

**IN THIS DOCUMENT
137 COMPANIES
WITH A COMBINED
CAPITAL INVESTMENT OF US\$21 BILLION
UNDERTAKE 68 NEW-BUILD PROJECTS
DEVELOPING 27,403 HECTARES
13 ECOTOURISM PARKS
8 CASINOS
& 24 GOLF COURSES
1 OF WHICH PLAYS INTO CAMBODIA**

VIETNAM

HARDHAT REPORT

DEVELOPMENTS IN TRAVEL & TOURISM

FEBRUARY 2008

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**HARDHAT REPORT
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**THE TOURIST PRODUCT
JUNE 2008**

**VIETNAM: THE BRAND
OCTOBER 2008**



Photo Credit: The World Bank

Vietnam's accession to the World Trade Organization in 2007 secured its economic position as Asia's newest rising star. And now, the country is in the vanguard of a hotel building boom.

Local developers, state-owned enterprises and firms from around the globe — Korea, Malaysia, Japan, Dubai, Singapore, the U.K., and the U.S.A. — have turned to Vietnam's shores and hillsides to develop hotels, resorts, casinos, marinas and other tourist facilities.

From the white-sandy beaches of Phu Quoc to the mountainous villages of Lao Cai, an unprecedented wave of hotel construction has taken over the landscape. As the tourist product grows, Vietnam will quickly shed its past as a backpacker's paradise and emerge as a world-class tourism destination. Summarizing industry statistics and aggregating news reports on recent tourism developments, *The Hardhat Report* is the first in a series of white papers that examine the life-cycle of Vietnam's travel and tourism industry. Focusing on Vietnam's built environment, this report sets the stage by offering a roundup of planned hotel and tourism projects.

ACKNOWLEDGEMENTS

Based solely on news articles in English-language media outlets and other online data sources, this document illustrates the importance of access to information.

Special thanks goes to Peter Leech, who not only provided us with graphics for each province but is also the dedicated publisher of Intellasia. Without this resource, we would not have found all of the articles necessary to conduct our research from afar.

NEWS & DATA SOURCES

Agence France-Presse
Asia Pulse
Associated Press
British Broadcasting Channel (BBC)
Cable News Network (CNN)
The Economist
Intellasia
Kinh Te Vietnam & The Gioi
Ministry of Planning & Investment
The New York Times
Pacific Asia Travel Association
Reuters
Sai Gon Giai Phong
Saigon Times
Thanh Nien News
Thoi Bao Kinh Vietnam
Vietnam Investment Review
Vietnam National Administration of Tourism
Viet Nam Net Bridge
Viet Nam News
Viet Nam News Agency
VOV News
The Wall Street Journal
The World Bank
The World Travel & Tourism Council

Blackwell Media is a Vietnamese-American public relations and strategic marketing firm based in New York City. Specializing in the hospitality and leisure industries, the company has developed this white paper to open a dialogue with stakeholders in Vietnam's travel and tourism industry.

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INTRODUCTION

Economic liberalization has become the dominant theme in Vietnam's narrative as an emerging market. Its transformation into a free-market, consumer-based society is marked with the telltale signs of success: the country's economic growth rate of 8% is steadily lifting its population of 85+ million into a middle-income society; the poverty rate has been reduced to less than 20%; and the literacy rate is above 90%.¹

For the past 20 years, Vietnam has attracted almost US\$100 billion in Foreign Direct Investment, and this number will escalate as the country refines its market economy with good governance and greater transparency. But discouraged by the dim outlooks proscribed to Vietnam's young stock exchange in Ho Chi Minh City (HCM City) and the securities trading center in Hanoi, savvy investors have turned to their best alternative: real property.

Investors ranging from foreign developers and local textile firms to state-run petroleum companies and global consortiums are mobilizing capital to increase the supply of residential units, commercial office spaces, retail centers, hotels, conference centers and luxury resorts. The shortage of such facilities has pushed prices in the densely populated urban areas. And the great land grab of 2007 will continue through 2008 with a host of players eyeing Vietnam's real estate as a sound investment.

Sharing top billing in new-build projects, hotel developments are dotting the map all across the countryside, particularly along the 3,200 kilometer, picturesque coastline. Ranked in the top five alongside crude-oil, agriculture, textiles and footwear, the travel and tourism industry has emerged as one of Vietnam's strongest economic performers in terms of GDP production and export trade. In 2007, the industry generated US\$12.195 billion in economic activity, and this number will grow as total demand for travel and tourism consumption is pegged to increase per annum by 7.5% through 2017. This ranks Vietnam's travel and tourism economy in the top 10 fastest growing markets worldwide and number one in Southeast Asia.

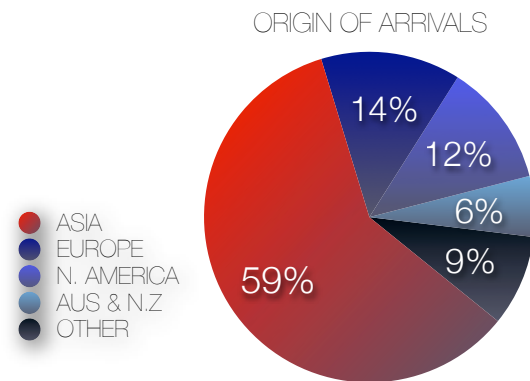
Welcome to Asia's newest rising star. Welcome to *Vietnam*.

VIETNAM'S TRAVEL & TOURISM ECONOMY

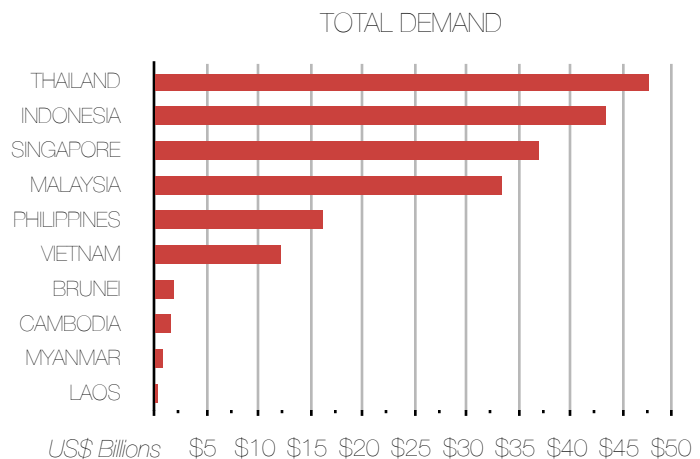
Vietnam reached a milestone in 2007: over 4.1 million international arrivals, reflecting an impressive 16% year-on-year gain.

Taking a look at “The Year of the Pig,” industry statistics from the World Travel and Tourism Council² and the Vietnam National Administration of Tourism³ paint a bright picture for Vietnam’s tourism economy.

China remains the largest source market, accounting for over 500,000 international arrivals, or 13.4% of the annual total. South Korea, Japan and the United States follow closely, each contributing well over 400,000 inbound arrivals. The Lunar New Year attracted 380,000 foreign visitors in the month of February, and the average monthly mean for arrivals to Vietnam’s shores exceeded 345,000 throughout 2007.



Total demand, domestic and foreign, created US\$12.195 billion in economic activity, a 10.1% increase from 2006, contributing US \$2.11 billion, or 3.1%, of the country’s Gross Domestic Product (GDP). As an industry indicator, total demand accounts for the consumption of durables, non-durables and services as well as government expenditures, capital investments and non-visitor exports used by travel and tourism providers. Amongst the Association of Southeast Asian Nations (ASEAN), Vietnam’s total demand is



the sixth highest and is expected to grow at a steady pace of 7.5% per annum from 2008 to 2017, exceeding the average annualized gain of 6.3% projected for the entire ASEAN market.

Vietnam's projected annual growth rate makes it the front runner of the 10 nations that comprise the ASEAN market and sixth worldwide in terms of increases in total demand. While a boost in international arrivals will bolster this rate, growth in tourism receipts as a direct result of an increase in revenue per individual traveler is more valuable. A recently released report from Research and Markets entitled, "Opportunities in Vietnam's Tourism Industry 2007-2009," projected that the average tourist expenditure will reach US\$976.26 per head by 2011.⁴ This industry prediction is supported by the government's targeted goals of six million international arrivals by 2010 and an increase of gross revenues by 50%.

Establishing evidence of Vietnam's emerging consumer-class, domestic residents accounted for the largest share of direct consumption (lodging, transportation, food & beverage, entertainment, financial services, etc.), spending US\$3.9 billion. Combined, visitor exports (expenditures by foreign travelers on goods and services within the country) and non-visitor exports (the sale of consumer or capital goods to be used abroad by travelers or tourism suppliers) accounted for over 9% of all exports, contributing US\$4.869 billion to Vietnam's foreign trade, which reached US\$48 billion in 2007.

If Vietnam's explosive economy continues at pace, the country's travel and tourism industry will generate US \$28.69 billion in economic activity in 2017 and will provide 1,047,000 industry-specific jobs by that time. Within a decade, the travel and tourism economy will directly and indirectly account for 1 out of every 11 jobs, or an estimated 9% of the country's total employment.

Between 2008 and 2017, global totals for travel and tourism demand will grow 4.3% per annum, and employment within the worldwide industry will average at 1 out of every 12 jobs. These statistics indicate that Vietnam's tourism industry is beating out global averages for employment percentages and growth of total demand.

As the economy has liberalized and investment restrictions for foreigners have relaxed, the nation's real estate market has seen considerable attention. Figures given by industry analysts estimate that over US\$5 billion was invested in the real estate market in 2007, and some predict that this will grow by 30% in 2008. In turn, the travel and tourism economy, which received US\$1.95 billion, or 8.3% of all capital investments in 2007 is expected to grow in nominal terms to US\$4.18 billion by 2017.

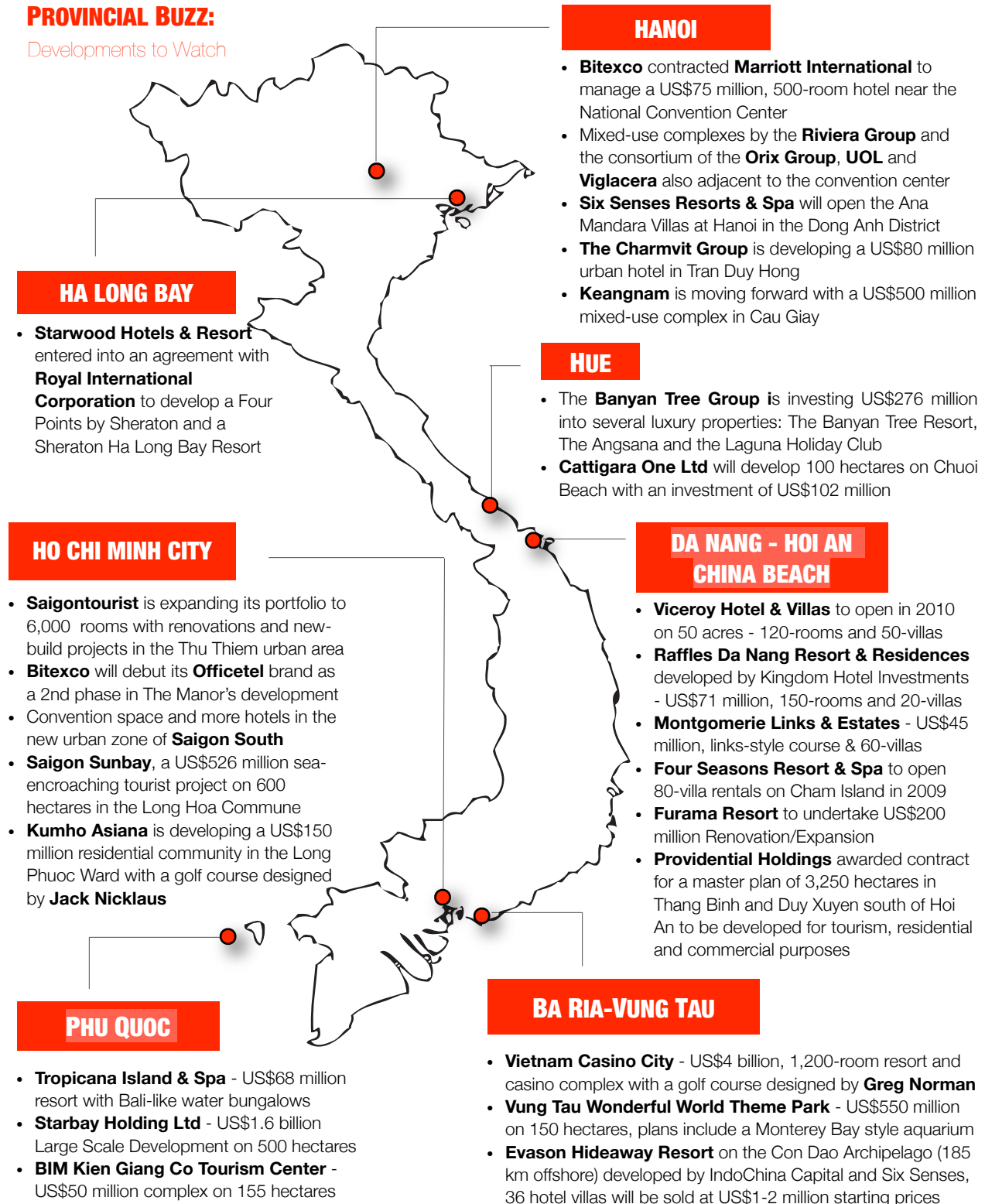
Doi moi, as the era of free-market reforms in Vietnam is called, roughly translates to renovation or renewal. The country's economic liberalization has certainly breathed a palpable sense of renewal into the nation, and the years to come are incredibly vital to Vietnam's maturity as a top-tier tourism destination.

With high growth rates, escalating revenues and large capital investments, tourism is one of the nation's strongest economic engines and will be a defining element in its socioeconomic culture. Investments into the nation's infrastructure will create a framework for economic development, and the tourism industry will both influence and take its form from decisions that affect the built environment.

THE HOTEL BUILDING BOOM

PROVINCIAL BUZZ:

Developments to Watch



URBAN REAL ESTATE

Every international city has its iconic skyline, and the “Gateway to the Indonesian Peninsula” will soon have its own when Bitexco’s Financial Tower rises from Saigon’s business district. Inspired by the image of a lotus flower, the 68-story building represents the dawn of a new era for Vietnam.

Local firms, foreign investors and state-owned enterprises, predominantly banks with large coffers of available capital, are competing to increase the supply of residential units, hotel accommodations and commercial office spaces. As for the hotel industry, the trend in new-build projects is towards mixed-use complexes that offer lodging for tourists as well as residential units and office space.

Currently, demand for hotel rooms in Vietnam is outstripping the available supply. This shortage has persisted for years and has pushed room-rates particularly in the southern economic hub of HCM City, where average daily rates increased by more than 30% at 3- and 5-star hotels. HCM City welcomed 2.7 million visitors in 2007, and this number is increasing. With occupancy rates averaging over 80%, the lucrative MICE market (Meetings, Incentives, Conventions and Exhibitions) continues to elude the southern capital because it lacks the necessary capacity. CB Richard Ellis in a recent white paper estimated that HCM City needs to increase its inventory by 10,000 rooms to meet the demand by 2012.⁵ For developers, this is a call to arms.

Investors, both domestic and foreign, are queuing up to mobilize capital into property development. In Vietnam’s densely populated urban areas, rampant speculation, aided by a shortage of supply, has inflated property prices. According to industry analysts, Grade-A office rents in HCM City will break the 2007 high of US\$45-50 per square meter and surge to US\$100 at their peak.⁶ Already, luxury condos have hit price points of US\$1,500-US\$2,500 per square meter in the southern economic capital. To put this inflation into perspective, Vietnam’s per-capita GDP is less than US\$1,000.

Further fueling the already volatile mix of speculators, the issuing of Decree 84 in May 2007 granted foreigners the right to lease property for 70 years with opportunities for an extension, making real estate in Vietnam a long-term viability. Despite the introduction of foreign investors and rising construction costs, the immediate necessity is to increase the supply of commercial office spaces, residential units and hotel accommodations to ease the inflated prices. In 2007, there were several instances of developers reneging on their commitments to undertake new-build projects because they either lacked the funds to complete the buildings or intentionally delayed construction to benefit from higher land values.⁷

In the face of escalating prices, a sluggish supply of new buildings is exacerbating the problem. To quell unproductive development contracts, the Ministry of Natural Resources and Environment has proposed to increase the urban property tax by four-to-five fold from its current levy of 40,000 Dong (US\$2.50) per square meter and intends to support this tax hike with a more transparent application process to better qualify each developer’s capabilities and financial standing. Also, some agencies have appealed to the government to create a real estate industry index to help analysts, investors, lenders and governmental authorities regulate

the market.⁸ The market's current volatility is a deterrent to investors lacking concrete data to help inform their investment and development strategies.

The Economist cited Vietnam's 14.1% inflation spike in 2007 as an example of the growing pains being experienced by an economy developing at breakneck speed. Industry critics suggested that the government reserve its tax windfalls rather than continue large-scale public spending.⁹ Some of the government's actions, like large investments into infrastructure (roads, bridges, ports) and increases in public sector wages, are necessary to maintain Vietnam's economic growth but are also aiding the inflation. Behind China, Vietnam is Asia's second fastest growing economy. Seventy-percent of the population is under the age of 35, and their incomes are rising, making Vietnam a retailers paradise.¹⁰ The country's emerging consumer-class is expected to generate over US\$50 billion in retail expenditures in 2010, up from US\$36 billion in 2006.¹¹

The increase in Vietnam's standard of living has also caused a demand for western-style housing, and developers are responding with luxury condominiums. The handful of apartment complexes that debuted in 2007 provided evidence to domestic residents' want for upscale housing with reports of prospective buyers literally stampeding sales offices. In October, hundreds of Vietnamese citizens lined up with cash-in-hand to secure purchasing rights for units in The Vista located in HCM City's An Phu Ward. CapitalLand, the Singaporean developer, required would-be buyers to reserve apartments with a deposit of US\$2,000. After paying the fees, many of the buyers immediately flipped the rights to a third party for handsome profits.¹²

The demand for housing units, retail space and commercial offices is evident across the board. As reported in by *Asia Pulse* and CBRE, some 40 different investment funds are prepared to plunge up to US\$20 billion into new developments. Until the supply is increased, prices will continue to skyrocket, and real estate brokers will continue to feed the inflation with rampant speculation in the upscale market segment.

Land Prices in HCM City's 2nd, 7th & 9 Districts increased 80-200% in 2007
Occupancy Rates in Shopping Centers in Hanoi and HCM City are 99%
In 2008, Prime Retail Space will Hit US\$200 per SQM
Construction Costs have risen 30-40%
HCM City's current Inventory of Commercial Office Space is only 460,000 SQM



STAKEHOLDERS' PREFACE

“The regulatory environment is still embryonic and can create big headaches,” noted Charles Goddard, Editorial Director of the Economist Intelligence Unit Asia-Pacific at an executive roundtable with Prime Minister Nguyen Tan Dung.¹³

Goddard delivered the above statement at a conference addressing Vietnam’s challenges and opportunities as a rising economic star. In referencing the government’s lack of regulatory controls in the banking and investment sectors, specifically over the “worryingly high” inflation levels, he implied the necessity for a reliable legal framework to improve investor confidence. The same holds true for Vietnam’s real estate and hotel industries, where, in the absence of regulations, the future is uncertain.

Regulatory authority for the tourism industry lies within the jurisdiction of a number of governmental agencies. Established under the Ministry of Sports, Culture and Tourism, the Vietnam National Administration of Tourism (VNAT) is the umbrella organization for all tourism-related governmental activities. In search of a master plan for new hotel developments, we visited VNAT’s website but only located sporadic news updates to inform us of current investment projects. We also cross-referenced the Ministry of Foreign Affairs and the Ministry of Planning and Investment for formal statements regarding tourism development guidelines. There is little by the way of publicly accessible information regarding the regulation of Vietnam’s tourism industry, whether that be statistical analyses or governmental mandates. As a result, in researching this document, statistics and project-specific information was necessarily gathered from third-party sources.

In the following section, we’ve made an effort to document all of the tourism developments that either broke ground or were approved by governmental authorities in 2007. Our methodology was to track daily news articles from English-language sources aggregated using *Intellasia* and internet search engines. Through these media resources, we’ve identified 68 new-build projects totaling over US\$21 billion in capital investments. From luxury resorts and ecotourism parks to golf courses and casinos, the magnitude of new tourism projects is impressive, if not overwhelming.

We do not intend for *The Hardhat Report* to fill the void of general industry data but would like to issue a caveat: you cannot manage what you cannot measure. Generating more than US\$7 trillion in revenues globally, tourism is one of the world’s largest industries because it manifests itself into all facets of life: real estate, transportation, lodging, food and beverage, and even medical facilitation. The ability to manage the national scope of such an expansive industry requires oversight and regulatory controls.

With growing interest in the tourism economy, Vietnam’s public and private sectors must collaborate on developing policies and rules that guide the development process in a positive direction, ensuring its attraction for both tourists and investment capital continues. Only through well-considered and timely planning will Vietnam be capable of improving its socioeconomic balance by creating an environmentally, economically and culturally sustainable tourism economy.

DEVELOPMENTS BY PROVINCE

In this section, we identify 68 new-build projects undertaken by over 130 companies on more than 270,00 hectares of Vietnamese soil. The provinces, 21 of them to be exact, are listed in alphabetical order and range from popular hotbeds of tourism activities to rural villages. While we attest to the accuracy of the following accounts, we expect that several projects have escaped our radar but hope this roundup, at the very least, illustrates our point of Vietnam being in the vanguard of a hotel building boom. An itemized list of these developments is provided as an appendix.

BA RIA-VUNG TAU

— **Asian Coast Development Ltd** of Toronto with **Fontainebleau Resorts** and the **Paul Steelman Design Group** broke ground on **Vietnam Casino City**, a US\$4 billion resort and entertainment complex that will feature 5-casinos, theaters, hotels, shopping centers, health clubs, cultural centers and a **Greg Norman** designed golf course. The first phase of the project will be completed in 2009, offering 1,200 hotel rooms, a 7,200 sqm Las Vegas-style casino, 10 restaurants, an 8-acre swimming pool and a 200-acre golf course and country club. Steelman, the Las Vegas-based casino design expert behind the Sands Macao and Macao Studio City, is the chief architect for Vietnam Casino City, which will eventually offer over 1.5 million square meters of floor area for gaming. The complex will occupy 3.6 km of previously undeveloped beachfront in Xuyen Moc, a two-hour drive east of HCM City.



US-based **Platinum Dragon Empire Inc** has resubmitted a development prospectus to the provincial tourism department, amending its original plan to build **Vung Tau Wonderful World Theme Park**, a 150-hectare, Disneyland-style entertainment complex and resort. The new proposal downplays the theme park component, which was originally the centerpiece of the project destined for Chi Linh Cua Lap, six kilometers east of Vung Tau. The company's original plans for the theme park also included a Monterrey Bay-like aquarium in **Nghinh Phong Cape**, near the center of Vung Tau City. Although they received a green light in 2006 for the US\$550 million project, Platinum Dragon Empire in its revised proposal requested a reduction on the leasing price, insisting that the rate of 495 billion dong for 50 years is too steep.

HCM City-based **Thanh Binh Consulting Trading Service Co Ltd** and the **Eden Joint Stock Co** started construction on the **Eden Thanh Binh** 4-star resort, located on a plot of 25-hectares also in Chi Linh Cua Lap. The US\$187.8 million project is expected to be completed by 2010 and includes spas, a trading center, an ecotourism site and other hotel complexes.

Administering the Overseas Investment Division, the Ministry of Planning and Investment received a pledge of US\$1.299 billion from the **US-based Good Choice Group** to build a 5-star resort and entertainment area. The capital investment was accounted for in the first month of 2008.

In early 2007, the **Vung Tau Tourism Company** welcomed the opening of **Medicoast**, a resort cum medical treatment complex in Vung Tau City. The 8,000 sqm facility has two buildings, a four story healthcare center and a seven story building for entertainment. The property combines resort offerings and travel packages for both domestic and foreign travelers as well as medical care such as first aid, pediatrics, obstetrics, ophthalmology, surgery, orthopedics, dietetics and other services. The project was estimated to have cost US\$5 million and is included in this roundup for its originality.

Continuing with a model it first initiated with the **GHM**-operated **Nam Hai Resort** in Hoi An, **Indochina Land**, a division of **Indochina Capital**, is developing an **Evason Hideaway Resort** on islands in the **Con Dao** archipelago. The 16 mountainous islets are approximately 185 kilometers from their mainland province of Ba Ria-Vung Tau. Indochina Capital initiated the US\$20 million project after becoming the majority shareholder in **Danao International Holdings** and contracted **Six Senses Resorts & Spas**, which originally developed the Evason brand in Thailand, to operate the resort and service the 36 hotel villas offered for sale at US\$1 million.

The **Con Dao Management and Development Board** has devised a master plan that will position the 7,670 hectare archipelago as a luxury resort destination with the capacity to accommodate over half a million tourists annually by 2020. Efforts to develop the island will need to balance the necessary infrastructure investments with the preservation of Con Dao's unique ecological and cultural attractions.



BINH DINH — **Vietnamese American Hotel & Resort Co** broke ground late 2007 on the **Vinh Hoi Hotel and Resort**. The first phase of the US\$250 million tourism project will cover 300-hectares, and will be completed in 2011. The overall plan extends construction into 2014 with an eventual offering of a five-star hotel, villas, a golf course, convention hall, sports center and sea park.

Global Petrolimex Highland Joint Stock Company has also turned to the central province to diversify its investment portfolio. The oil and gas company will construct a US\$150 million ecotourism resort on 300-hectares in Hai Giang. The company aspires to create a five-star resort.

The **Phu Thinh Joint Stock Investment and Construction Co** is awaiting approval for their proposal to develop the **Quy Nhon Four Seasons Bay Resort** with an investment of US\$100 million. The luxury property will cover 146-hectares with 1.3 kilometers of beachfront. Additional amenities include a golf course and villas.

Other ambitious developments include HCM City-based **Hop Long Commerce and Investment Joint Stock Co's** proposal to build a 72-hole golf course on 300-hectares in the Phu My District and a sanctioned ecotourism park in the Phu Cat District to be developed by **Saigon Foods Import Export Manufacture Joint Stock Co** and **Tay Nguyen Cable Television Joint Stock Co**. The Hop Long golf course is one of the largest links planned-to-date in Vietnam.

BINH THUAN — National Assembly Chairman **Nguyen Phu Trong** visited the coastal province in December 2007, giving recognition to Binh Thuan's strong appeal to both domestic and foreign tourists. The Chairman encouraged the local authorities to increase and approve investments into tourism-based activities, which account for 41% of the province's GDP, followed by the industrial sector at 33% and agricultural-based activities for the remainder.



After acquiring **Danao International Holdings**, which owns the Sofitel Da Lat Palace, Novotel Da Lat and the Da Lat Palace golf club, **Indochina Capital** committed to upgrade the company's Binh Thuan portfolio consisting of the four-star Novotel Corelia Phan Thiet and the Ocean Dunes Golf Club. Designed by Nick Faldo, the Ocean Dunes is ranked by *Golf Magazine* as one of the top 500 courses in the world, singling out its ninth hole par-3 as one of "The 500 Best Holes in the World." Renovations to the property will be complimented by the addition of a four-star hotel, a residential complex and seaside villas.

South Korean investor, **Oh Chan Geun**, has been licensed to develop a US\$90 million resort complex on 300-hectares in the Tan Thang Commune in the Ham Tan District. The plans include a 36-hole golf course, villas, a trade centre, a four-star hotel with 150-rooms, recreational facilities and other guest services. The investors anticipate a 2015 completion.

Following the trend of portfolio diversification, **Thanh Cong Textile Garment Joint Stock Co** has turned to real estate investments in the form of upscale condos and commercial properties in HCM City, where it is based. The textile company is also eyeing tourism developments as investment grade assets and intends to construct a resort 30 kilometers outside of Phan Thiet City in the Ham Thuan Nam District. The project will cover 10-hectares.

CAMBODIA-VIETNAM — Cambodia's **Bada Investment Co** and **VXL**, a Malaysian firm, have agreed to develop the "**Cambodia-Vietnam Friendship Golf Resort**" that will straddle the border. The project will cost US\$100 million and feature a 450-room, five-star hotel with an 18-hole golf course — nine holes in each country. The area to be developed is in a region heavily bombed by U.S. forces in the 60s and 70s. The exact location has not been released.

CA MAU — In the country's southernmost province, an ecotourism project inside the **U Minh Ha National Park** has been approved. The plans entail entertainment facilities including a cultural center, traditional restaurant, fishing marina, and rest areas. The park covers 8,286-hectares of mangroves, wetlands and old growth forests. Over a quarter of the park has been designated a special conservation zone because of its biological diversity, namely the water fowl and aquatic life.





DA NANG — In 2010, China Beach will welcome **Viceroy Hotels & Resorts'** first Asian property. Partnering with **Indochina Land** and **Secured Capital Japan**, the **Kor Hotel Group** is converting 50-acres of China Beach's pristine beachfront into a 120-room resort with 50-villas. The property will offer two gourmet restaurants and a full-service spa among other customized services. **Kelly Wearstler**, the Los Angeles based designer tapped to create the interiors, and **Jean-Michel Gathy** of **Denniston International**, whose portfolio includes Aman Resorts in Indonesia and the Setai in South Beach, has been appointed the director for architecture and landscaping. The Villas at Viceroy China Beach will be available for sale at price points starting at US\$1-2 million.

Committing US\$45 million to the project, Indochina Capital has partnered with **Colin Montgomerie** to develop **The Montgomerie Links** on 70-plus-hectares in the famed China Beach area. The course will surely be one of Vietnam's, if not the world's, finest links-style courses and will be accompanied

by 60 residential villas to be sold as **The Montgomerie Links Estates**. The course's front nine will open in the spring of 2008 and will be the first golf course in the central province.

Another highly anticipated project is the opening of the **Four Seasons'** 80-villa complex on Cham Island, a 25-minute boat ride from Da Nang City. The seasoned southeast asian developers, **Host Asia**, expect to debut the property in 2009.

The Dubai-based **Kingdom Hotel Investments** (KHI) has contracted the worldwide construction consulting firm, **Hill International**, to develop the US\$71 million **Raffles Da Nang Resort and Residences** on 38-acres of China Beach oceanfront. The resort complex will consist of 150-rooms and 20 residential villas. KHI owns properties around the world managed by Fours Seasons Hotels and Resorts, Fairmont Hotels and Resorts and Mövenpick Hotels and Resorts. The 30-month contract is scheduled to be completed in early 2010 and marks Hill International's first project in Vietnam. **European Hotels Corp Ltd** owns 20% of the operation.

Hanoitourist Corp renewed its memorandum of understanding from Da Nang City's Department of Tourism to develop a US\$25 million seaside resort. The Hanoi-based company will develop a resort on seven hectares in the Hoa Hai Ward in the Ngu Hanh Son District.

The five-star **Furama Resort** in Da Nang is hoping to capitalize on the growing popularity of hotel-condos in Vietnam. Converting from a joint venture into a joint stock company, Furama Resorts is looking to attract outside investors to finance a US\$200 million expansion. The new development will take place on 28-hectares adjacent to the current property and entails plans for townhouses, villas, additional guestrooms, retail facilities and an international school. In addition to being able to buy stock in the company, Furama is offering investors ownership opportunities in the new resort villas that will be marketed to inbound tourists for overnight rentals.

Hanoi-based **ATS**, the Financial Trading and Construction Investment Consultant Joint Stock Co, has also staked a claim on the storied sands of China Beach with a proposed US\$30 million development on 192-hectares. At the corner of Pham Van Dong and Son Tra-Dien Ngoc streets, ATS plans to develop a 33-story hotel with residential units and retail facilities. The first phase is expected to be completed by 2010, offering over 60,000 sqm of commercial space for lease.

The provincial authorities in Da Nang approved two separate proposals from **Nam Ba Co Ltd** and **The Nam Khang Co Ltd** to develop resorts in the Hoa Hai Ward of the Ngu Hanh Son District. The developments would each cost US\$30 million and occupy 20-hectares of land.

HAI PHONG — **Sen Xanh Ltd**, a subsidiary of Singapore's Accura, broke ground on a five-star resort and hotel complex in the northern port city. The development of the 2.2-hectare property will cost US\$20 million.

The building unit of the South Korean **Hyundai Motor Group, Amco Co Ltd**, proposed the development of a US\$413.9 million resort in conjunction with **Mibaek Industrial Co Ltd**, a local group. The complex will include hotels and a golf course and is projected to open in 2016.

The northern coastal province also plans to invest heavily into its transport infrastructure, namely its airport. The Ministry of Transportation announced its intention to invest US\$100+ million into the Cat Bi International airport to increase its capacity to 2-million arrivals and 17,000 tons of cargo by 2015.



HANOI — Demand for upscale hotel accommodations in Hanoi is on the rise and because large sites are difficult to acquire in downtown Hanoi, developers are staking claims to the land surrounding the National Convention Centre. Marking its first management contract in Hanoi, **Marriott Hotels**



International signed an agreement with **Bitexco** to manage a US \$75 million, 500-room hotel designed by the **Carlos Zapata Studio**, the designers of Bitexco's 68-story Financial Tower in HCM City. Marriott will join five other hotel projects approved for the area. Other developers in the mix include the Japanese **Orix Group** and **UOL** from Singapore, who entered into a joint venture with **Viglacera** to build 1,000 apartment units, a shopping mall, an office tower and a 300-room hotel facing the convention centre. To the rear of the complex, Japan's **Riviera** has been appointed the developer of a four-hectare site with plans to build a US\$500 million mixed-use building that includes a 550-room hotel as well as residential units and commercial office space.

The Thai-based management company, **Six Senses Resorts & Spas**, along with its local partner, **Khanh Hoa Trading and Investment Co**, will invest US\$40 million to build the **Ana Mandara**

Villas at Hanoi in the Dong Anh District. The five-star resort will cover 20-hectares in the uptown commune of Van Tri. The developers hope to complete construction by 2010 in order to coincide the opening with Hanoi's millennial anniversary. This will add to Six Senses' portfolio of two hotels in Nha Trang and marks the company's expansion that includes the opening of a health spa in the Ba Vi district of Ha Tay and other resort facilities in Hue, Phu Quoc, Quang Ninh, Con Dao and HCM City.

Other developments in Hanoi entail the South Korean **Charmvit Group's** proposal to invest US\$80 million to develop a 564-room property in Tran Duy Hung, opposite the Big C super centre, and the US\$500 million hotel, office and residential complex in Cau Giay undertaken by **Keangnam**, a South Korean company.

Adding to the list of developers, Vietnam's prime minister, **Nguyen Tan Dung**, prompted state-owned businesses to diversify their operations. To this end, **PetroVietnam**, the national oil and gas group, has proposed to develop a US\$300 million resort in Hanoi. The company will begin construction in early 2008 and plans to hold a 30% stake in the venture with the rest being offered to state-run banks. Dung's move to increase and promote state-owned businesses runs counter to the country's economic liberalization and challenges Vietnam's hard-earned free market credentials.

HO CHI MINH CITY — **Saigontourist Holding Co** plans to expand its current portfolio of 4,000 rooms in the southern capital to 6,000 by 2010. Posting revenues near US\$400 million in 2007, the firm is planning to build a new complex in the Thu Thiem New Urban Area in District 2 and renovate the Kim Do Hotel and the Majestic, spending nearly US\$200 million. The company is expected to receive 1.64 million Saigon-bound tourists in 2008.



Bitexco will unveil the **Officetel** during the second phase of **The Manor** in HCM City. A brand it developed in Hanoi, the Officetel is a full-service hotel and residential complex offering a full suite of services to guests and residences. Also making headlines, the domestic operator's 68-story **Financial Tower** to open in 2010 will soon be the skyline icon of Saigon, Vietnam's "Gateway to the Indonesian Peninsula."

South Korea's **Kumho Engineering & Construction Co** and its Vietnamese partner, **Quyet Thanh Corp**, are developing a 156-hectare golf course and residential community in the Long Phuoc ward, approximately 20 kilometers from downtown. The **Kumho Asiana** complex will feature a 27-hole course designed by **Jack Nicklaus**, a luxury clubhouse, apartment buildings, 340-villas and other recreational facilities. The development will cost US\$150 million of which Kumho is contributing 80%. Quyet Thanh, along with the Dutch IBUSS group, developed the **Life Resort** chain in Phan Thiet, Cam Ranh, Pho Quoc, and

Sapa. Kumho, with interests in urban developments in Hanoi and HCM City, also operates the **Asiana Airlines** carrier that flies daily to and from Seoul from HCM City and Hanoi.

In the Long Hoa commune on the outskirts of HCM City, the **Can Gio Tourist City Corporation** along with **Saigontourist Holding Company** will create the Can Gio Sea Tourism Area, also billed as **Saigon Sunbay**. The development will cost US\$526 million and will be phased over a period of 8-years to be completed in 2016. Using advanced sea-encroaching technologies, the complex will total 600-hectares and will reach out to sea about two kilometers on a man-made foundation that comprises one third of the total development. The development intends to create an attractive destination for both foreign and domestic visitors with a primary focus on leisure activities that preserve the areas ecological and cultural characteristics.

HOA BINH — **Sannam Hoa Binh Investment Joint Stock Co** is developing a service and seafood technology zone on 500-hectares in Ky Son. In addition to a high-tech seafood processing facility, the project will include a green tourism area, sports and recreational facility, a golf course and a hotel-resort. Designed by the US-based **Belt Collins Co**, the project's first phase of investment will total US\$6.3 million.

KHANH HOA — Terminating its management contract with the **Accor Group** for the **Sofitel Vinpearl Resort and Spa**, the **Vinpearl Trade and Joint Stock Company** has decided to independently manage and rebrand the Sofitel

property as the **Vinpearl Resort & Spa**. This move signals Vinpearl's ambition to create its own brand equity and will be followed by what the company intends to be the first six-star hotel in Vietnam on Hon Tre island, located offshore from Nha Trang. The 150-room hotel will occupy 25-hectares of land on the Bai Soi beach.



The management board of the Van Phong economic zone approved the **Van Phong T&M Tourism and Investment Joint Stock Co's** proposal to develop a US\$230 million ecotourism resort. The **Hon Ngang-Bai Tham** project will be undertaken in three phases, culminating in 2018. The scope of development entails 295-hectares of land and 160-hectares of marine area.

Song Hong Construction Joint Stock Co plans to invest US\$25 million to develop a resort on the Cam Ranh peninsula. The **Song Hong-Cam Ranh** resort will sit on 160,000 square meters, and will include shopping and tourism services in addition to a hotel-resort and villas. The property is scheduled to open in 2010.

The first new-build project in the Bai Dai tourist area commenced construction in July 2007. The **Tam Huong Trading and Tourism Ltd Co** partnered with **Fideco HCM City Co** to develop 10-hectares in the Cam Lam District. Investing US\$9.7 million, the companies are developing the **Tam Huang** resort that will host five tourist villages, 31-villas, 50-chalets and a four-star hotel with entertainment and recreational facilities.



KIEN GIANG — Located off of the mainland province of Kien Giang, **Phu Quoc** is slated to become a world-class tourist destination. Offering incentives like reduced income taxes and promising an upgrade of the island's infrastructure including the airport, the government has attracted a slew of eager developers. No fewer than 200 investors have proposed development plans totaling over US\$6 billion for hotel, resort and recreational facilities. As of February 2008, 347 projects have been proposed, and 46 projects totaling US\$1.03 billion have been approved. The master plan has projected that the island will have 3,500 rooms by 2010 and, by 2020, an inventory of 18,000 rooms of which 70% will range from three- to five-star accommodations. More than 3,800 hectares on the island are earmarked for the construction of 13 large tourist complexes, a number of smaller resorts, four golf courses and a racetrack as detailed by the master plan. The island's tourism revenue is expected to reach US\$209 million by 2015 and ultimately US\$771 million by 2020.



In August 2007, the local consortium of **Bo Bien Dai (Long Beach) Ltd Co**, **Mien Nhiet Doi (Tropical) Ltd Co** and **Southeast Asia Ltd Co** signed a deal to build a US\$68 million luxury resort called **Tropicana Island and Spa** that will feature Bali-like water bungalows. The resort is scheduled to open in 2010.

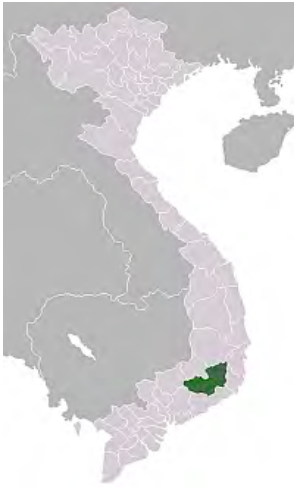
Hong Kong-based **Starbay Holding Ltd** invested US\$1.6 billion into the construction of a 500-hectare complex that includes 8-hotels, villas and two 18-hole golf courses. Auxiliary facilities include schools, hospitals and a marina for 250 yachts. First phase development will focus on building two five-star hotels, 160 villas, two golf courses and 20,000 square meters of restaurant and entertainment facilities. The overall project will span 15 years.

Phu Quoc is blessed with a favorable natural environment such as a virgin forest of over 37,000-hectares, white-sandy beaches, coral reefs, and a diverse variety of wildlife species. Other investors with development plans include **Life Resorts**, **La Perla Living**, and **Rockingham Assets Management**. Provincial and central governmental authorities have also approved casino activities.

KON TUM — HCM City-based **Saigon-Mang Den Co** began construction on its headquarters and announced its plan to invest US\$7.5 million to build a four-star eco-resort with 150-rooms in the Mang Den green tourism area located in the Kon Plong district. If approved, the resort would open in late 2008. The company also intends to build a new urban zone on 16-hectares with an investment of US\$13.8 million.



LAM DONG — Three South Korean companies and their Vietnamese partner have disclosed a plan to invest US\$4 billion to develop a 6,600-hectare, urban resort area in the province. The developers, **Hansol**, **Yon Woo** and **Shinhan Bank** and the domestic firm, **Dai Phuc**, envision an ecotourism site with a resort, golf course, shopping centre, high-end villas and over 20,000 apartments.



Malaysia's **Acteam International Corp's** proposal to build a US\$18 million golf resort on 570 hectares around Da Ron lake in the Don Duong District was approved. Hoping to complete the first phase of the project by the end of 2008, Acteam's plans include 18- and 36-hole golf courses, 250 villas, a five-star hotel and other facilities.

Tin Nghia one member Ltd Co plans to build an eponymous tourism area in Tuyen Lam Lake in Da Lat City beginning in late 2008. The US\$5 million project will consist of a 96-room hotel with entertainment and health services on a 5-hectare site.

In Bao Loc, the **Jinsung Construction Co**, a South Korean firm, broke ground on a US\$18 million, 54-hole golf resort. The 250-hectare property is slated to open in 2011. As a gift to the community, the firm gave US\$10,000 to the local **Victims of Agent Orange Fund**.

The **Maico Co**, a ceramics import-export firm based in the Binh Duong province, broke ground on a US\$10 million resort at the Tuyen Lam Lake Tourist Complex in Da Lat. Scheduled for completion in early 2010, the 15-hectare **Nam Son Resort** will include five-star hotel accommodations, 34 luxury villas, conference halls, and a venue for yoga practice. Nam Son is one of the 31 projects licensed to develop in Tuyen Lam. Of this number, 24 investors have transferred US\$12.53 million to the Tuyen Lam Lake Zone Authority, as of February 2008, to expedite the licensing process.



LAO CAI — A commitment of US\$3.03 million was made by the **French Development Agency** to establish an ecotourism park in the northern province and increase the capacity of the **Hoang Lien Son National Park's** management board. Loi Cai is where Sa Pa is located, one of Vietnam's golden examples of rural tourism.

NINH THUAN — **Tin Nghia one member Ltd Co** started work on the 3-star **Den Gion Resort** with plans to upgrade its status to a 4-star hotel with an investment of US\$10 million. The 7-hectare complex will feature 150-rooms and Champa style architecture and is expected to open in late 2008.



PHU YEN — Originally licensed to develop a US\$560 million resort, Brunei's **New City** group resubmitted an application to the local authorities to develop a US\$4.18 billion resort complex in partnership with other foreign entities. The company's proposal to develop 565-hectares in Tuy Hoa city and 30-hectares on Hon Chua for casino activities was approved late 2007. A representative of the provincial People's Committee said the license was authorized because the gaming center would be isolated from the residential area.



QUANG NAM — **Providential Holdings, Inc.**, a California-based company, signed an agreement with the People's Committee of Quang Nam Province for the lease and development of a 3,250-hectare area in the Thang Binh and Duy Xuyen Districts south of Hoi An and the coastal



villages of Tam Thanh, Tam Hoa and Tam Hai. The company is devising a master plan for approval that will detail the development of five-star hotels and resorts, educational and healthcare institutions, golf courses, mixed-use housing, entertainment centers, sports and recreational facilities, marinas, gaming operations, and other commercial spaces. The current agreement granted Providential with a US\$250 million, 70-year lease for the land. Providential engages in a diverse set of business activities and is the preeminent mergers and acquisitions firm from the U.S. to consult successful Vietnamese companies on accessing U.S. capital markets. The company also acquired 60% of **Pho** restaurant in 2007 with plans to take the chain national.

Qudos Hoi An Co Ltd, a British owned micro and nano technologies R&D firm, was approved to invest US\$18 million to build a five-star ecological resort on 8.5-hectares. The **Qudos Hoi An Resort** will be located in the Cam An Ward in the World Heritage sanctioned town of Hoi An. The project is slated for completion in 2010.

The People's Committee of Quang Nam has approved three investors to build three different five-star resorts in the Chu Lai Economic Zone: the **Casada Research and Application Information and Technology Joint Venture Co** will develop a US\$37 million resort on 37-hectares in the Tam Hai commune; in Tam Tien, the **Mai Doan Joint Venture Co** will invest US\$50 million to build a 220-room complex with a golf range and ocean recreational facilities on 50-hectares; and the **Quoc Viet Software Joint Venture Co** has committed US\$15 million for a 200-room resort on 15.5-hectares. These three projects join 34 other development plans in the Quang Nam province.

In December of 2007, **VinaCapital** began construction on the **Sofitel Hoi An Resort** in the Dien Duong commune. Designed by the **Blink Design Group** based in Bangkok, the US\$16 million

resort covers 8.6-hectares with 84 five-star appointed rooms and 89-villas. VinaCapital is one of Vietnam's leading investment firms with a market cap of US\$1.8 billion.

Onshine Investment Ltd, a subsidiary of the VinaCapital Group, has joined **Sai Thanh International Tourism and Investment Joint Stock Co** to build a resort on 7.3-hectares in the Dien Ban District. The US\$16 million, five-star facility will be called the **Hoi An Royal Bay Resort** and will feature 100-villas, swimming pools, restaurants and clubs. The property will open in 2009.

Hai Long Trading and Investment Ltd Co received a license to develop a 69,286 square meter five-star tourism site in the Dien Duong commune of Dien Ban. The company will invest US\$18 million and also hopes to open the property in 2009.

QUANG NINH

— **Starwood Hotels and Resorts** signed an agreement with the **Royal International Corporation** to develop two hotels in the World Heritage site of Ha Long Bay. Adding to its Vietnam



portfolio consisting of the Sheraton Saigon Hotel & Towers and the Sheraton Hanoi Hotel, Starwood plans to open the 160-room **Four Points by Sheraton** in 2008 and the 300-room **Sheraton Ha Long Bay Resort** by 2010. The company is also eyeing the growth of Vietnam's tourism industry and the increasing interest from the MICE market. In an interview with the Saigon Times Daily, the company's president in Asia Pacific, Miguel Ko, mentioned the prospect of Starwood opening 10 hotels over the next five years, with three-to-four of them targeting the lucrative meetings market in HCM City.

The Vietnam-based **Limitles World Ltd**, a branch of the **Dubai World Group**, is constructing the Halong Star tourism complex in the Bai Chay ward with an investment capital of US\$180 million. The 5-star resort complex will feature 400-villas, 100-apartments, 100 hillside residences, a golf course, a 250-room hotel and a conference center. The project is scheduled for completion in 2013.



SON LA

— Son La's Trade & Tourism Department has decided to implement an ecotourism model in the Chieng Yen Commune located in the Moc Chau District. The **Netherlands Development Organization** devised plans for the project after completing a one-year consultancy program on prospective tourism-based activities in various rural communities in the northern province. Chieng Yen is a remote, mostly Thai-speaking village, comprised of 90 farming families. By bringing tourism to this subsistence-based, agrarian community, officials hope to stimulate the local economy while offering travelers an opportunity to learn about the ethnic cultures. The project has prompted local villagers to undertake measures of environmental conservation and to preserve traditional customs in order to appeal to ecotourists and travelers seeking genuine cultural experiences.

THUA THIEN HUE — A license for a US\$102 million resort was granted to the Singapore investor, **Cattigara One Ltd**, upon the provincial government's approval of the company's investment documents in January 2008. The resort will cover 100-hectares on Chuoi (Banana) Beach in the Chan May-Lang Co Economic Zone and will also offer 100 beach- and 70 mountain-villas for both rent and sale. Cattigara announced that its design scheme is loosely based on Bali's resort developments. If approved, the complex will be completed by 2020. The Lang Co-Chan May Economic Zone covers 27,000-hectares encompassing Lang Co township and three other surrounding villages, which will be developed into a regional economic and trade centre. The zone will have a tax-free area of over 960-hectares.

The **Lap An Development and Investment Ltd Co**, also from Singapore, has committed to building a hotel and tourism area in the central province. The Ministry for Planning and Investment applied the capital investment of US\$298.4 Million to the January 2008 account of the Overseas Investment Division.

First Vanguard, a financial services, insurance and investment fund based in Hong-Kong, signed a memorandum of understanding with the Thua Thien Hue provincial authorities to develop a US\$130 million tourism complex near Cau Hai Lagoon. The company's plans entail a resort, hotels, retail facilities, and luxury tourism services including underwater sport activities. As reported through the *Vietnam News Agency*, First Vanguard suggested that their project would increase public infrastructure and attract more investments into the central province's tourism industry.

The Singapore-based **Banyan Tree Group** also unveiled its plans to develop a tourism complex in the Chan May-Lang Co Economic Zone. The company established **Laguna Vietnam** as a domestic corporation to develop the US\$276 million project, which will be divided into three phases of development. First phase construction will start in March of 2008 with the building of two five-star hotels and guests houses including the **Banyan Tree Resort** with 120-rooms, **Angsana Resort** with 320-rooms and the **Laguna Holiday Club** with 180-rooms. These properties are scheduled to open in late 2009. The second phase, scheduled to conclude at the end of 2010, will feature two additional five-star hotels with 400-rooms each, an 18-hole golf course, retail facilities and an exhibition/conference center. The final phase will finish by 2012 with the addition of three hotels: one with 320-rooms, one with 400-rooms and another with 210 six-star rooms. The last phase will culminate in 2014 with the offering of 470-villas for sale.

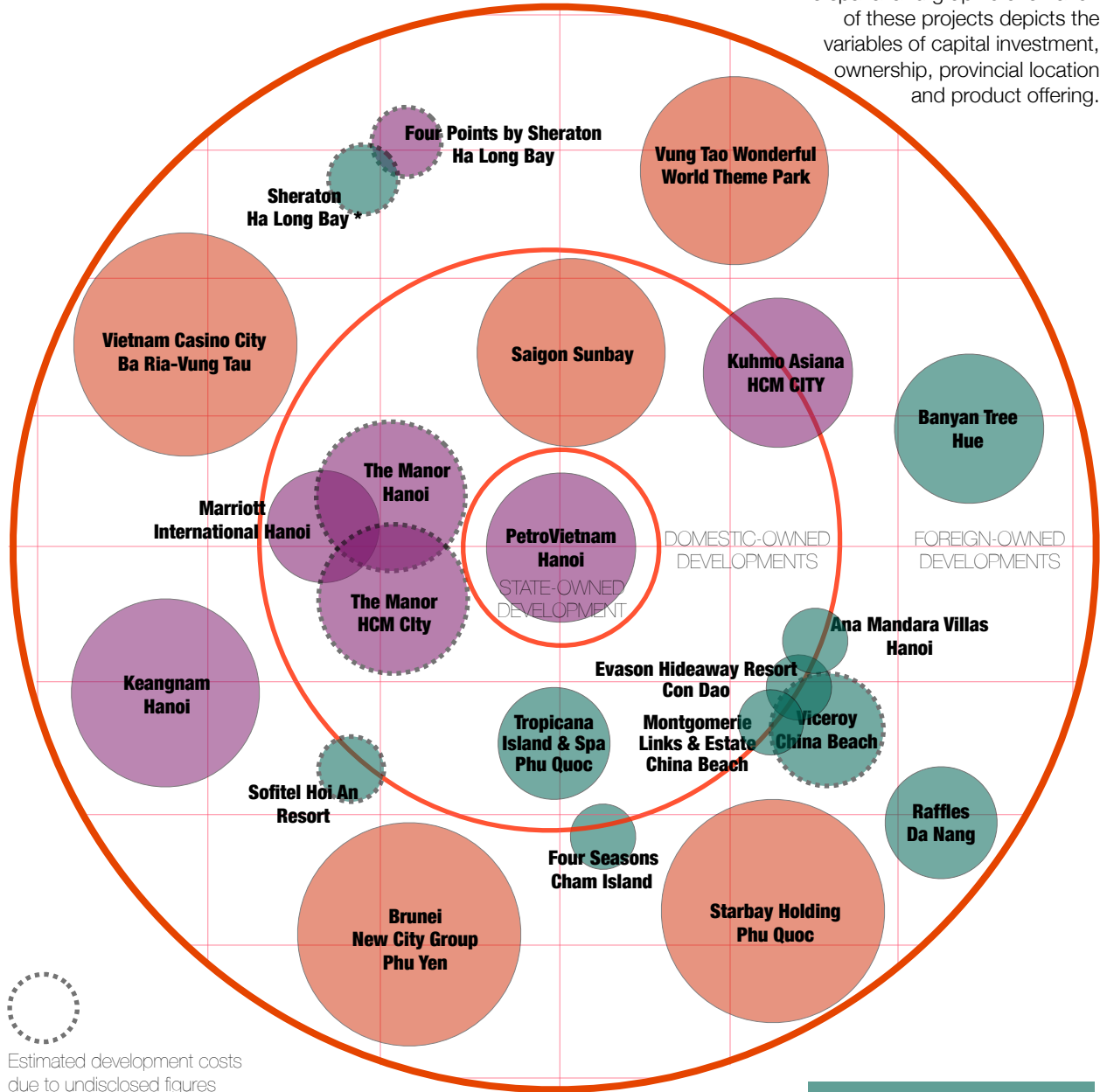


DEVELOPMENT RADAR

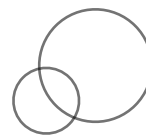
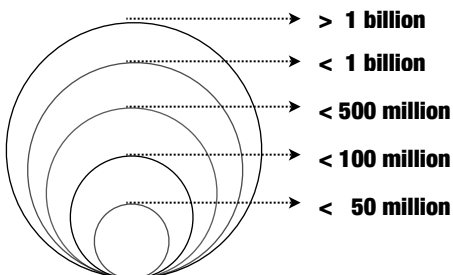
CROSS-SECTION HIGHLIGHTS

From State-Owned-Enterprises to Multinational Brands

The spatial and graphic orientation of these projects depicts the variables of capital investment, ownership, provincial location and product offering.



Estimated development costs due to undisclosed figures



Overlapping circles signify that the developments share financial backers or management companies

LUXURY RESORT FACILITIES WITH HIGH-END RESIDENTIAL VILLAS (*did not stipulate villas)
MICE MARKET or MIXED-USE PROPERTIES OFFERING OFFICE &/or RESIDENTIAL SPACE
LARGE-SCALE PROJECTS WITH MULTIPLE LODGING FACILITIES CASINO/THEME PARK RECREATION

CONCLUSION

“It does not matter how slowly you go so long as you do not stop.”
- Confucius (551 BCE - 479 BCE)

There is nothing slow about Vietnam's economy or its burgeoning travel and tourism industry. Maintaining the country's breakneck development is almost a necessity to satisfy demands that have emerged because of Vietnam's economic liberalization. Following suit, the country's consumer-based society is growing and applying pressure to the short-supply of physical accommodations: residential units, commercial office spaces and prime retail facilities.

Staving off this shortage is necessary, but a development-at-all-cost mentality threatens Vietnam's potential to become a top-tier, world-class tourism destination. Commenting on the rapid growth of Vietnam's hotel industry, Dominic Scriven of the Saigon-based Dragon Capital investment fund warned against large hotel developments becoming “concrete and noise.” If this were allowed, Scriven says, “the short-term returns may be significant but the longer-term returns will be very low or possibly negative.”¹⁴ While intensive investments are necessary in Vietnam's northern and southern economic hubs of Hanoi and HCM City respectively, more care to the development of the built environment and ultimately the tourist product is a sound prescription for provincial authorities courting capital investors.

The tourist product — hotels, resorts, ecotourism parks, casinos, golf courses, etc. — is inextricably associated with real estate. Increasing the central government's ability to monitor and regulate property development is necessary for all stakeholders, but province-specific initiatives are the gateway. Each region will require its own agenda to develop an economically, environmentally and culturally sustainable tourism model. Coordination between central planners and regional parties will culminate in a more cohesive industry throughout the country and increase Vietnam's advantage to attract tourism dollars — or pounds and euros in the days of America's waning economic dominance.

Besides being a catalyst for attracting foreign direct investment, the country's accession to the WTO also acted as the best public relations campaign the country has seen since the Bilateral Trade Agreement was enacted with the United States in 1995. Parlaying this momentum into a grander, long-term vision will challenge the country's private and public sectors to create a unified image that Vietnam is a desirable destination for living, working and playing. As one Singaporean investor put it, “Vietnam's appeal as a developing economy is that it's an ideal place to conduct business, and then return with your family for vacation.”

Vietnam has undoubtedly arrived. Ask the bankers, the farmers, the fisherman, the skeptics, and they will all confirm that the economy is booming. How it moves forward and advances its tourist product will depend on all stakeholders: the real estate speculators, the hotel operators, the government, and the people. Few countries in the world will have as diverse of a tourist product as Vietnam; let it be cared for with the utmost sincerity.

Specializing in the travel and tourism industry, Blackwell Media is a New York-based public relations and strategic marketing firm. Its principals are Schuyler and Hawkins Pham, a sister and brother duo born to a Vietnamese father and American mother. Motivated by Vietnam's accession to the WTO, Hawkins initiated this series of intensive tourism studies as a way to reconnect his family with their cultural heritage. With plans to relocate to Vietnam, he is looking to consult directly with industry leaders and the country's tourism authorities.

Hawkins has a BS in hotel operations from New York University's Preston Robert Tisch Center for Hospitality, Tourism and Sports Management. Schuyler is pursuing a BA at New York University's Gallatin School of Individualized Study, where she is concentrating in visual culture: graphic design and branding. Collectively, they have worked with top-tier print and online media publications, award winning hotels and restaurants, architecture firms, global real estate companies and occasionally their mom and pop. They possess extensive experience in sustainable tourism planning, destination marketing, public relations, event planning, food and beverage service, hotel operations, and branding.

Providing additional consultation, Erin Hyland is lending her expertise in sustainable development policy-making, revenue and demand forecasting for infrastructure assets, and media strategy. Her portfolio of projects includes assignments in Asia, Latin America, North America, Europe, and Africa. An accomplished cartographer, Erin has a BS in biology from Cornell University and a MS in Urban Planning from Columbia University.

Blackwell Media's white-paper series is intended to examine, promote and enhance Vietnam's vibrant tourism economy.



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APPENDIX

PROVINCE	DEVELOPER(S)	PROJECT NAME or SCOPE	DISTRICT	INVESTMENT	NOTES
Ba Ria-Vung Tau	Asian Coast Development, Fontainebleau Resorts, and Paul Steelman Design Group	Vietnam Casino City	Xuyen Moc	US\$4 Billion	1,200 rooms, 5 casinos, Greg Norman designed golf course
Ba Ria-Vung Tau	Platinum Dragon Empire	Vung Tao Wonderful World Theme Park	Chi Linh Cua Lap	US\$550 Million	150 hectare theme park -- developer resubmitted proposal
Ba Ria-Vung Tau	Thanh Binh Consulting Trading Service, and Eden JSC	Eden Thanh Binh	Chi Linh Cua Lap	US\$187.8 Million	25 hectare, 4-star resort, 2010 opening
Ba Ria-Vung Tau	Indochina Land and Six Senses	Evason Hideaway Resort	Con Dao Island	US\$20 Million	36 hotel villas will be sold for US\$1 MN+
Ba Ria-Vung Tau	Good Choice Group	Resort and Entertainment	Undisclosed	US\$1.299 Billion	5-star hotel with an entertainment area
Binh Dinh	Vietnamese American Hotel & Resort Co	Vinh Hoi Hotel & Resort	Vinh Hoi	US\$250 Million	300 hectares, golf course, convention hall, sea park
Binh Dinh	Global Petrolimex Highland JSC	Ecotourism Resort	Hai Giang	US\$150 Million	300 hectare ecotourism resort
Binh Dinh	Phu Thinh JS Investment & Construction	Quy Nhon Four Seasons Bay Resort	Quy Nhon	US\$100 Million	146 hectares, 1.3 kilometers of beachfront, golf course
Binh Dinh	Hop Long Commerce & Investment JSC	Golf Course	Phu My	Undisclosed	72-hole golf course
Binh Dinh	Saigon Foods Import Export Manufacture JSC, and Tay Nguyen Cable Television JSC	Ecotourism Park	Phu Cat	Undisclosed	Ecotourism park
Binh Thuan	Oh Chan Geun	Golf Resort	Ham Tan	US\$90 Million	300 hectares, 36-hole golf resort
Binh Thuan	Thanh Cong Textile Garment JSC	Resort	Ham Thuan Nam	Undisclosed	10 hectare resort
Cambodia-Vietnam	Bada Investment Co and VXL	Cambodia-Vietnam Friendship Golf Resort	Undisclosed	US\$100 Million	18-hole golf course and resort that straddles the border

PROVINCE	DEVELOPER(S)	PROJECT NAME or SCOPE	DISTRICT	INVESTMENT	NOTES
Da Nang	Vegas Hotel & Villas	Vegas Hotel & Villas	Tra Dien Ngoc	US\$100 Million	15.5 hectares, 140-rooms, 8 villas, 130 residential properties
Da Nang	Kor Hotel Group, Indochina Land, and Secured Capital Japan	Viceroy Hotel & Resort	China Beach	Undisclosed	50 acres, 120-rooms, 50 villas (market offering of US \$1-2 MN)
Da Nang	Kingdom Hotel Investments and Hill International	Raffles Da Nang Resort and Residences	China Beach	US\$71 Million	38 acres, 150-rooms, 20 villas
Da Nang	Colin Montgomerie, Indochina Capital and IMG	The Montgomerie Links Estates	China Beach	US\$45 million	Links style course and 60 villas on 70 hectares to open 2008
Da Nang	Host Asia	Four Seasons	Cham Island	Undisclosed	80-villa complex to open in 2009
Da Nang	Hanoitourist Corporation	Resort	Ngu Hanh Son	US\$25 Million	7 hectare seaside resort
Da Nang	Furama Resort	Furama Resort (Expansion)	China Beach	US\$200 Million	Renovations to hotel and 28 hectare expansion to include villas and commercial space
Da Nang	ATS Financial Trading & Construction Investment Consultant JSC	Mixed-Use Complex	China Beach	US\$30 Million	192 hectares, 33-story mixed use hotel with residences and retail
Da Nang	Nam Ba Co Ltd	TBD	Ngu Hanh Son	US\$30 Million	20 hectare resort
Da Nang	Nam Khang Co Ltd	Resort	Ngu Hanh Son	US\$30 Million	20 hectare resort
Dong Nai	Tin Nghia Ltd Co	Tourism Area	Tan Van	US\$284.3 Million	Hotel, conference center, villas and golf course
Hai Phong	Sen Xanh Ltd	Hotel-Resort	Hai Phong City	US\$20 Million	2.2 hectare property
Hai Phong	Amco Co Ltd and Mibaek Industrial Co Ltd	Golf Resort	Hai Phong City	US\$413.9 Million	Hotel and resort complex with golfing facility
Hanoi	Bitexco	Marriott Operated Hotel	My Dinh	US\$75 Million	500-rooms, adjacent to Convention Center
Hanoi	Orix Group, UOL and Viglacera	Mixed-Use Complex	My Dinh	Undisclosed	Adjacent to Convention Center, 300-room, mixed-use complex
Hanoi	Riviera	Mixed-Use Complex	My Dinh	US\$500 Million	4 hectares adjacent to Convention Center, 550-room, mixed-use hotel complex

PROVINCE	DEVELOPER(S)	PROJECT NAME or SCOPE	DISTRICT	INVESTMENT	NOTES
Hanoi	Six Senses Resorts & Spas and Khanh Hoa Trading and Investment Co	Ana Mandara Villas at Hanoi	Dong Anh	US\$40 Million	20 hectare, 5-star resort
Hanoi	Charmvit Group	Urban Hotel	Tran Duy Hong	US\$80 Million	564-room hotel opposite Big C center
Hanoi	Keangnam	Mixed-Use Complex	Cau Giay	US\$500 Million	Mixed-use hotel, residential and offices
Hanoi	PetroVietnam	Urban Hotel	Not Listed	US\$300 Million	State-run companies diversify into tourism investments
Ho Chi Minh City	Kumho Engineering & Construction Co and Quyet Thanh Corp	Kumho Asiana	Long Phuoc Ward	US\$150 Million	Residential community 20 km from downtown with a 27-hole golf course designed by Jack Nicklaus
Ho Chi Minh City	Saigontourist Holding Company and the Can Gio Tourist City Corp	Saigon Sunbay	Long Hoa Commune	US\$526 Million	600 hectare sea-encroaching complex
Ho Chi Minh City	Bitexco	The Manor - Officetel	Binh Thanh	Undisclosed	Mixed-use hotel, residential and offices
Hoa Binh	Sannam Hoa Binh Investment JSC	Ecotourism Park	Ky Son	US\$6.3 Million (First Phase)	500 hectare seafood technology zone with recreational facilities and hotel-tourism component
Khanh Hoa	Vinpearl Trade & JSC	Vinpearl Resort & Spa	Hon Tre Island, Nha Trang	REBRAND	Terminated contract with Accor, plans to open another 150-room hotel on Bai Soi Beach
Khanh Hoa	Van Phong T&M Tourism & Investment JSC	Hon Ngang-Bai Cat Tham	Van Ninh	US\$230 Million	Ecotourism resort covering 295 hectares of land and 160 hectares of marine area
Khanh Hoa	Song Hong Construction JSC	Song hong-Cam Ranh Resort	Cam Ranh Peninsula	US\$25 Million	160,000 sqm resort and villas
Khanh Hoa	Tam Huong Trading & Tourism Ltd Co and Fideco HCM City CO	Tam Huang Resort	Cam Lam	US\$9.7 Million	10 hectares in the Bai Dai tourist area
Kien Giang	Bo Bien Dai Ltd Co, Mien Nhiet Doi Ltd Co and Southeast Asia Ltd Co	Tropicana Island & Spa	Phu Quoc	US\$68 Million	Bali-like water bungalows
Kien Giang	Starbay Holding Ltd	Large-Scale Development	Phu Quoc	US\$1.6 Billion	500 hectare resort complex with 8 hotels, golf courses and marina

PROVINCE	DEVELOPER(S)	PROJECT NAME or SCOPE	DISTRICT	INVESTMENT	NOTES
Kien Giang	BIM Kien Giang Co	Tourism Center	Phu Quoc	US\$50 Million	155 hectare complex with multiple hotels, marinas, and recreational areas
Kon Tum	Saigon-Mang Den Co	Mang Den green Tourism Area	Kon Plong	US\$13.8 Million	New urban zone on 16 hectares with a 150-room eco-resort
Lam Dong	Hansol, Yon Woo, Shinhan Bank and Dai Phuc	Large-Scale Development	Not Listed	US\$4 Billion	6,600 hectare urban resort with a golf course and over 20,000 apartment units
Lam Dong	Acteam International Corp	Golf Resort	Don Duong	US\$18 Million	570 hectare golf resort around Da Ron lake
Lam Dong	Tin Nghia Ltd Co	Tin Nghia Tourism Area	Tuyen Lam lake in Da Lat City	US\$5 Million	96-room hotel on 5 hectares
Lam Dong	Jinsung Construction Co	Golf Resort	Bao Loc	US\$18 Million	54-hole golf resort on 250 hectares
Lam Dong	Maico Co	Nam Son Resort	Tuyen Lam lake in Da Lat City	US\$10 Million	15 hectare, 5-star hotel and villas
Lao Cai	French Development Agency (Donor)	Hoang Lien Son National Park	Hoang Lien Son	US\$3.03 Million	Ecotourism Park
Ninh Thuan	Tin Nghia Ltd Co	Den Gion Resort (Renovation)	Phan Rang	US\$10 Million	Upgrade the 3-star hotel to a 4-star
Phu Yen	New City Group	Resort and Casino	Tuy Hoa City and Hon Chua	US\$4.18 Billion	Gaming and resort complex on 565 hectares
Quang Nam	Providential Holdings Co	Master-plan for Area Development	Thang Binh, Duy Xuyen, Tam Hoa, and Tam Hai	US\$250 Million	Devising a master plan for 3,250 hectares to be developed for tourism, residential and commercial purposes
Quang Nam	Qudos Hoi An Co Ltd	Qudos Hoi An Resort	Cam An	US\$18 Million	5-star, eco-resort in Hoi An
Quang Nam	Casada Research & Application Information & Technology JVC	Resort	Tam Hai Commune	US\$37 Million	37 hectare resort
Quang Nam	Mai Doan JVC	Resort	Tam Tien	US\$50 Million	220-room, 50 hectare resort with a golf range and ocean facilities
Quang Nam	Quoc Viet Software JVC	Resort	Not Listed	US\$15 Million	200-room, 15.5 hectare resort

PROVINCE	DEVELOPER(S)	PROJECT NAME or SCOPE	DISTRICT	INVESTMENT	NOTES
Quang Nam	VinaCapital	Sofitel Hoi An Resort	Dien Duong Commune	US\$16 Million	resort and villas covering 8.6 hectares
Quang Nam	Onshine Investment Ltd and Sai Thanh International Tourism & Investment JSC	Hoi An Royal Bay Resort	Dien Ban	US\$16 Million	7.3 hectare resort with 100 small villas
Quang Nam	Hai Long Trading & Investment Ltd Co	Tourism Area	Dien Duong/ Dien Ban	US\$18 Million	69,286 sqm tourism site
Quang Ninh	Royal International Corp and Starwood Hotels & Resort	Four Points by Sheraton	Ha Long Bay	Undisclosed	160-room property to open in 2008
Quang Ninh	Royal International Corp and Starwood Hotels & Resort	Sheraton Ha Long Bay Resort	Ha Long Bay	Undisclosed	300-room property to open in 2010
Quang Ninh	Limitles World Ltd	Halong Star	Bai Chay Ward	US\$180 Million	5-star resort complex with hotels, villas, residences and a golf course
Son La	Son La Trade & Tourism Co	Ecotourism Park	Moc Chau, Chieng Yen Commune	Undisclosed	Ecotourism project to stimulate the local economy
Thua Thien Hue	Cattigara One Ltd	Banana Beach Resort	Chuoai Beach	US\$102 Million	100 hectare resort
Thua Thien Hue	Banyan Tree Group	Banyan Tree Resort, Angsana Resort, Laguna Holiday Club	Chan May-Lang Co Economic Zone	US\$276 Million	Multiple hotels/resorts, villas, golf course, and conference facilities
Thua Thien Hue	Lap An Development and Investment Ltd Co	Hotel and Tourism Area	Not Listed	US\$298.4 Million	Hotel and Tourism area approved in January 2008
Thua Thien Hue	First Vanguard	Tourism Complex	Cau Hai Lagoon	US\$130 Million	Multiple hotels/resorts and other recreational facilities

ENDNOTES

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¹ The World Bank: <<http://www.worldbank.org/>>

The World Bank released a statement in February of 2007 stating that, "it expects to provide more than US\$800 million a year over the next five years in interest free grants and loans to Vietnam - a country," it describes as, "having the potential to be one of the great success stories in development." The organization stressed the importance of reforming state-run enterprises and improving the quality of life for the rural poor and ethnic minorities, who makeup "only 13% of the population, but they account for 39% of the poor."

² World Travel & Tourism Council: <<http://www.wttc.travel/>>

As a partnership between the public and private sectors, the World Travel & Tourism Council is the preeminent advocate for the industry and is a leading source of country-specific statistics.

³ Vietnam National Administration of Tourism: <<http://www.vietnamtourism.gov.vn/english/>>

The national authority on the Vietnam's tourism industry, VNAT provided the statistics regarding inbound tourist arrivals as well as a secondary source for news reports about happenings in the industry. Its long list of responsibilities and overarching position in the industry make it the best candidate to undertake policy and regulation concerns at the national and regional levels.

⁴ Research & Markets "Opportunities in Vietnam 2007-2009":

<http://www.researchandmarkets.com/reportinfo.asp?cat_id=0&report_id=473607&q=vietnam%20tourism&p=1>

⁵ Vietnam Investment Review published CB Richard Ellis' white paper on August 21, 2007.

<<http://www.intellasia.net/news/articles/property/111233540.shtml>>

⁶ Asia Pulse released an article titled, "Vietnam's 2007 Real Estate Market, 2008 Market to be Hotter," on January 17th 2008. The article quoted Brett Ashton, Managing Director of Savills Vietnam. <<http://asia.news.yahoo.com/080117/4/3dqq4.html>>

⁷ Reporting on the government's move to increase property taxes, *Thanh Nien* published an article on January 16th 2008 that cited the productivity percentage of development contracts to be approximately 25% stating that, "in the past few years, Hanoi has approved 20 property projects and HCM City 25 projects. Among them, only four were completed in Hanoi and six in the southern hub."

<<http://www.intellasia.net/news/articles/property/111239205.shtml>>

⁸ VietNamNet Bridge reported January 17th 2008 that the Vietnam Construction Federation is "planning to join forces with economists to develop a real estate index the Government can refer to when adjusting management policies."

⁹ The Economist. "Vietnam's Economy: Grappling with Success." January 31st 2008.

<http://www.economist.com/world/asia/displaystory.cfm?story_id=10608636>

¹⁰ CB Richard Ellis, in its second installment of a white paper on Vietnam's real estate market, cites A.T. Kearney's 2006 Global Retail Development Index which ranked Vietnam as "the world's third most attractive retail market - ahead of China (ranked fifth) and behind only India and Russia." The index categorizes Vietnam as a 'peaking market,' and CBRE credits the young population with rising incomes as a key factor for its potential. <<http://www.intellasia.net/news/articles/property/111233540.shtml>>

¹¹ Saigon Times Weekly. "Giant Retailers Keen to Enter Local Market." November 17th 2007.

<http://www.saigontimesweekly.saigonnet.vn/2007/issue47/4/vietnam_this_week.htm>

¹² Mike Weston of Chao Vietnam reported on the apartment fever that swept Vietnam in 2007. The tantalizing coverage was noted in other news outlet as well. <<http://chao-vietnam.blogspot.com/2007/10/hot-apartment-sales-product-of.html>>

¹³ On January 8th 2008, VietnamNet Bridge reported on a conference organized by The Economist.

<<http://english.vietnamnet.vn/reports/2008/02/767899/>>

¹⁴ Dominic Scriven's quote was made in the context of tourism developments on Phu Quoc in an article that appeared on Intellasia via the Agence France-Presse on February 5th 2007. <<http://www.intellasia.net/news/articles/property/111221346.shtml>>