

Voluntary Report – Voluntary - Public Distribution

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Report Highlights:

Hai Phong is Vietnam's third largest city with a rising population of over 2 million. Notably, it is the largest port city in northern Vietnam, containing three main terminals within the Hai Phong port hub. It is an enticing city ripe with opportunities for economic growth due to its proximity to the capital city of Hanoi, bilateral trade partners such as China, and popular tourist destinations such as Cat Ba Island. Due to the Government of Vietnam and foreign investors' continuous support of the city's expansion, Post suggests that U.S. exporters build awareness on their products' export potential within Hai Phong's flourishing retail goods and food service industry.

1. General Information

Geography advantages

Hai Phong is a coastal city located in Vietnam's north-eastern coastal area, 120 kilometers east of the capital of Hanoi. According to the General Statistics Office of Vietnam (GSO), the city covers an area of 1,562 square meters (sqm), making Hai Phong the largest port city in northern Vietnam. The city's population is over two million people, ranking as the seventh largest city in the country and the second largest city in the Red River Delta after Hanoi. Bach Long Vi island, Cat Ba Island, and the Long Châu islands, all located in the Gulf of Tonkin, are also administered as part of the city and promoted as popular tourist destinations. Hai Phong's ideal location confirms its position as a strategic operation center for trade, commerce, and economic growth.

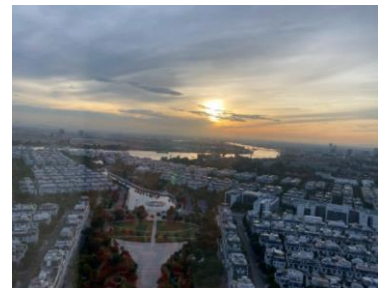
Pictures of Hai Phong taken by FAS Hanoi team in June 2024:



Newly developed urban area of Hai Phong



Hai Phong's city center



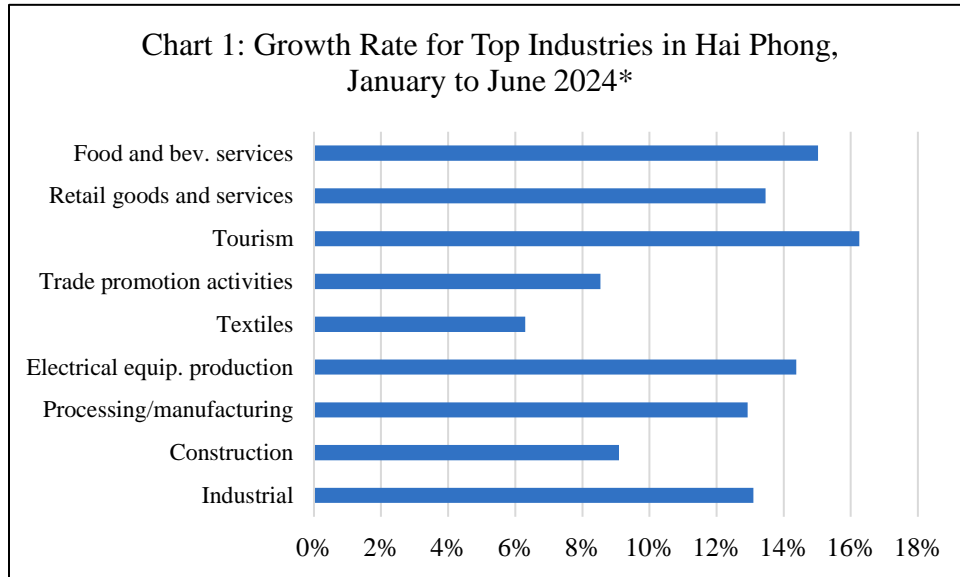
Hai Phong overlooking Cam River.

Economy:

According to government statistics, the gross regional domestic product (GRDP) of Hai Phong grew by 10.3 percent in 2023 versus 2022, ranking fifth in the country in terms of growth, making Hai Phong the sixth largest in Vietnam at 18 billion USD, after Ho Chi Minh city, Hanoi, Binh Duong, Dong Nai, and Ba Ria Vung Tau.

The manufacturing and construction industries account for 53.34 percent of Hai Phong's GDP, with the service industry at 37.76 percent, and agriculture, forestry, and seafood accounting for 3.4 percent. Notably, Hai Phong was the second largest city after Ho Chi Minh city in terms of foreign direct investment, at a (FDI) value of 3.4 billion USD in 2023.

The chart below illustrates the growth rate for top industries in Hanoi during January-June 2024 compared to the same period last year.



*Source: Hai Phong GSO, *Compared to the same period in 2023*

Hai Phong City Port

Hai Phong is a prosperous city that benefits from its proximity to waterways by housing the Hai Phong International Gateway Port, Vietnam’s largest port which includes three main terminals, five branches, and over 20 berths. According to Hai Phong Customs, as of June 2024, total export-import turnover reached over 11 billion USD, ranking fifth nationwide, and increasing 25 percent compared to the same period in 2023. With high export turnover, the Government of Vietnam plans to expand the Lach Huyen port area within the Hai Phong port hub. The port officially launched its international service in 2019. The two active berths’ shipping capacity is over 150 containers per hour, with four more berths under construction and two more approved for investment. The Government of Vietnam has also approved a new four-lane expressway to connect small expressways from major provinces in Ninh Binh, Thai Binh, Nam Dinh, and Thanh Hoa to Hai Phong by 2030. The idea is to ease traffic, increase urban development, and attract investors for major industries.



Source: haiphongport.com.vn

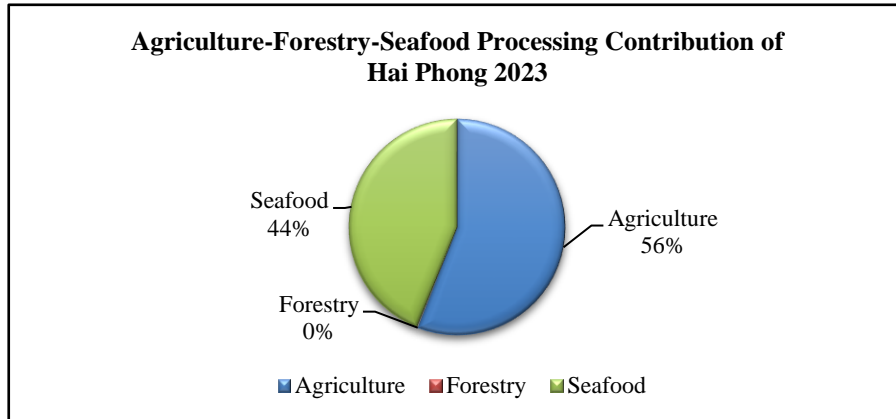
US Interest

Hai Phong's port hub is of interest to U.S. exporters due to the ample opportunities to increase international trade. U.S. port leaders in New York, New Jersey, Los Angeles, and other coastal ports are communicating with Hai Phong leaders to study future development of Nam Do Son port within Hai Phong. The estimated \$5 billion USD new modern gateway port is expected to improve transshipment cooperation between the two countries while increasing trade, reducing greenhouse gases, and using advanced and more efficient technology. The port is expected to accommodate up to 575,000 tons of bulk, cargo, and passenger ships once completed through 2040.

Foreign Direct Investments

Hai Phong is a key industrial manufacturing region for cars, monitors, and electronic devices; and for seaport and logistics services in the northeast of Vietnam. There are currently eleven industrial zones including the Vietnam Singapore Industrial Park, Trang Due Industrial Park, Dinh Vu Industrial zone, and Vinh Niem industrial zone. According to Business Forum Newspaper, by June 2023, a total of 186,000 workers were employed in industrial zones in Hai Phong, including 156,000 locals. Notably, in 2023 Hai Phong received 3.4 billion USD of FDI, ranking the second largest in FDI volume in Vietnam after Ho Chi Minh city. It is projected that Hai Phong's industry still has room to develop in the future. According to industry contacts, Hai Phong is currently unable to fully self-supply food ingredients for household consumption and manufacturing. To satisfy demand, Hai Phong currently sources from the neighboring provinces of Bac Ninh, Thai Nguyen, and Hung Yen, or imports from neighboring countries such as China, Korea, and ASEAN.

2. Food and Agriculture



Source: Hai Phong General Statistics Office 2023

The chart above illustrates the contribution among agriculture (plantation and meat processing), forestry and seafood processing of Hai Phong in 2023.

In 2023, rice accounted for 93.2 percent of plant production in Hai Phong. The city has two major crops of winter-spring and summer-autumn. For vegetables and fruits, Hai Phong mostly sources from neighboring provinces of Thai Binh, Quang Ninh, Hai Duong, Hung Yen, Thai Nguyen, and Bac Ninh or imported from other countries such as China. Meanwhile, pork and poultry accounted for 98 percent of meat processing. According to industry contacts, the meat processors in Hai Phong do not only supply inner-city demand, they also export meat, especially pork, to China and Hong Kong.

Hai Phong people's eating habits are influenced by both French and Chinese cuisine; furthermore, seafood remains an important part of the local people's meals. Typical dishes of the city are bread with pate (pork liver) or bánh-mì cay, bánh-mì pate Hải Phòng, noodles with seafood such as crabmeat or shrimp, and other sautéed dishes which use soy sauce and chili sauce.

3. Retail

The 2023 total retail revenue of Hai Phong was about eight million USD, a nearly 14 percent increase compared to 2022, thanks to the rebound of the city's economy as well as the growth of the hospitality industry.

While traditional fresh markets are still dominant and popular in Hai Phong with a total number of 154 wet markets, the city welcomes international and local retail chains including AEON, Go! by Central Retail Market, MM Mega Market, and WinMart. While the first three markets are either shopping malls or supermarkets covering a wide area of prime locations, WinMart has the most extensive range with two supermarkets and an additional 153 WinMart+ groceries, which are located in small streets and alleys.

Notably being launched and open since December 2020, AEON Hai Phong Le Chan covers an area of 93,000 sqm (floor area of 158,000 sqm). The AEON supermarket of fresh produce is 800 sqm. FAS Hanoi has observed that the supermarket and its food court are busy during both weekdays and weekends and has been increasingly popular among the young generation.

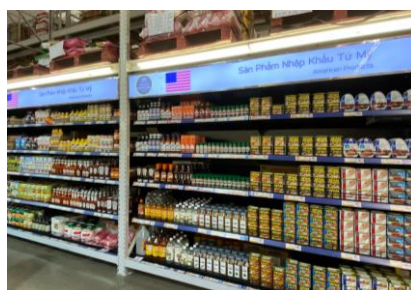
The table below illustrates main features of key retail chains in Hai Phong:

Retail brand	Quantity of outlet	Area (sqm)	Popular Imported products	Key clients	Revenue growth 2023 vs 2022
AEON	1	93,000	Fresh fruit: apple, grape, blueberry, orange, cherry.	End-users	4-5 percent <i>aeon.com.vn</i>
Go! by Central Retail	1	2,996	Fresh fruit: apple, grape, blueberry, orange, cherry. Meat: beef, turkey, chicken wing	End-users	N/A
MM Mega Market	1	2,200	Fresh fruit: apple, grape, blueberry, orange, cherry. Meat: beef, pork, turkey, chicken wing	Hotels, restaurants, canteens, wholesalers	On par with 2022
WinMart	155	N/A	Fresh fruit: apple, grape, blueberry, orange, cherry.	End-users	3 percent <i>masangroup.com.vn</i>

Pictures of key retailers in Hai Phong (taken by FAS Hanoi team in June 2024):



AEON Hong Bang, Hai Phong



MM Mega Market, Hai Phong



Go! By Central Retail, Hai Phong

4. HRI

According to the Hai Phong Department of Tourism (HPDT), Hai Phong had 572 hotels and accommodations with nearly 16,000 rooms in 2023. International hotel chains have footprints in Hai Phong including Marriott International Group, Accor Group, and Melia Hotels Group. Hai Phong city news updated that Hai Phong now has seven five-star hotels in all brands and another seven five-star hotels in the pipeline until 2025 including brands of Hilton, Pullman and Wyndham. Like most international hotels in other cities in Vietnam, the ones in Hai Phong are owned by Vietnamese group owners such as Vingroup, Sungroup, and BRG but managed by international groups under management contracts. In 2023, Hai Phong welcomed nearly eight million visitors, an increase of 15 percent compared to 2022. According to HPDT, the number of international travelers was nearly ten percent of total travelers to Hai Phong in 2023.

Tourism

Hai Phong is one of the most attractive tourist destinations in Vietnam, especially for domestic travelers who wish to travel to Do Son beach, Cat Ba Island, and Lan Ha Bay. Foreign travelers include tourists from China, Northeast Asian countries, and ASEAN. Most international travelers sign up for all-inclusive group tours that provide a multi-location experience. For example, tourists can join a tour going from Hanoi to Hai Phong, then end with Cat Ba Island as the last destination. Hai Phong, alongside the Ha Long Bay-Cat Ba Island archipelago, is classified as a World Natural Heritage site recognized by the United Nations Educational, Scientific, and Cultural Organization (UNESCO). This status helped Cat Ba Island draw in 1.6 million tourists in the first 6 months of 2024, fulfilling over 45 percent of the city's total tourist plan.

FAS Hanoi observes that domestic travelers are mainly from low to middle-end payers; meanwhile, Hai Phong is popular for middle-end foreign tourists, mainly from China and Korea. Since HPDT forecasts tourism's annual growth by 15 percent until 2030, Hai Phong is projected to have significant growth in food and beverage at hotels. Although Hai Phong is typically marketed as a leisure destination, the People Committee of Hai Phong project the city will become one of the popular MICE (meeting-incentive-conference-event) destinations in the northeast region of Vietnam.

5. Food Manufacturing

As mentioned above, seafood, pork, and poultry processing play an important part in the food manufacturing industry of Hai Phong. The majority of production is for re-export. According to industry contacts in Hai Phong, the main export markets for food manufacturing are China, Hong Kong, ASEAN countries, Japan, Taiwan, Korea, and the United States. One of the biggest seafood processors in Hai Phong noted that they have been looking to import ingredients from the U.S., such as pollock, and ingredients for surimi due to increasing demand from Japan. On the other side, canned food processing

has been long-established in Hai Phong with nation-wide distribution. One key canned food processor in Hai Phong commented that they are interested in sourcing high-quality beef for their high-end products. In general, Hai Phong has a strong advantage in combined sea-land-river transportation systems, which gives the food manufacturing industry room to develop and maximize production cost effectiveness. Additionally, manufacturers' canteens are an important feature in food demand. Hence, institutional food service for manufacturing enterprises is expected to grow in the coming years.

6. Useful contacts:

For further information about Hai Phong and other markets, please contact the Office of Agricultural Affairs (OAA) of USDA/FAS in Hanoi.

Office of Agricultural Affairs, Hanoi Physical Address: Rose Garden Tower, 3rd Floor, 170 Ngoc Khanh, Ba Dinh District, Hanoi. http://www.fas.usda.gov	Phone: (84.24) 3850 5000 Email: aghanoi@fas.usda.gov
Office of Agricultural Affairs, Ho Chi Minh city Physical Address: 8th floor, Diamond Plaza, 34 Le Duan Blvd, District 1, HCMC. http://www.fas.usda.gov	Phone: (84.28) 3520 4630 Email: atohochiminh@fas.usda.gov

Please refer to the [GAIN attaché](#) reports; in particular, the [Exporter Guide](#), the [Food and Agricultural Import Regulations and Standards \(FAIRS\)](#) report, the [Food Service - Hotel Restaurant Institutional](#) the [Food Processing Ingredients](#) report, and the [Food Retail](#) report, for additional sources of information, including Post contacts, [State Regional Trade Groups \(SRTGs\)](#), USDA Cooperators, and Vietnamese government agencies.

Attachments:

No Attachments.