

According to Pham Truong Son, director of Danang High-Tech Park and Industrial Zones Management Authority, the city has so far implemented a plan to construct an eco-industrial model in Hoa Khanh Industrial Park. This plan is contributing to limit the impact of the industrial zones (IZ) on the environment.

The efficiency from cleaner production has been not only breaking the urban chain in the west of the city but also linking urban areas turning the high-tech park into a highlight in the formation system of eco-industrial real estate products, which is attracting many investors in the city.

Currently, the high-tech park bears the character of an urban area inhabited by professionals, scientists, investors, employees, and their families.

Adjacent to the high-tech park is Danang IT Park, invested in by Danang Information Technology Park Development JSC (DITP). The park will be an ideal living and working environment for more than 25,000 employees including professionals, senior engineers, and other workers.

In the next 10 years, Danang IT Park Phase 1 has a scale of 131 hectares and this land will be increased to 341ha in the second phase. The project will become a satellite city in the northwestern region of Danang with about 100,000 residents. In addition to improving infrastructure projects, DITP is investing a sum of VND1.7 trillion (\$74 million) to develop an accommodation project serving experts and utilities for Danang IT Park.

According to Nguyen Tam Thinh, chairman of DITP's Board of Directors, this is a large-scale industrial real estate project to promote investment attraction for Danang IT Park and catch the new investment shift after COVID-19.

Lam Quang Binh, director of Investment and Business Services Company in the city, said that the emergence of extra demand in attracting new-generation capital flows is requiring changes in the existing industrial park model. This means the requirement of

an industrial real estate system is enhanced with higher technical standards.

“Among those, within current requirements, it is necessary to focus on planning clean, ecological, environmentally-friendly IZs and industrial clusters, attracting high technologies with sustainable goals and long-term development,” Binh explained.

Planning must be synchronously made and publicly announced for investors to research and take opportunities and jump into investment early, he added.



Danang's favourable attributes make it a key regional seaport location

Developing a logistics centre

Strong prospects are becoming clear but will also quickly pass if Danang authorities are slow compared to other localities making similar moves.

Binh added that the proactiveness of Danang to develop ecological IZs will help improve the economic development of the city and, at the same time, minimise the impact on the environment, improving the efficiency of natural resource usage and reducing waste.

Therefore, the opportunity to own a land fund to approach and develop the industrial real estate segment is huge for both existing and potential investors in the future. Ecological industrial real estate will emerge as the dominant segment in the market in the coming time, experts say.

Danang has nearly 800 companies specialising in the field of transportation and warehousing. In addition, around 60 bank branches are connected to international transactions and 30 domestic and international insurance companies covering almost all fields.

These are considered part of the most favourable conditions for Danang to become a

logistics centre by 2050 with a range of new bases and logistics centres such as those established at Lien Chieu Port, Hoa Nhon, New Kim Lien Cargo Terminal, Danang International Airport, and many other small-scale centres and warehouses.

With such an improved infrastructure system, Danang has been meeting the necessary and sufficient conditions for the development of the logistics industry for the entire central region and is attracting interest from overseas groups and corporations.

At the end of August, LOGOS Group, a member of ARA Fund Management and headquartered in Sydney, began working with Danang authorities to establish a joint venture in Viet Nam.

Convenient infrastructure

LOGOS Vietnam Logistics Venture is the fourth joint venture of the Australia-based investor LOGOS established in 2020. The group has raised more than \$1 billion of investment capital to penetrate the Vietnamese and South Korean markets – accordingly, LOGOS and its partners will build a portfolio of logistics facilities throughout Viet Nam.

LOGOS will reserve an initial investment capital of \$350 million to develop logistics property in key locations such as Danang, Hanoi, and Ho Chi Minh City.

LOGOS is investing in Da Nang because the city has a lot of room for investment and development, in which Lien Chieu Port is a strategic investment project to strongly develop the fields of logistics, e-commerce, and food products, the group explained.

LOGOS Vietnam Logistics Venture's entry into the country's real estate logistics market is an important step in its development strategy in the region based on customer demand and interesting economic growth forecasts for Viet Nam. Currently, the group's portfolio in the Asia-Pacific region has 100 logistics properties in nine countries, with total assets under management of about \$ 9.5 billion.

According to a representative from LOGOS, the convenient transportation infrastructure will help Da Nang become a major seaport service centre for the whole region. Danang is developing its urban area in a sustainable way, restructuring the economy towards service development. These are favourable factors for Da Nang to develop the logistics sector and open a new direction for investors, according to the group.

The adjusted master plan in Da Nang towards 2030 with a vision until 2045, carried out by a joint venture of Sakae Corporate Advisory Ltd. and Surbana Jurong (Singapore), has determined that Danang will develop a seaport and aviation system associated with logistics services towards forming a supply chain of logistics services in the central region – where the logistics heart is the seaport system of Tien Sa and Lien Chieu, as well as Danang International Airport.

According to Nguyen Thanh Tien, director of Da Nang Urban Department, the plan has breakthrough proposals such as building a compressed urban model, airport urban area, seaport urban area, and forming new functional areas such as an innovation and renewables zone, a high-tech agricultural zone, and a logistics service centre.

Ho Ky Minh, Deputy Chairman of Da Nang People's Committee, said that in order to

build such a logistics centre, Danang has to mobilise and call for investment capital from both society and the domestic and international business communities.

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