

Chinese Enterprises Flock to Bac Giang: Trends and Developments

According to the leader of the People's Committee of Bac Giang province, numerous Chinese companies, commonly referred to as "eagle" businesses, have established their operations in Bac Giang. Consequently, China has become the largest source of registered investment capital in the province, totaling nearly \$6.4 billion USD.

Significant Chinese investments in 2023

Bac Giang province continues to attract substantial Chinese investments this year. Notably, the Yadea Group has committed to an investment in Tan Hung Industrial Park, Lang Giang district. The project aims to construct a facility for manufacturing and assembling electric motorbikes, with a projected capacity of about 2 million vehicles per year and an anticipated total investment of approximately \$100 million USD.

Mr. Vinh Van Huu, the General Director of Yadea Group in Vietnam, stated that Bac Giang province was the group's first international investment location. The project produces electric vehicles that are exported globally. Mr. Huu expressed his high regard for the proactive support provided by the leaders and departments of Bac Giang province throughout the investment process.

"Bac Giang has an advantageous location with convenient transportation and nearby component suppliers. We are planning to establish a research center here" shared Mr. Vinh Van Huu. He highlighted that the project incorporates high technology and adheres to environmental sustainability. Mr. Huu also noted that the project is progressing smoothly.

Expansions and increased investments

Recently, established Chinese corporations in Bac Giang, such as Luxshare-ICT Vietnam Co., Ltd. (a partner of Apple Group), announced a significant investment increase of \$330 million to expand production. Another notable expansion includes the JA SOLAR Vietnam project for producing silicon bars and photovoltaic cells, which saw an increase of \$378 million in investment.

Provincial investment overview by Mr. Phan The Tuan

Mr. Phan The Tuan, Vice Chairman of Bac Giang Provincial People's Committee, reported that as of November, there were **275 Chinese-invested projects in Bac Giang**, constituting **37.3% of all investment projects in the province**. These investments totaled nearly **\$6.4 billion USD, representing 42.5% of all registered foreign investment capital in Bac Giang**. He noted that China ranks second in the number of investment projects right after Korea but leads in terms of total registered capital among 30 investing countries and territories.

Major projects and investments



Significant projects by Chinese investors include the JA Solar project to produce silicon bars and photovoltaic cells, with more than **\$470 million** in registered capital and additional investment of over \$370 million. Other major projects include the Vina Cell Technology Co., Ltd.'s photovoltaic cell factory with over **\$200 million investment**, and the Luxshare-ICT project, which now has more than **\$500 million** in total registered capital after adjustments.

Historical perspective and employment impact

From 2016 onwards, Bac Giang has welcomed a surge of Chinese investment, attracting nearly 200 FDI projects worth \$2.6 billion. These projects, predominantly in the processing and manufacturing industries, have created jobs for over 150,000 workers, including more than 95,000 local employees and approximately 8,000 foreign workers.

Ongoing efforts and future directions

Bac Giang is committed to continuing its development of policies and infrastructure to enhance administrative efficiency, improve the provincial competitiveness index (PCI), and elevate the quality of human resources. These initiatives aim to meet the requirements of businesses and attract further investment.

Please reach out to KENFOX if you require our professional advice on foreign investments in Vietnam.

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