



Second Meeting

GMS Urban Development Task Force

14 – 15 November 2013

Kunming, Yunnan Province, People's Republic of China

Disclaimer:

The views expressed in this document are those of the author, and do not necessarily reflect the views and policies of the Asian Development Bank (ADB), its Board of Directors, or the governments they represent. ADB does not guarantee the accuracy of the data included in this document, and accept no responsibility for any consequence of their use. By making any designation or reference to a particular territory or geographical area, or by using the term "country" in this document, ADB does not intend to make any judgments as to the legal or other status of any territory or area.



**Second Meeting of the Greater Mekong Subregion
Urban Development Task Force**

**Viet Nam Perspectives
on Urban Development in GMS**

**Kunming, Yunnan Province, People's Republic of China
14 November 2013 - 15 November 2013**



TOPICS

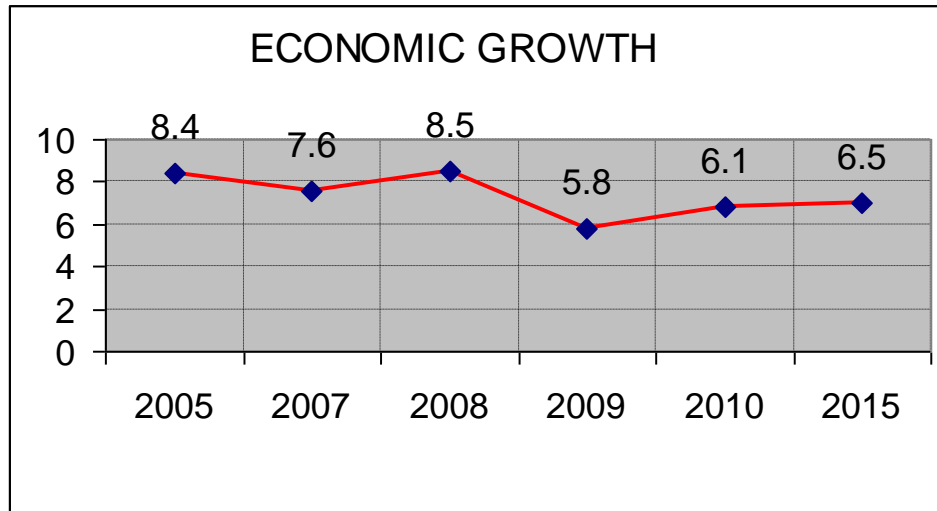
1. Introduction VN urban system and urban development strategy in the context of Urban Development in the GMS
2. Country perspectives on:
 - Existing urban development GMS
 - GMS plans and strategies
 - GMS Regional Investment Framework for urban development sector

1. Introduction

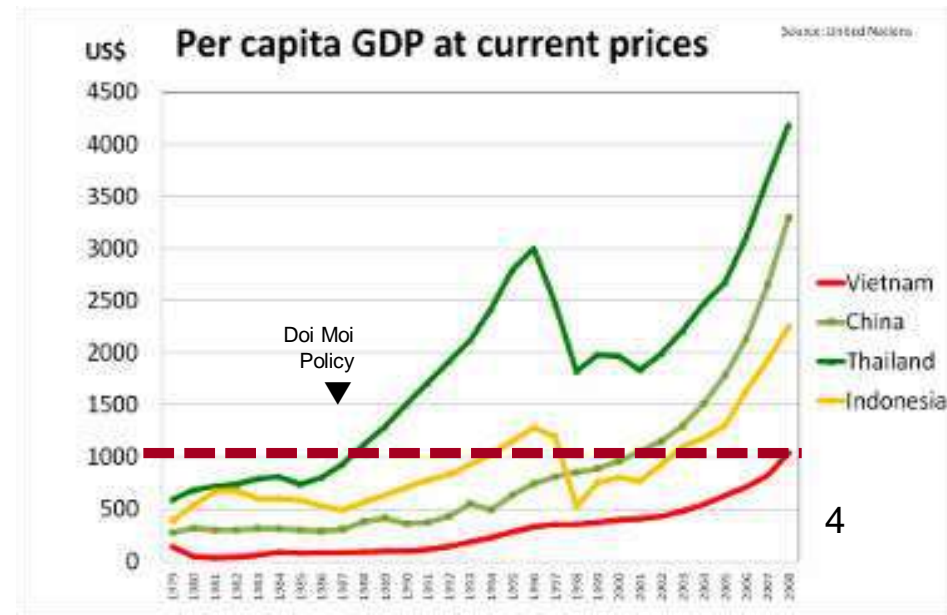
Socio-Ecomic situation in Vietnam

GDP: 6.3% (2011)

- Total population: 85.8 million (2009), 88 million (2012)
- Urbanization rate is about 33% (lowest urban growth rates in the GMS); 45% (2020)
- GDP in 2012: 5,03%
- Income per capital in 2012: USD 1,540
- National economic policy focuses on manufacturing industry, services, agriculture, tourism and retail sales



INCOME PER CAPITAL: 1300 (2011)



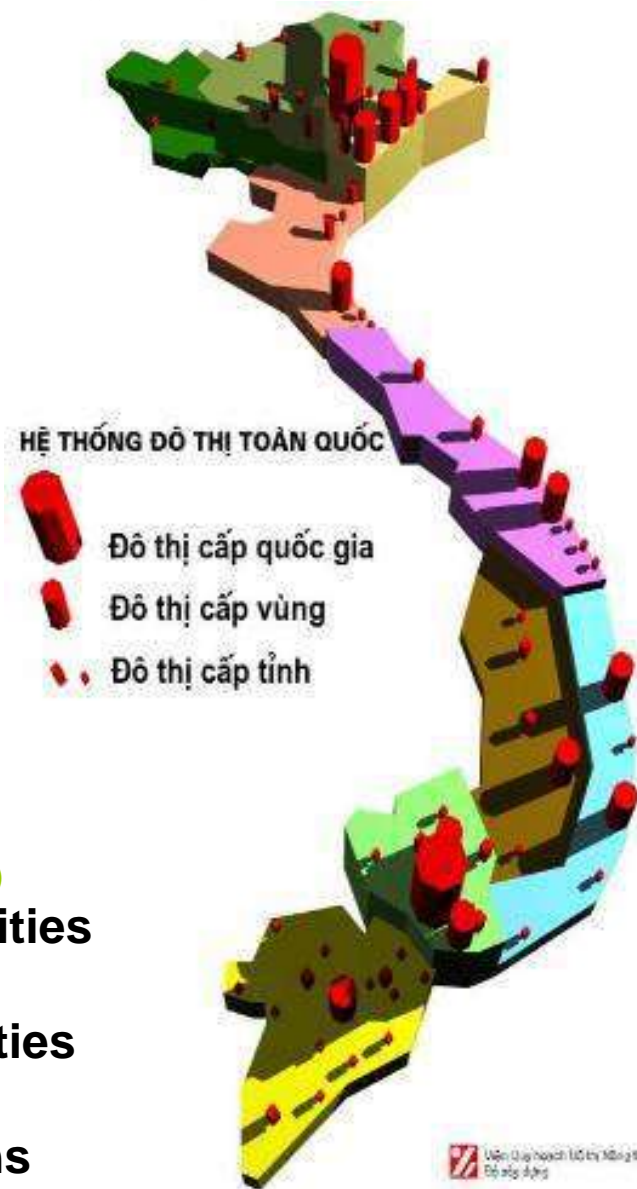
Exiting Urban Systems in Vietnam

Total of provinces: 63 provinces

6 urbanization areas

Total of urban areas: 767 cities (Nov.2013)

| Class | Administrative category | pop. size (10,000 per) | Cities/towns (in whole country) | | Cities/towns (not included Mekong river region) | |
|----------------|-------------------------|---------------------------|------------------------------------|------|--|------|
| | | | 2013 | 2020 | 2013 | 2020 |
| Biggest cities | Central Govern | >500 | 02 | 02 | 02 | 02 |
| I | | >100 | 03 | | 02 | |
| I | Provincial Govern | > 50 | 11 | | | |
| II | | >30 | 09 | 129 | 07 | 111 |
| III | | > 15 | 53 | 312 | 44 | 240 |
| IV | | >5 | 63 | | 58 | |
| V | Local Govern | > 0.4 | 625 | 620 | | |



Classification of ADB (73)

>1.000.000

500.000-1.000.000

250.000-500.000

100.000-250.000

50.000-100.000

4.000-50.000

Inner city pop.(81)

2 biggest cities

4 big cities

7 middle cities

24 towns

44 small town

689 township

Total pop. (129)

4 biggest cities

3 big cities

13 middle cities

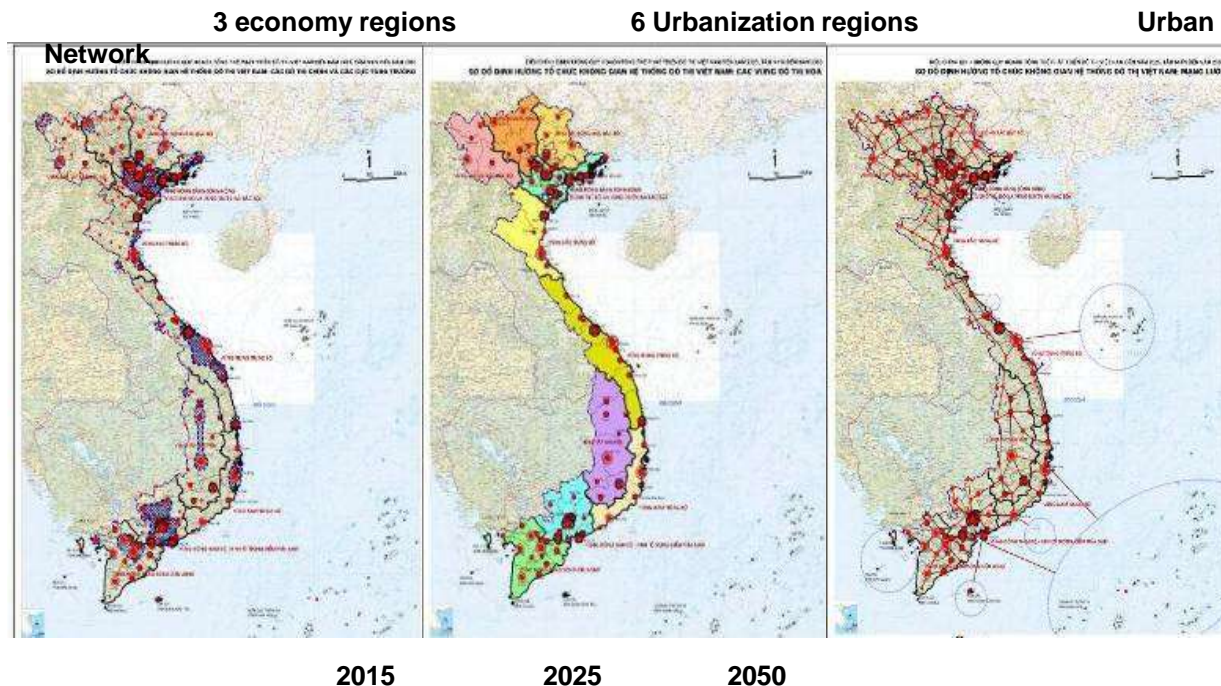
15 towns

94 small towns

625 township

Vietnam Urban development strategy to 2025 vision 2050

Three periods



Strategy

- Metropolitan regions, Economical Region
- Great cities, big cities (city of national of regional center)
- Key urban development exits on the North-South and West-East
- Viet-Trung, Viet-Lào, Vietnam-Cambodia corridor
- Invest in infrastructure to improve quality of urban central areas;

Urban population growth:

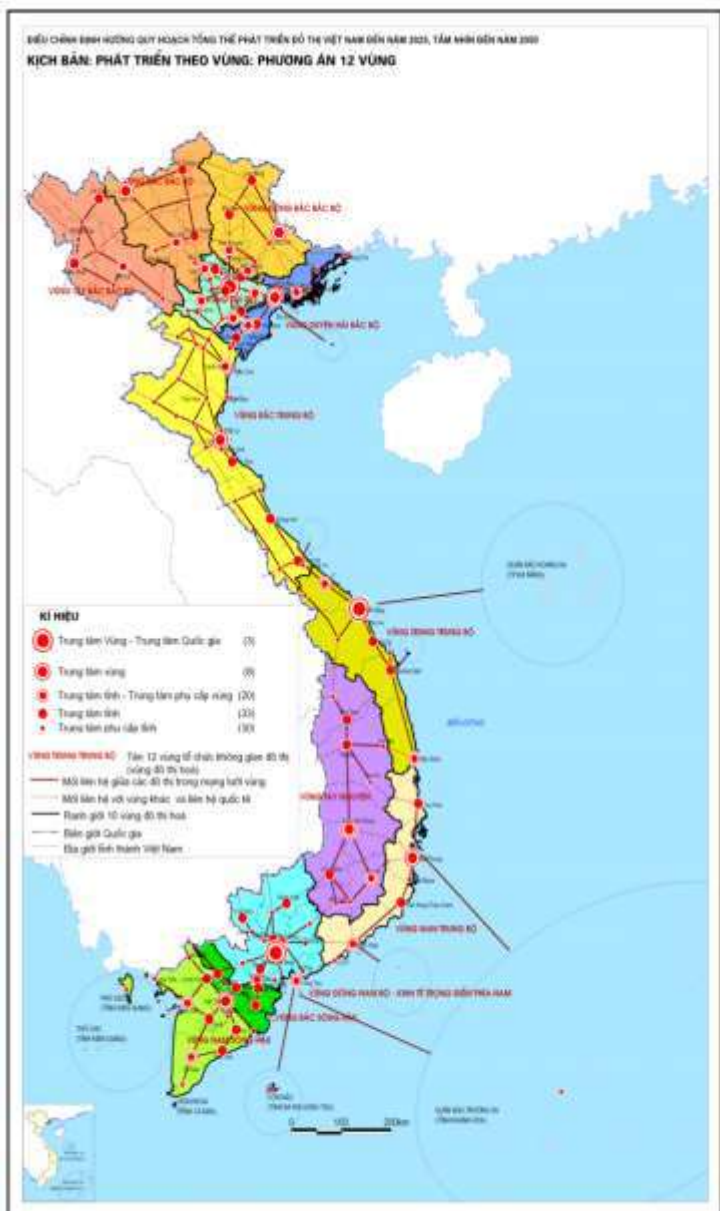
- By 2015: about 35 million people, ratio of urbanization 38%.
- By 2025: about 52 million people, ratio of urbanization 50%.

Urban areas:

- By 2015: over 870 cities & towns.
- By 2025: nearly 1000 cities & towns.

Vietnam Urban development strategy

Key regions and large cities are concerned in the Vietnam Urban development strategy



05 Cities at national level: Hanoi and Ho Chi Minh City, Hai Phong, Da Nang, and Hue;

12 Cities at regional level: Ha Long, Vietnam Tri, Thai Nguyen, Hoa Binh, Nam Dinh, Vinh, Nha Trang, Quy Nhon, Buon Ma Thuot, Bien Hoa, Vung Tau and Can Tho;

Hanoi Capital city and Ho Chi Minh City regions are the largest metropolitan regions
Three key main developmental poles located on Hanoi Capital city and Ho Chi Minh City regions and central economical regions. Hanoi, Ho Chi Minh and Da nang cities are core cities of the regions

Development secondary developmental poles in the region level, including Northwest (Dien Bien);

Western region of Nghe An (Con Cuong Thai Hoa)

North central region (Vinh city)

Southern Central region (Qui Nhon) and Van Phong - Khanh Hoa, Central Highlands (Buon Ma Thuot)

Mekong Delta (Can Tho) and Phu Quoc - Kien Giang

key economical cities at national , international : Mong Cai (Quang Ninh) , Huu Nghi , Dong Dang (Lang Son) , Lao Cai (Lao Cai) , A Pa Chai (Lai Chau) , Cau Treo (Ha Tinh) , Lao Bao (Quang Tri) , Bo Y (Tum) , Moc Bai (Tay Ninh) , Xa Xia (Kien Giang) ...

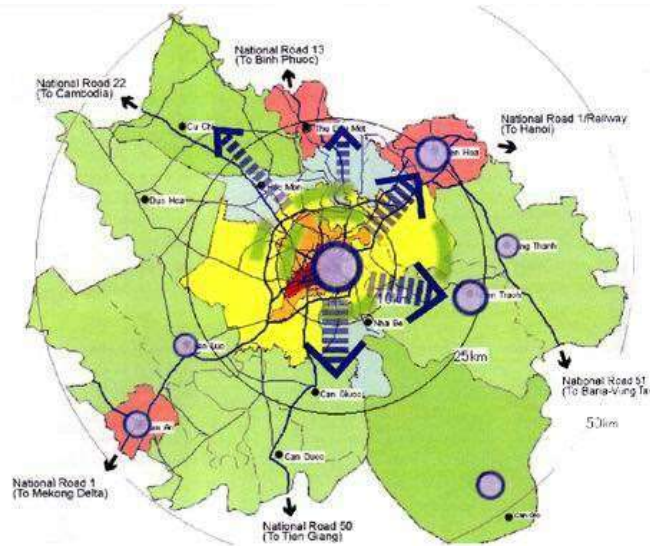
North Central and South Central focus to coastal cities , ports , coastal economic corridor , island strengthening of international economic integration on a large scale

Midland and mountainous Northern Highlands development and harmonious balance between the sub-region , extended stored in economic development , tourism , services

Red River delta and the Mekong delta focus urban technical infrastructure development, addaptation to climate change and sea level rise

Vietnam Urban development strategy

Two economic growth poles



- Hanoi and Ho Chi Minh City manifest different economic growth trajectories
- Ho Chi Minh City has played a critical role in Vietnam's economic development:
 - host nearly half (45%) of overall manufacturing production
 - generates 20% of the country's GDP
- Heavy and fast growing manufacturing activity is more intense in the Hanoi and the Red River Delta Region
- The two regions are limiting competitive advantage:
 - high costs of logistics and transport,
 - rapid population growth,
 - growth outward, rather than upward leading to a dispersion of jobs and sprawl,
 - expansive use of the motorcycle.
- Virtually no mass transit options currently exist in both Hanoi and HCMC, despite densities high enough to support it.

Country perspectives

General observations about the national urban systems and development strategies as presented in the Urban Development in the GMS

- Low urbanisation rate in the GMS
- Limited number of urban centers of 250,000 to one million
- Urban systems of the 06 countries are significant different: distribution of the cities, urbanisation patterns, quality of life, diversify in level and growth rate of urbanisation
- Except Cambodia and Lao, the 04 countries follow the pattern of polar development (HCMC, Yangon, BKK, Yunnan & Kunming):
 - create challenges for effectively promoting economic development in other areas
 - require the transformation of predominantly rural agricultural areas to urban use
 - need to make significant investments in infrastructure to improve the accessibility of suburban areas and to provide urban services
- Cities in the corridors function based on their competitive and/or comparative advantages
- Expansion of study by adding the Northern Corridor to cover a part of southern China via Nanning and Dongxing.



Source: Author

Support Urban Development

- Facilitating development of a second tier of GMS cities with populations of 250,000 to one million
- Facilitating development of cities with development potential based on competitive and/or comparative advantage
- Urban function: tourism/ amenity development, manufacturing

Country perspectives

Implications: Formation and development of strategic cities within key economic regions

1. Focuses on 3 strategic locations:

- Key Economic Zone in the North, as the gateway to the sea connecting from Kunming - Hanoi - Hai Phong corridor and the mainland of West - South China. Among that the most important is Hanoi city and the urban coastal economic centers such as Hai Phong, Mong Cai,
- Key Economic Zone in the South, particularly is strategic corridor from Thailand-Cambodia-Dong Nai-Binh Duong to Ba Ria-Vung Tau, where Ho Chi Minh City is the key point.
- Key Economic Zone in the Central with coastal urban system and Van Phong economic zone.

2. Formulation of cities that can participate in the global market:

Hanoi and HCMC

3. Urban Development strategies for islands: Bạch Long Vĩ, Me, Ly Son, Cham islands (Quang Nam), Co, Phu Quy islands (Binh Thuan), Phu Quoc (Kien Giang), Tho Chu, Con Dao, Truong Sa, Hoang Sa



Country perspectives

Implication: Strategy to develop international connection urban centers



Coastal Cities: Hai Phong, Hue, Da Nang, Nha Trang, Quy Nhon, Vung Tau

Frontier Cities:

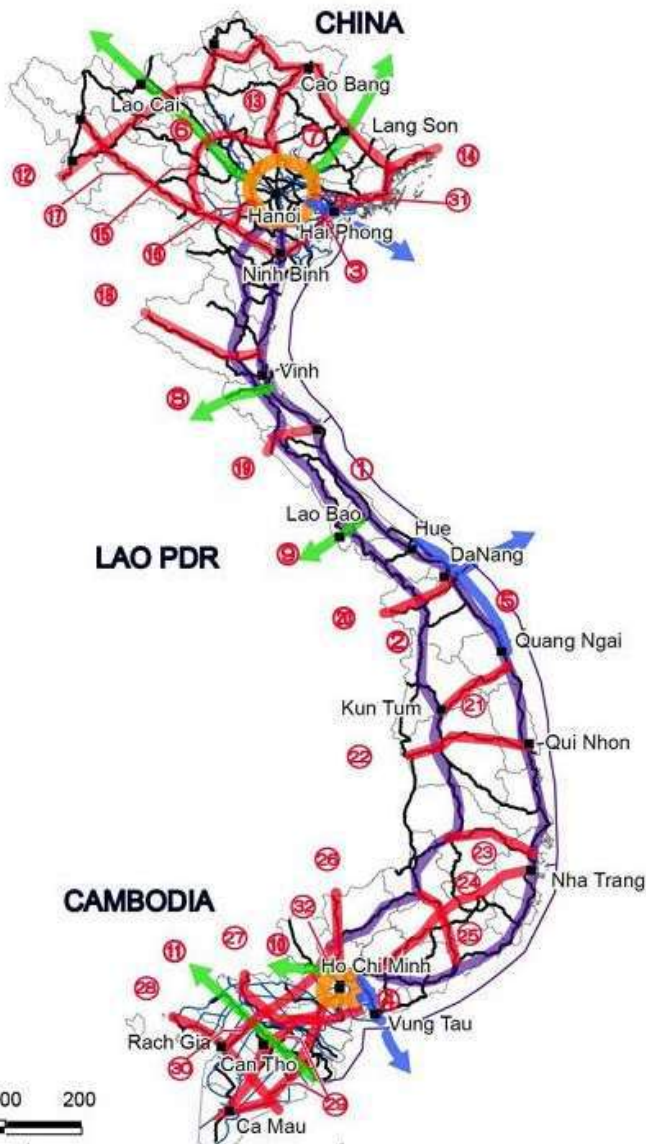
- Northern-China: Dong Dang-Lang Son, Lao Cai, Mong Cai, Xin Man
- Western-Lao: Cau Treo–Ha Tinh, Hong Linh; Lao Bao
- Western-Cambodia: Samat-Moc Bai-Tay Ninh, along Asian Highway, Hoa Lu-Binh Phuocc, Sa Sia-Ha Tien, Bo Y-Kon Tum

International Heritage Cities:

- Hue, Hoi An, My Son, Phong Nha -Ke Bang, Ha Noi, Hoa Lu –Ninh Binh

Country perspectives

Implication: Transport infrastructure development and logistic services orientation in Vietnam till 2020



Network of around 5,500km of expressways:

- (i) Link political, economic, and cultural centers of the country and the regions with each other;
- (ii) Strengthen traffic between focal economic zones;
- (iii) Connect to main border gates to boost international trade, tourism, etc.; and
- (iv) Link with other transportation modes via railway, airway, river ports, seaports, and road gates.

Two parallel north-south expressways (HCMC road in the west and NH1 in the east)

Radial line network

6 - radial line network in the north (one is coastal)

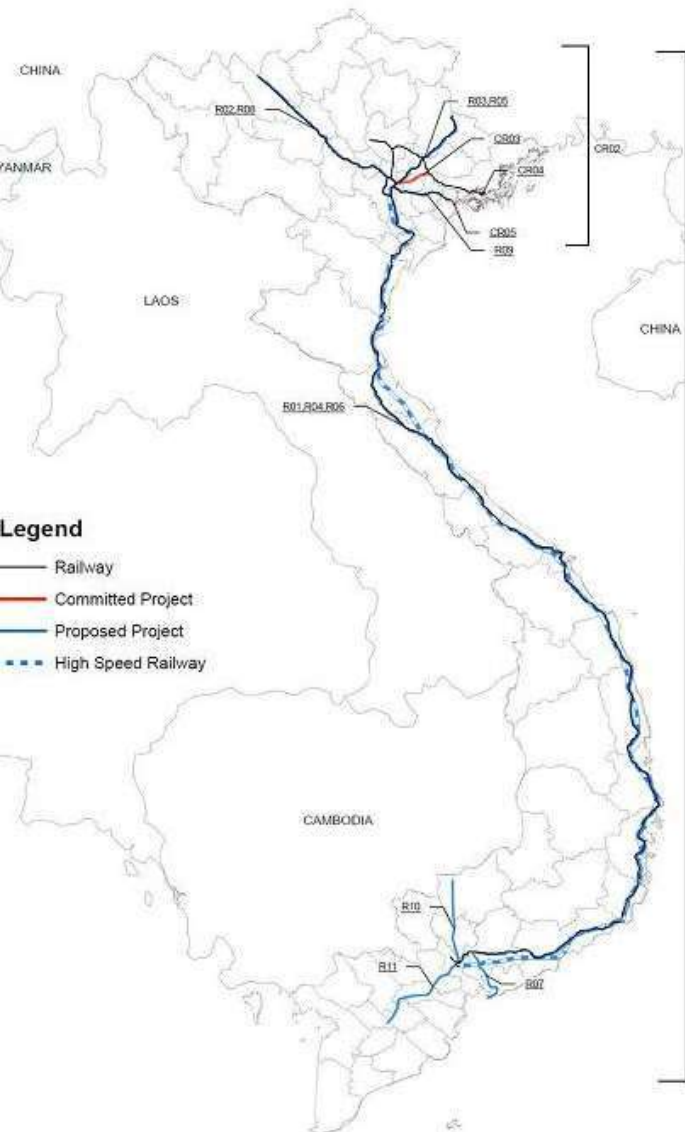
4 - line network in the central region,

6-line network in the south.

Secondary road network: the focus on the budgeting of more funds for road upgrade or development.

Country perspectives

Implication: Transport infrastructure development and logistic services orientation in Vietnam till 2020

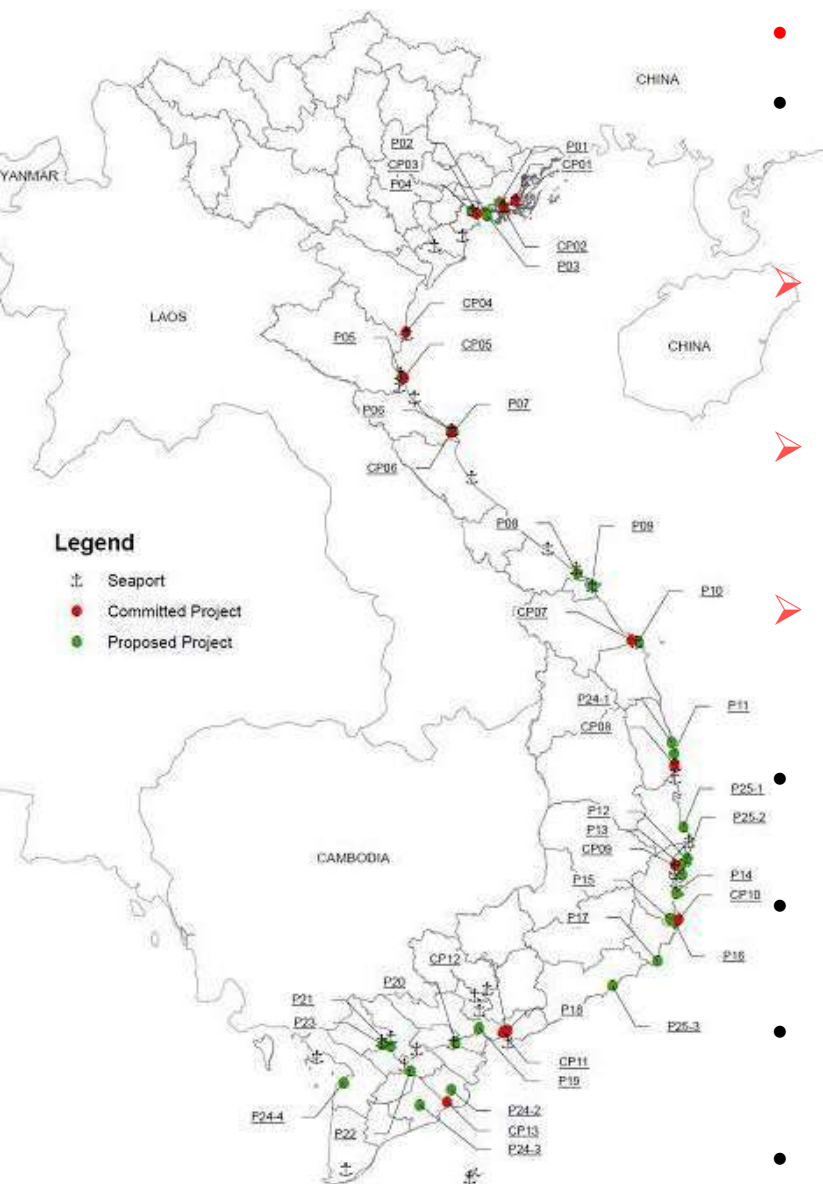


Railway:

- Promote high-speed service along the north-south line;
- Operational speeds of 80 km/h and 120 km/h or higher for freight and passengers
- Completion of the north-south backbone by 2020 (with 1,435mm gauge).
- Building an express railway between Hanoi and Vinh, and between HCMC and Nha Trang by 2015
- Exploit suburban passenger train service, where needed;
- Replan freight stations and consider exploiting container transportation;
- Develop tourism-related services.
- Coordination with regional transportation, especially those linking with China
- Coordinating with the Singapore – Kunming Railway Link (SKRL) which aims to connect the GMS countries by rail.
- Coordination with regional railway plans to ensure the smooth transition at the border points
- adoption of a dual gauge system
- provision of efficient transfer points

Country perspectives

Implication: Transport infrastructure development and logistic services orientation in Vietnam till 2020



- **Ports and Shipping**

- Development of Competitive Gateway Ports in the North and South: 98% of the nationwide container volume is handled

- At Cai Mep-Thi Vai Port: deep-sea container terminals with 18 berths are either planned or under construction, 5.4–9 million teu will be developed
- At Hai Phong Port in the north: the development of a deep-sea port has been decided through a Prime Minister's decision.
- At Van Phong Port in the southern central region, an international transshipment port is being planned to accommodate large container vessels

- Development/Strengthening of Key Regional Ports to Support Regional Development
- Promotion of Competitive Environment for Port Service Provision.
- Strengthening of Multimodal Interface and Logistics Function
- Strengthening of Coastal Shipping

Country perspectives

Implication: Transport infrastructure development and logistic services orientation in Vietnam till 2020

Air Transportation

- Develop airport facilities to meet air traffic demand.
- Provision of Competitive Environment
- Promotion among Low-cost Carriers (LCCs):
LCCs in the Asia and Pacific region already operate in Vietnam: AirAsia, Viva Macau, Jetstar Asia, Jetstar, Tiger Airways, PB Air, and Silk Air.
AS LCCs tend to avoid congested airports, secondary airports required to be developed in Hanoi and Ho Chi Minh City.

Logistics

- Upgrading basic services of transportation and warehouse operators
- High-quality facilities and equipment are necessary
- IT support is a critical issue in order to provide logistics service



Country perspectives

Have urbanization trends been adequately described and assessed for your country? Please provide additional information that needs to be taken into account in the assessment of the urbanization trends.

- Some data out are of date.
- Urbanisation in 03 patterns: increase in birth rate, migration and physical size.
- The employment structure, urban density, the expansion of city boundaries and the conversion of rural agricultural land to urban use should be observed in the case of Vietnam
- What are the factors indentifying the importance of the urban centers which could impact their development.
- Most of urban centers in Eastern Corridor are coastal cities, Impact of climate change and rising sea level on the development of cities in Eastern Corridor should be considered.
- Housing and resettlement for households residing in flooding and risk areas along Mekong river should be observed.



Country perspectives



Source: ADB, Authors

Does the presentation of the national urban system of your country adequately describe the economic role and importance of the urban centers covered?

- More attention on the strength of coastal line in Viet Nam in term of tourism. In the map of tourism area, there is a lack of potential cities along coastal line such as Nha Trang, Quy Nho, Da Nang...
- Viet Nam coastal economic strategy considers coastal tourism as one of the national strength. The role of tourism for the economy brought by potential cities should be analysed. Identifying strength of each city for tourism economy is enable to promote the connectivity and integration of the Eastern Corridor. *(every Viet Nam coastal city are located in the Eastern Corridor)*
- Mekong Delta Region in Viet Nam is one of economic areas supported and prioritised by the Government. There are many potential opportunities for development with 159 municipalities take out of 1/5 total municipalities of the country; 700km of coastline and one key border crossing. By those, the Proposed GMS Urban Investment Priorities should consider this area in the first phase of development.

Country perspectives

Key development strategies should be adopted to trigger the development of the corridor towns.

- Investing in logistics infrastructure will be critical to developing and sustaining the competitiveness of the country's strongest economic regions.
- Increasing accessibility in key urban service sectors in secondary cities: water supply, wastewater, sanitation, electricity, focus on improved financial sustainability of these services as well as the quality, efficiency and reliability of key services
- Improve quality of transport and logistics system in order to meet the more complex business requirements associated with the movement of higher value-added commodities
- Facilitating maritime transport: fleet development, investment in upgrading and rehabilitation of key ports in the region, market expansion, supporting service
- Air transport: policy to mobilize fund for infrastructure and aircraft development, low-cost airline.
- Road transport: focus on inter-regional passenger transport routes that link tourism centers and regional markets.
- Inland waterway transport: focus on tourist transport along Mekong river
- Railway transport: Upgrading network, increase train speed, new routes should be considered for trans-Asian railway.
- Coordination between highway, railway and ports

Country perspectives

What strategic measures can be implemented to strengthen regional cooperation and functional integration among GMS corridor towns?

- **Categorize cities in terms of roles for supporting each others.**
- **Open free dialogues** between cities for sharing experiences and lesson learned for development and management.
- **Technical co-operation, training and advisory strategies**
- **Institutional co-ordination**
- **Information dissemination**

| No | Cities | Vietnam classification | Exiting population of the year 2012 (1.000 people) | | Class by ADB |
|-----|-------------------------|------------------------|--|-----------------------|---------------------------|
| | | | City population | Inner city population | |
| 1. | Ho Chi Minh | ĐB | 7,750.900 | 6,433.200 | > 1.000.000 |
| 2. | Ha Noi | ĐB | 6,870.200 | 2,889.050 | |
| 3. | Hai Phong | I (TW) | 1,878.500 | 862.369 | |
| 4. | Can Tho | I (TW) | 1,200.300 | 792.500 | From 500.000 to 1.000.000 |
| 5. | Da Nang | I (TW) | 951.700 | 739.210 | |
| 6. | Bien Hoa | II | 863.000 | 720.900 | |
| 7. | Thai Nguyen | I | 504.000 | 370.000 | From 250.000 -500.000 |
| 8. | Vinh | I | 438.769 | 356.159 | |
| 9. | Di An (town) | IV | 355.370 | 355.370 | |
| 10. | Thuan (town) | IV | 438.922 | 349.567 | - |
| 11. | Hue | I | 338.094 | 338.094 | |
| 12. | Vung Tau | I | 317.921 | 299.220 | |
| 13. | Nha Trang | I | 394.455 | 294.317 | From 150.000 to 250.000 |
| 14. | Long Xuyen | II | 280.050 | 246.900 | |
| 15. | Quy Nhon | I | 311.133 | 243.800 | |
| 16. | Ha Long | II | 367.240 | 227.870 | |
| 17. | Buon Ma Thuat | I | 330.110 | 216.370 | |
| 18. | Thu dau mot | III | 241.276 | 206.306 | |
| 19. | Viet Tri | I | 277.539 | 205.765 | |
| 20. | Phan Thiet | II | 218.007 | 204.807 | |
| 21. | Thanh Hoa | II | 393.329 | 190.200 | |
| 22. | Rach gia | III | 232.530 | 195.380 | |
| 23. | Nam Dinh | I | 244.017 | 195.214 | |
| 24. | Da Lat | I | 256.593 | 178.377 | |
| 25. | Soc Trang | III | 177.933 | 177.933 | |
| 26. | Hai Duong | II | 213.096 | 174.716 | |
| 27. | Pleiku | II | 216.979 | 172.383 | |
| 28. | Cam Pha | III | 178.100 | 166.520 | |
| 29. | Uong Bi | III | 174.440 | 164.030 | |
| 30. | Phan Rang – Thap Cham | III | 164.183 | 159.000 | |
| 31. | My Tho | II | 215.162 | 138.638 | |
| 32. | Bac Ninh | III | 168.236 | 120.471 | |
| 33. | Ca Mau | II | 219.340 | 119.900 | |
| 34. | Tuy Hoa | II | 202.030 | 118.641 | |
| 35. | Bac lieu | III | 150.848 | 112.869 | |
| 36. | Cam Ranh | III | 122.261 | 86.362 | |
| 37. | Đông Hà | III | 83.557 | 83.557 | |
| 38. | Tam Kỳ | III | 109.300 | 82.590 | |
| 39. | Ninh Hòa | IV | 232.804 | 76.005 | |
| 40. | Bà Rịa | III | 122.424 | 75.000 | |
| 41. | Đồng Hới | III | 112.865 | 70.642 | |
| 42. | Lạng Sơn | III | 120.300 | 67.400 | |
| 43. | Cao Bằng | III | 84.421 | 67.268 | |
| 44. | Yên Bái | III | 94.716 | 67.045 | |
| 45. | Hội An | III | 84.900 | 65.300 | |
| 46. | Móng Cái | III | 121.680 | 61.640 | |
| 47. | Điện Biên | III | 76.600 | 58.300 | |
| 48. | Hương Trà | IV | 118.354 | 57.967 | |
| 49. | Sơn La | III | 92.800 | 57.400 | |
| 50. | Hoàng Mai (plan to III) | V | 105.105 | 56.945 | |
| 51. | Hà Tĩnh | III | 117.500 | 54.200 | |
| 52. | Tuyên Quang | III | 91.100 | 53.900 | |
| | | | | | |
| | | | | | |

Comment for GMS summary report

About Database use on GMS report should be update or define

- In term of Urban population living in urban slums in Vietnam (41,3%)
- (page viii) Check data: 73cities and/or urban districts with population >50.000
- (page ix) HCM city had a population double that of Hanoi.
- (page x) review the contents of paragraph 7, support the proposed Urban> 250,000 people, by the number of cities with> 250,000 -1000.0000 very small, only about 10 cities, many key city in central coast did not reach the target population
- (page xii) review Tourism strategy, there are not only for Central VietNam, but also Northern and high land region of VietNam



THANK YOU FOR YOUR LISTENING!

For more information:

Ms. Luong Thi Hong Hanh
Department for Infrastructure and Urban Development
Ministry of Planning and Investment
E-mail: luonghanh@mpi.gov.vn

Mr. Le Trung Hieu
Foreign Economic Relations Department
Ministry of Planning and Investment
E-mail: hieult@mpi.gov.vn

Ms. Tran Thi Lan Anh
Urban Development Agency
Ministry of Construction
E-mail: lananh6793@yahoo.com

Second Meeting
GMS Urban Development Task Force

14 – 15 November 2013

Kunming, Yunnan Province, People's Republic of China