

Welcome to an **update** of our November 2012 issue of the *Vietnam Resort Report*. A few months ago we brought you pictures of a new highway that made some of the most beautiful beaches in the world, accessible for the very first time. At that time, the entire road was not drivable; only the sections near Vinh Hy Bay and south. After recently driving the entire length of the highway (90% finished), we decided it was worth updating our report.

Investors in Vietnam's coast need to be aware of this new opportunity. Several unspoiled beaches with perfect weather-which are less than an hour's drive from an international airport- are incredibly under-valued.

As always, feel free to contact us if you need analysis and research, or want more information on available investments in coastal tourism within Vietnam.

-- Mark Gwyther  
Director MGT Management Consulting

## **Vietnam's Newest Tourism Attraction: Ninh Thuan's New Coastal Road (updated)**

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## The Vietnam Resort Report – November 2012 (Updated April 2013)

### VIETNAM'S NEWEST TOURIST ATTRACTION

#### Introduction:

Nearly every American is familiar with the Pacific Coast Highway in Central California. Waves crashing against the coastal cliffs, temperate weather, and unique towns make this beautiful 400 km stretch of highway between Santa Barbara and Monterey one of the most magnificent drives in the world. Thousands of tourists take this motorway every month. Europeans may be more familiar with Italy's Amalfi Coast and the 40 km drive along Strada Statale 163. Like the Pacific Coast Highway, it was ranked as one of the best road trips in the world by *National Geographic Magazine*. These two roads have become tourist attractions by themselves and bring visitors to their region's towns and resorts.

Is it possible for a coastal road in Vietnam to provide the same experience for visitors and become a tourist destination all in itself? Anyone who has ever been on a road in Vietnam will most likely say "No". Up until now, those people would have been correct, but that is about to change. The new Ninh Thuan Coastal Highway (702) is now open, and after driving it, I believe it will be considered one of the most spectacular drives not just in Vietnam, but in the world.



*Looking down from the road to a secluded beach.*



*The view from the road at the summit, looking down on the new route to the north.*

The highway's main function is connecting the previously inaccessible Ninh Thuan Coast to the Cam Ranh International Airport. But the new road also provides tourists access to spectacular views, Vietnamese heritage, diverse topography, and some of the best undeveloped beaches in the world; all in a province that receives the least amount of rain in Vietnam. Several major resort managers such as Intercontinental and Aman Resort Group are already developing high-end resorts along this new road. Others such as Silverfin have signed Memos of Understanding with the Provincial Government.

As important as the scenery, the new coastal highway is modern and wide, even though heavy traffic is not expected. Trucks and other vehicles will continue to take Highway 1A which is more direct, even to the large city of Phan Rang. The coast is mostly uninhabited so the only people expected to take the new road are tourists visiting Ninh Thuan Province.

### Ninh Thuan's New Coastal Highway:

Vietnam's coastal tourism developed around Highway 1A, the main north/south highway in Vietnam. While it is close to the coast throughout most of Vietnam, it took an inland route at Ca Na. The road continued west of the Nui Chua National Park because of the rough, rugged terrain.



Highway 702 was originally built to connect Vinh Hy Bay with Phan Rang and Highway 1A, so that inhabitants of Vinh Hy had access to the outside world. However, the road was narrow, rough, and ended at the fishing village.

A new section that connects Vinh Hy Bay with Cam Ranh and the airport has just opened, but is not quite complete. When it is completely finished<sup>1</sup>, Vinh Hy Bay will be the same drive time from the airport as Nha Trang is, instead of being over two hours away. The entire coastal highway project also includes widening the road from Vinh Hy Bay south to Phan Rang, widening access roads to Highway 1A in Phan Rang, and building a new road along the southern Ninh Thuan Coast to the village of Ca Na (where it reconnects to Highway 1A). The new highway will travel along 116 km of beautiful, undeveloped coastline with distinctive local flavor, amazing beaches, varied topography and climates, and world-class resorts.

We divided our description into three sections. Each section of the road is unique, even to the point where the climates are very distinct.

*A fishing village on an island across a channel from the new highway. The Cam Ranh Peninsula can be seen at the top of the picture. The airport is behind the hills at the top.*





### ***Cam Ranh (Highway 1A) to Vinh Hy Bay***

This is the new section that provides access to the northern Ninh Thuan coast for the first time. It is a wide, lighted two-lane paved highway that begins along the coast and then rises into the high hills of the Nui Chua National Park.

The small fishing village of Binh Tien is the first attraction. It has one of the most beautiful beaches in Vietnam, if not the world. A large integrated resort project with a flagship hotel managed by the Intercontinental Hotel Group was supposed to open in 2013, but it seems that work on the project has stopped.

This new section of highway runs along the Nui Chua National Park and has jungle views to the west and amazing coastal views on the east. The highway was carved out from the cliffs. Several beautiful, empty beaches lie near the road.

The road takes a fairly steep ascent as it climbs a pass through the hills of the Nui Chua National Park. Once the road reaches the summit, it winds back down through jungle for a few kilometers to the coast at Vinh Hy Bay.

We believe that Silverfin has signed a MoU with the Ninh Thuan Government to develop a “Ritz-Carleton” style resort on one of the empty beaches along this stretch of road.



*Binh Tien Beach*



*Empty beach land near the road*



*The road as it approaches the pass*



*Another empty beach below the new road. In the distance you can see the road as it reaches the pass to Vinh Hy Bay.*

### ***Vinh Hy Bay to Ninh Chu Bay (Phan Rang)***

Vinh Hy Bay is already a popular tourist attraction for Vietnamese visiting the area. It is a small fishing village formerly at the end of the road. The road itself was barely wide enough for one bus to travel as it made its way up a steep hill just to the south. The bay is only 30 km from Phan Rang but travel took about an hour. Significant progress to widen the road near Phan Rang has already been made, and they have begun to also widen the road from Vinh Hy moving south. This section of highway will be much easier to complete because a road already exists.



*An undeveloped bay to the north of Vinh Hy Bay.*

Vinh Hy Bay is a good place to rent a boat or join a boat tour that visits the nearby coast. The views from the ocean are just as spectacular as those from the road, and boats take tourists to the previously inaccessible beaches.

The world-famous Aman Resort Group is about to open their newest resort on the hills overlooking Vinh Hy Bay.



*Looking south from the summit.*



*Vinh Hy Bay from the new highway. The Aman Resort is on the hill in the center of the picture.*



Continuing south of Vinh Hy Bay, the road descends from the hills back down to the coast. A remarkable change in weather and topography occurs at this point. Suddenly, the jungle disappears and is replaced by a Mediterranean climate. In fact, nearly all the grapes for wine grown in Vietnam are grown between Vinh Hy Bay and Phan Rang. Phan Rang receives 20% less rain annually than Nha Trang due to weather patterns caused by the Nui Chua Hills.

Once descending from the hills around Vinh Hy Bay, the rest of the drive to CaNa is flat along the coast. The road is flanked by amazing beach views on one side and interesting rock formations on the other. Because of its proximity to the ocean and the elevation, the road work in this section includes a new seawall in addition to widening. The seawall protects the coast from erosion. Along with the vineyards, this area contains several small fishing villages and a few farming communes.

Adjacent to the capital of Phan Rang is Ninh Chu Bay, one of the nine most beautiful beaches in Vietnam. Before 1967, it was used as the private beach of the President of South Vietnam. During the war, a U.S. Airbase was built here because it was naturally protected from typhoons. Now, many Vietnamese-owned resorts line the bay, including the 8-floor Saigon Tourist-Ninh Chu Hotel.



*The road from Vinh Hy Bay back down towards the south (Picture from 2011, they are widening this section now).*



*Near the coast, between Vinh Hy and Ninh Chu Bay.*



*Ninh Chu Bay (taken from the top of Saigon Tourist Ninh Chu). The road is 4-lanes with a divide, and runs the length of the bay. It did not have to be upgraded. Resorts lay in between the road and the beach.*



*Taken from a hill above the road - A rock formation near the ocean. The road is between the rocks and the ocean.*



*The new seawall along the road, just north of Ninh Chu Bay.*

### ***Phan Rang to Ca Na***

Phan Rang is the capital of Ninh Thuan with over 200,000 residents. It is a modern city located at the crossroads of Dalat, Nha Trang, and Phan Thiet. The city is situated 7 km from the ocean, which is a big advantage. It allows the city to build wide beach access roads with easy drives to Highway 1A, along with other appropriate infrastructure near the beach. Two different 6-lane roads connect the beach road (4-lanes) to Highway 1A.

Near the beach road, a new sizeable monastery complex is being built in the hills. A large private/public beach development including a 2,000 seat open-air theater has also been started. Half a kilometer inland, a large new park with a beautifully designed museum is a center for local activities.

Phan Rang is about the half-way point along the drive, and provides an easy access point from Highway 1A. It is also expected to be the gateway to Dalat for foreign tourists, once the Dalat/Phan Rang railroad is re-opened.

Driving south to Mui Dinh and then Ca Na, it is startling how much the climate and geography change. In just 116 kilometers, the highway travels through rainforest, Mediterranean, and finally into an arid climate. The sand dunes around Mui Dinh are popular places for tourists to watch sunrise and sunsets.



*Ninh Chu Bay. Resorts along the bay have private beach rights but some sections are public.*



*The road from the beach to Highway 1A, being widened.*



*Monasteries, statues, and walking paths on the hills right above the coastal road.*



*Desert and ocean along the road south to Mui Dinh.*



*New Museum that just opened near the beach*



The beaches south of Ninh Chu Bay are not nearly as remarkable as to the north. Many fish processing factories line the new highway, and a nuclear power plant is scheduled to begin being built in 2014 (finished in 2020). One large resort project in Mui Dinh received an investment license, but withdrew after being rejected for a casino license. We expect most of this area to be allocated for manufacturing and seafood processing. A shipping port in Ca Na is planned and many wind farms have received investment licenses near here. Once finished, the new highway re-connects with Highway 1A in Ca Na.

## Conclusion

Not many places exist where, on a 100 km drive, you can see beautiful coastal vistas, jungle-covered mountains, traditional fishing villages, amazing rock formations, and sweeping views of sand dunes bordering a beautiful blue ocean. Ninh Thuan happens to be one of those places, and we think once the new highway is completed, this route will become a tourist destination all by itself. Add the fact that the road will have light traffic, and Vietnam may soon have one of the best road trips in the world.

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<sup>1</sup> For those who are skeptical about the highway being completed, the Vietnam National Assembly allocated supplemental funds to this project in May, 2012. It was one of five projects nationwide to receive this special funding because of its importance.  
<http://vietnamnews.vn/Economy/224301/irrigation-works-given-priority.html>



*New highway south of Phan Rang. Picture taken in 2011, the road is finished now.*



*Sand dunes along the road near Mui Dinh*



*Road from Mui Dinh to Ca Na. Picture from 2011*



*Traditional fish farms along the highway*