectively directed in many localities. This has fundamentally transformed the appearance of several provinces and cities, such as Quang Ninh, Hai Phong, Da Nang, Quang Nam, Binh Dinh, Phu Yen, Khanh Hoa, and Ba Ria - Vung Tau, which have become urban centers attracting people from various parts of the country for work and residence, marking a shift from previous trends centered around Hanoi and Ho Chi Minh City.

## **2. Opportunities and challenges for the Quang Yen coastal economic zone**

Quang Ninh Province, strategically located in Northern Vietnam's economic corridor, is both part of the Northern Coastal Region and the North Key Economic Zone, forming a critical point in the Hanoi-Hai Phong-Quang Ninh economic triangle. Positioned in Southwest Quang Ninh, the Quang Yen coastal economic zone has significant potential to become a dynamic economic region, contributing to Quang Ninh's development and the broader Northern region. Though not officially approved as an economic zone until 2020, Quang Yen has rapidly emerged as a primary coastal economic zone, expected to boost the economic growth of Quang Ninh and nearby provinces.

On September 24, 2020, Quang Yen was officially designated as a coastal economic zone, encompassing urban-industrial complexes in Uong Bi City and Quang Yen Town, along with the Dam Nha Mac maritime-industrial complex. Its primary objective is to leverage its natural advantages and geographical position to create robust economic, trade, and service linkages with other coastal zones such as Van Don, Dinh Vu-Cat Hai, and Thai Binh. This strategy aims to maximize the competitive strengths of each economic zone

while fostering regional socio-economic connections. Additionally, the development integrates economic growth with defense and security, while preserving local marine ecosystems and cultural heritage sites. It is projected that Quang Yen's coastal economic zone will achieve a growth rate of 14-15% from 2021 to 2030 and 8.5-9% from 2031 to 2035, creating 53,000-55,000 jobs by 2030 and 60,000-62,000 jobs by 2035 [4].

Quang Yen's strategic location, situated between Hai Phong's Dinh Vu-Cat Hai economic zone and other parts of Quang Ninh, along with its access to the Northern Coastal Economic Belt, positions it well for extensive Vietnam-China collaboration along the "Two corridors, one belt" initiative. The zone's location between three dynamic cities—Hai Phong, Ha Long, and Uong Bi—and its access to deep-water ports enable it to combine port facilities with industrial zones, urban areas, and manufacturing plants. The extensive transportation infrastructure, including highways, national and provincial routes, and proximity to Cat Bi Airport (Hai Phong) and Van Don Airport, is highly favorable for attracting skilled labor and significant investment, particularly from global strategic corporations. This regional connectivity enhances Quang Yen's potential as an "international transshipment hub", poised to support export-import activities throughout the region and globally. The development of the coastal economic zone has furthered Quang Yen Town's opportunities through integration and cooperation, building on its rich cultural and social heritage.

Despite its substantial growth prospects, the Quang Yen economic zone faces multiple challenges. The foremost challenge lies in the inconsistent and fragmented infrastructure within the zone, resulting from independent and uncoordinated planning efforts that respond only to immediate needs. This has led to a lack of cohesion across the economic zone. Land clearance processes face significant difficulties due to complexities in land ownership verification, boundary demarcation between actual land and cadastral records, and identifying legal owners. These challenges have prolonged land clearance, delayed investment project timelines, and increased costs, ultimately reducing investment effectiveness.

Additionally, intense competition exists in market expansion and investment attraction between domestic regions and other countries within the region. To address these challenges, Quang Yen Town's government, businesses, and investors must adopt proactive and innovative approaches to mobilize resources and diversify investment models. By accelerating the development of modern, interconnected, and comprehensive economic and social infrastructure systems as per planned guidelines, Quang Yen can solidify its role as a new growth driver in Western Quang Ninh, establishing itself as a critical component in the province's economic landscape.

## **II. Conclusion**

The establishment of the Quang Yen Coastal Economic Zone holds significant importance, with the potential to develop into a dynamic and modern economic hub that can compete with economic zones in China and ASEAN countries. Investing in the comprehensive and sustainable development of this zone, while maximizing its comparative advantages, will foster growth across trade, tourism, services, and high-tech industries. Additionally, it will serve as a forward-looking economic zone, attracting new investment flows as tariff reductions under AFTA, WTO, and nearly 20 bilateral and multilateral free trade agreements come into effect. The Quang Yen Coastal Economic Zone will enhance connections with Northeast Asia's markets for goods, raw materials, fuel, and services through bilateral and multilateral trade agreements, such as those between Vietnam and South Korea, Vietnam and Japan, Vietnam and the Eurasian Economic Union, and ASEAN-China agreements.

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