GENERAL INFORMATION ABOUT NINH THUAN PROVINCE

I/ Overview of Ninh Thuan Province:

1. **Natural condition:** Ninh Thuan is a province in the South Central Coast region of Vietnam. It is located at the intersection point of 3 strategic traffic axes: National Road 1A, North-South Railway and Highway 27 and extends as far as the South Central Highlands, which is the gateway to connect the Southeast key economic zone to provinces in Central Highlands and South Central region of Vietnam. It is about:

   + 60 km from Cam Ranh International Airport
   + 40 km from Cam Ranh Seaport (capable of receiving ships of 50,000 tons) and 150km from Van Phong International Transit Port.

   - With total natural surface of 3,358 square kilometers and population of 595,850 people; Ninh Thuan has 7 administrative units (1 city, 6 districts), in which Phan Rang - Thap Cham city is its political, economic and cultural center.

   - The GDP growth in 2011-2015 period reached 10.3%/year. GDP per capita in 2015 was 28.8 million dong. The provincial economic structure in 2015 was that: agriculture, forestry and fisheries accounted for 33.8%; industry and construction accounted for 26.4%; service accounted for 39.8%. Total export turnover reached USD 60 million. Total budget revenue in 2015 reached 1,818 billion VND.

   - Ninh Thuan has a typically tropical monsoon climate, with the features of draught, heat, strong evaporation; high seawater salinity; strongest wind speeds in Vietnam (at 7.5 m/s on average); in addition, the number of sunshine hours per day is the highest in Vietnam with quite high radiation intensity. It can be said that Ninh Thuan province has ideal conditions for clean energy (wind and solar energy) development and salt production industry, etc. Besides, arid climate facilitates Ninh Thuan’s development of specific crops and animals with high productivity and quality and ability to grow all year round. Apart from the grape with a stable annual output of 60,000-65,000 tons for processing vintage wine, dried vine, etc; other products such as sugar canes, apples, garlic, chilli, neem trees, cattle meat (cow, goat and sheep), etc with a large output can be expanded scale and area, meeting the demand for raw materials of the processing industry.

   As a province located in the key tourism region in Vietnam and having a coastal line of 105 km and many famous and beautiful beaches such as Ninh Chu, Ca Na, Binh Tien and Vinh Hy, pure sea-water, warm climate all year round, Ninh Thuan has favorable conditions for marine tourism development. In addition, Ninh Thuan sea is a habitat of many unique aquatic species, with various breeding resources and clean sea water environment as an ideal
ground for the production of high quality breedings, especially shrimps and sweet snails.

Ninh Thuan is currently facing new development opportunities when the Vietnamese Government is having policy on investment in some national key construction works, promoting the increase of connectivity among the development of Ninh Thuan province, provinces in the region and key provinces in the South such as North-South high speed railway... Parliament has advocated the construction of the first two nuclear power plants of Vietnam in Ninh Thuan; The coastal road (105 km long) from Binh Tien to Ca Na was put into operation, bringing many important meanings and creating many advantages to the province in term of socio-economic development; contributing to the motivation of potentials, advantages to attract many investment projects into Ninh Thuan.

2. Infrastructure system:

Transportation network: Ninh Thuan is endowed with a quite convenient transportation network: the National Highway No. 1A runs alongside the province, the National Road No. 27A leading to Dalat and southern part of Central Highlands, 27B running through Bac Ai district, Ninh Thuan province to Cam Ranh City, Khanh Hoa province, the trans-Vietnam railway, and all communes have a connection for cars to their center. Moreover, Cam Ranh international airport as well as to the Ba Ngoi freight port (one of 10 large-scale seaports in Vietnam) belongs to Khanh Hoa province which is near to Ninh Thuan province (about 45 to 60 kilometres far), that is one of favorable conditions of transportation coming to Ninh Thuan.

- Seaport system: there are 03 fishing ports including Dong Hai with a 265 m pier, Ca Na with a 200 m pier, Ninh Chu with a 120 m pier and My Tan fishing station which are all the shelters for about 2,000 fishing boats in the province and for fishing boats from other provinces, capable of receiving 500 CV ships.

- Ca Na International Seaport is expected to be regional cargo port (which can receive vessels of 300 thousand tons) according to the master plan of national sea port system approved by the Government.

- Irrigation System: In the whole province, there are 21 reservoirs with capacity of 215.81 million cubic meters, ensuring water for over 49.6% of agricultural land. In period of 2011-2015, the provincial authorities put into operation of 08 big scale irrigation works such as Lanh Ra reservoir, Ba Rau reservoir, Song Bieu reservoir, 05 reservoirs belonging to small and medium scale irrigation system with total capacity of about 66.5 million m3 of water hence ensuring the water quantity enough for agricultural and industrial production, as well as for daily use by people.
Electricity Supply: Provincial electricity supply is from 220 KV, 110 KV national electric grid Da Nhím hydroelectric plant with capacity of 160 MW is the direct supply. Besides, the province also receives the support of the local energy sources such as Song Pha hydroelectric plant with capacity of 7.5 MW (5 x 1.5 MW), Song Ong hydroelectric plant with capacity of 8.1 MW (3 x 2.7 MW). In the period of 2011-2015, 3 hydropower projects have been invested with total phase 1 capacity being 15.3 MW: Ha Song Pha 1 (5.4 MW), Ha Song Pha 2 (5.1 MW), Thuong Song Ong (4.8 MW). The national grid system has been invested in 100% of communes, wards and towns, meeting the electricity demand for the production and for more than 95% of households in the province.

According to planning, two nuclear power plants (total capacity of 8,000 MW) and wind power and solar power projects (estimated capacity of about 2000MW) shall be built in Ninh Thuan Province, hence ensuring the sufficient power supply for industrial development and daily use by people.

Water Supply: In the province, there is a system of 4 concentrated water supply factories supplying with a total capacity of over 80,000 m³/day & night including Phan Rang - Thap Cham (52,000 cubic meters/day&night), Ca Na-Phuoc Nam (30,000 cubic meters/day&night), Tan Son (1,000 cubic meters/day), Phuoc Dan (1,000 cubic meters/day), hence ensuring the sufficient water quantity for Phan Rang - Thap Cham city, towns, suburbs and industrial parks and complexes.

Industrial parks and complexes: At present, Ninh Thuan has Thanh Hai Industrial park (77,987 ha) in Phan Rang – Thap Cham city; Du Long Industrial Park (407.28 ha) in Thuan Bac district; Phuoc Nam Industrial Park (369.92 ha, Phase I: 151 ha) in Thuan Nam district; and a number of industrial complexes. Industrial parks and clusters of provinces have stable geology, favorable for transportation and electricity services, water and other essential infrastructure.

II. Development orientation of the province:

The development orientation of Ninh Thuan follows the “green and clean economy”, associated with sustainability, competitiveness enhancement and economy efficiency, striving to achieve a GDP growth rate of 10 - 11%/year in the period of 2016 - 2020; GDP per capital till 2020 of VND 58 - 60 millions, transferring economic structure to the direction of increasing proportions of industries, services and giving priority to agricultural development and new rural construction.

Giving priority to development of 6 sectors: (1) energy, (2) tourism, (3) agriculture, forestry & seafood, (4) industry, (5) education-training and (6) construction & real estate, Till 2020, Ninh Thuan targets to develop the 6 above sectors contributing 91% GDP and solving 85% of labour demand of the whole province as follows:
- **Energy:** It is targeted to make Ninh Thuan a clean energy center of the whole country. Apart from 02 nuclear power plants with total capacity of 8,000 MW, Ninh Thuan pays special attention to investment for the wind and solar energy projects in the potential planned areas with the scale of 2,600 MW and solar and wind power equipment manufacturing projects and auxiliary industries and services for the fields of nuclear energy, wind energy...

  + **In term of wind energy:** According to research carried out by the World Bank (WB), Ninh Thuan province has the strongest wind speed in Vietnam, at 7.5 m/s on average, which is an ideal condition for wind energy development. Especially, Ninh Thuan is less affected by storms and wind at speed of 6.4 -9.6 m/second for 10 months, ensuring wind turbines’ stability for generators. The province currently has 13 potential wind areas of approximately 7,500 hectares and have been granted agreement for doing research, investment certificates with expected capacity of 285MW, mainly concentrated in two districts of Ninh Phuoc, Thuan Bac and Thuan Nam. In addition, after the survey, Ninh Thuan found out 13 more potential wind areas on the total area of about 11,000 ha, the estimated capacity of 750MW, mainly concentrated in the districts of Ninh Son, Ninh Phuoc, Ninh Hai, Thuan Bac, Thuan Nam and Phan Rang - Thap Cham city.

  + **In term of solar energy:** Ninh Thuan is one of the provinces with very large solar energy capacity and long sunshine time. The average hours of sunshine in the whole year are around 2,600-2,800 hours, total temperature of
the year is approximately 10,000 °C with the relatively stable distribution in a year. Số tháng nắng trong năm: 9 tháng/1 năm (tương đương 200 ngày/1 năm). Number of sunshine months in a year: 9 months/1 year (equivalent to 200 days/year). With the highest average sunshine hour number per day in Vietnam (7.7 hours per day), great light intensity, very high solar radiation (over 230 kcal/cm²), Ninh Thuan province is also an ideal place for solar energy development, which is given priority to investment.

Tourism: Lied in the key tourism triangle of Dalat - Nha Trang and Mui Ne (Binh Thuan), Ninh Thuan is recognized as one of the national key tourist sites in the tourism development strategy in Vietnam to the year 2020, approved by the Prime Minister; With the coastline of 150km long, Ninh Thuan has many beautiful beaches such as Ninh Chu and Ca Na, Binh Tien, Vinh Hy, etc. It is favorable for establishing eco-tourism areas and high-grade luxury resorts with high competition at national, regional and international levels and large areas; which form Ninh Thuan tourism brand name.

The development of tourism is towards comprehensive orientation, creating the differences with high competitiveness in term of development of marine tourism, ecotourism, cultural tourism and services for tourism, contributing 8% GDP and giving jobs to 10% of social labor resource by 2020.

Industrial production: Developing clean industry having high competitiveness, using clean energy, creating brand names for the key products of the province, in which giving priority to attract investment, develop industry of food processing and beverages using available raw materials considered advantageous products of the province such as wines, meat processing: goat, cows, sheep and seafood processing for export. At the same time, encouraging the development of supporting industries to serve industrial production such as assembly, mechanical processing, manufacturing of mechanical components serving the power generation plants.

Agriculture and fishery: Development towards improving the quality of growth, sharply shifting the internal structure of the industry to improve efficiency and ensure raw materials for the processing industry and modernization of rural agriculture. Striving to contributes 20% of GDP and give jobs to 29% social workers by 2020. It is required to give priority to calling for investment in developing clean agricultural products, high value-added crop varieties and animal breeds, application of advanced science and technology to obtain high competitiveness, create characterized products and goods of the province such as vines, Neem trees, etc. Livestock development (namely, cows, goats, sheep) is the former strength of Ninh Thuan province. It is essential make Ninh Thuan become a high quality aquatic breeding production center of Viet Nam and a fishery logistics center of the region.

IV. Preferential investment policies:
1. Preferential investment policies:

Ninh Thuan province is applying preferential investment policies in the direction of securing the best interests for investors, providing the best convenient procedures for investors having investment projects in the province.

Accordingly, the province applies the highest incentives in the framework regulated by the Government for land lease, land allocation and corporate income tax under the provisions of the Land Law, Enterprise Income Tax Law and the Law on Import and Export Taxes. However, the following investment incentives won’t be applied for the projects in mining; production and trading of goods and services bearing Special Consumption Tax under the provisions of the Law on Special Consumption Tax, except for car manufacturing.

1.1. Locations: Applied in accordance with Appendix II issued and enclosed with the Degree No. 118/2015/ND-CP dated November 12, 2015 by the Government detailing regulations and guidance on enforcement of investment laws (hereby called Degree No 118/2015/ND-CP). Thus, all provincial districts considered the areas with specially difficult socio-economic conditions and Phan Rang - Thap Cham City considered the area with difficult socio-economic conditions shall get the investment incentives.

1.2. Sectors: implemented in accordance with regulation on Appendix I issued and enclosed with Degree No 118/2015/ND-CP.

1.3. Incentives of land rent and water surface rent and Enterprise Income Tax:

* The rental price for land or water surface of each project is stable for 05 years and charged according to the Decision No. 04/2016 / QD-UBND dated 03/3/2016 issued by People’s Committee of Ninh Thuan province regulating the adjustment factor for land price in 2015 and separating the land use purposes to determine the land price in the province.

* Tax exemption or reduction is calculated continuously from the first year of business taxable income from investment projects; in case the enterprise has not got the taxable income during the first three years since the first year getting revenue from investment projects, the date getting tax exemption or tax reduction will be from the fourth year.

### I. Investment projects in 06 districts

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<th>Projects in the fields specially encouraged in investment</th>
<th>All free</th>
<th>+ Getting preferential tax rate of 10% for the first 15 years from the 1&lt;sup&gt;st&lt;/sup&gt; year getting the business taxable income from investment projects.</th>
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</table>
| 1 | Projects in the fields encouraged in investment          | + Getting exemption from land rent and water surface rent during the basic construction duration (not exceeding 03 years) from the date getting the decision to lease the land and water surface.  
+ Getting exemption for the next 15 years from the date completing and operating the projects. | Getting the preferential rate of 10% for the entire duration of the project development on the income of the enterprise for the projects invested in the fields of training and education, vocational training, healthcare, culture, sports, environment, judicial expertise.  
+ Getting the exemption for 04 years, tax reduction of 50% of the tax payable in the next 09 years. |
| 2 | Projects invested in other fields                        | + Getting exemption from land rent and water surface rent during the basic construction duration (not exceeding 03 years) from the date getting the decision to lease the land and water surface.  
+ Getting exemption for the next 11 years from the date completing and operating the projects. |                                                                                                                                                                           |

### II. Projects invested in Phan Rang - Thap Cham City
| 1 | Projects in the fields specially encouraged in investment | + Getting exemption from land rent and water surface rent during the basic construction duration (not exceeding 03 years) from the date getting the decision to lease the land and water surface.  
+ Getting exemption for the next 15 years from the date completing and operating the projects. | + Getting preferential tax rate of 17% for the first 10 years from the 1st year getting the business taxable income from investment projects. |
| 2 | Projects in the fields encouraged in investment | + Getting exemption from land rent and water surface rent during the basic construction duration (not exceeding 03 years) from the date getting the decision to lease the land and water surface.  
+ Getting exemption for the next 11 years from the date completing and operating the projects. | Getting the preferential rate of 10% for the entire duration of the project development on the income of the enterprise for the projects invested in the fields of training and education, vocational training, healthcare, culture, sports, environment, judicial expertise.  
+ Getting the exemption for 02 years, tax reduction of 50% of the tax payable in the next 04 years. |
| 3 | Projects invested in other fields | + Getting exemption from land rent and water surface rent during the basic construction duration (not exceeding 03 years) from the date getting the decision to lease the land and water surface.  
+ Getting exemption for the next 07 years from the date completing and operating the projects. |  |

**1.4. Import duties:** Exempted from the import duties on goods imported to create fixed assets for the project in accordance with the Law on Export and Import duties.

**2. Supports to investment procedure implementation:** Ninh Thuan
province will give supports to investors to the whole investment procedures implementation, applying the parallel processes in handling investment procedures, reducing maximum the time for fulfilling investment procedures to develop the project as quickly as possible via Ninh Thuan Economic Development Office (EDO).