



ZHANG XIN MAKES TIME TO READ  
THE WALL STREET JOURNAL.

FIND OUT WHY

THE WALL STREET JOURNAL.  
Read ambitiously

## THE WALL STREET JOURNAL.

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit <http://www.djreprints.com>.

<http://www.wsj.com/articles/vietnam-embraces-golf-as-a-driver-of-jobs-1431063644>

BUSINESS | ASIA | ASIAN BUSINESS NEWS

# Vietnam Embraces Golf as a Driver of Jobs

Government clears way for development projects as enthusiasm for game grows

By DEB PRICE

May 8, 2015 1:40 a.m. ET

BA NA MOUNTAIN, Vietnam— Huynh Huong has no idea what a bunker is. He has never seen a golf course, never seen anyone swing a golf club.

But as he smooths sand along what will be a bunker, he speaks excitedly about earning \$7 a day and being part of a work crew that's creating the 18-hole course taking shape below mist-capped emerald mountains here in central Vietnam.

"I dream of seeing the golf course when it is finished. I want this course finished so I can see people playing golf," the 58-year-old said in Vietnamese, raking barefoot to avoid marring his handiwork.

Mr. Huong, who had been working for a pineapple grower, is one of many people finding their lives swept up by a golf boom in Vietnam. From the steamy outer reaches of Ho Chi Minh City, up through the breezy Da Nang coast, to mountain valleys north of Hanoi, Vietnamese workers are clearing tea plants and shrubs, scattering grass sprigs, laying brick for buggy paths, or caddying for wealthy tourists from Korea, Japan, China and Russia traveling what tour operators call the Ho Chi Minh Golf Trail.

Golf may be in the rough in the U.S., with a course closing on average every three days, and in China, where a government crackdown has closed dozens of illegal courses. But Vietnam's communist government is embracing gon—Vietnamese for golf—as a jobs creator.

Vietnamese golf dates back to the early 1930s, when Emperor Bao Dai opened a course in Dalat, about 200 miles northeast of Hanoi. Yet it took doi moi—market reforms—to trigger the modern era of golf course construction that began in the early 1990s.



Uyhn uong started working for a day at what will become Ba Na Hills Golf Club in central Vietnam after the pineapple farm where he had worked closed. "I dream of seeing the golf course when it is finished," he said.

*PHOTO: DEB PRICE/THE WALL STREET JOURNAL*

Now Vietnam has 36 golf complexes—and the government's blessing to increase that number to 96 within five years.

That represents an investment at each course of about \$40 million and employment for up to 600 workers, says Bui Tat Thang, the development strategy director at the Ministry of Planning and Investment.

In this battle-scarred country, the prelude to building any golf course is a thorough search for undetonated shells, grenades and other leftovers from what the Vietnamese call the American War. But what most distinguishes Vietnam's new courses from the typical American municipal course is their extravagance.

Legend Hill Golf Resort, a Nicklaus Design course north of Hanoi that the BRG Group aims to open before the end of the year, will feature twin greens on every hole to add variety and be lighted for nighttime play. In central Vietnam, the remote Laguna Lang Co Golf Club, which boasts lush Nick Faldo-designed fairways hugged by rice paddies within view of a glittering mountainside waterfall, aims to be the “Phuket of Vietnam” and is part of what developer Banyan Tree Holdings Ltd. says will be an \$875 million project, featuring ultraluxury condos and villas overlooking the South China Sea, called the East Sea in Vietnam, with price tags reaching \$2.5 million.

In the Sam Son resort area nearly a four-hour drive south of Hanoi, the FLC Group is constructing a Nicklaus Design 18-holer that it says will have the most oceanfront yardage of any Vietnamese course. The course, the centerpiece of a \$260 million resort project, will open “later this year,” according to its general manager, Ian Fleming.



Bach Thanh Tung, one of Vietnam's estimated 15,000 golfers, takes a swing at a Hanoi driving range. He picked up the game when his boss asked him to play with customers, but now mostly plays for fun. PHOTO: DEB PRICE/THE WALL STREET JOURNAL

But it's far from certain whether Vietnam can generate enough demand for so many elite—and oftentimes remote—golf courses, where greens fees, mandatory caddies, and buggies for nonmembers can top \$130. Last year, Ocean Dunes Golf Club, a Faldo-designed course about a four-hour drive from Ho Chi Minh City in Phan Thiet, closed, rattling Vietnam's golf world.

Golf is far out of reach for most of Vietnam's 90 million people, whose average per capita income is about \$2,000 a year. Only 15,000 locals are golfers, says Nguyen Ngoc Chu, former secretary-general of the Vietnam Golf Association. But many of the golfers on Vietnam's manicured fairways are foreign tourists.

Cho Byung-yoon, a retired Seoul publisher, began living part-time in Da Nang for the game. “I’ve made many friends here through golf,” Mr. Cho said after a recent round at Da Nang Golf Club, known for its sea of voracious bunkers.

Armine Hophan and his wife, Renate, played the nearby challenging Montgomerie Links on their seventh trip to the Da Nang area. “We like to combine golf with holidays,” the Swiss Mr. Hophan said.

Travel to Vietnam has fallen off sharply at the start of 2015 compared with the same period last year, the government reports. Yet several tour operators said sales of Vietnam’s golf holiday packages are growing, though no one has overall figures on how many total golfers have been enticed to visit.

“Vietnam is one of the up-and-coming golf destinations in the world,” said Mark Siegel, managing director of Golfasian who expects to sell 3,000 Vietnam golf packages this year, up from 2,000 last year. Mr. Siegel estimates that golf tourism is worth \$2 billion to \$3 billion a year to the economies of Southeast Asia, about 10% of which is claimed by Vietnam.



A caddy awaits her golfer at the remote aguna ang Co Golf Club, designed by golfing great Nic aldo.  
*PHOTO: DEB PRICE/THE WALL STREET JOURNAL*

Vietnam’s golf world is getting a boost with the debut of the \$1.5 million Asian Tour tournament from Dec. 3-6 at the Greg Norman-designed Bluff Ho Tram Strip golf course about two hours southeast of Ho Chi Minh City.

Da Nang, once home to a major U.S. air base, is popular among golfers from abroad: It boasts an international airport with nonstop flights from golf-craving Asian cities such as Seoul and Tokyo, light traffic, posh beach resorts and easy access to Hoi An, a picturesque ancient trading port.

Lam Quang Minh, director of the Da Nang Investment Promotion Center, says golf has helped transform Da Nang, which TripAdvisor in December dubbed the world's top rising destination. "When we developed the high-end tourism and we developed the five-star resorts along the beach, we understood that our guests, most of them, want to play golf," Mr. Minh said.

Yet club managers grumble they would be doing better without the 20% luxury tax added to the cost of each round of golf and the visa fees many foreign tourists must pay to enter the country. Managers also complain that Vietnam's government does far less tourism and golf promotion compared with rivals Thailand, Malaysia and Indonesia.

So far, Vietnam ranks seventh among destinations for golf tourists based in Asia. Thailand is first and is followed by China, Malaysia and the U.S., according to a report by the Club Managers Association of Asia.

---

*Vietnam is one of the up-and-coming golf destinations in the world.*

Mar Siegel, managing director of Golfasian

---

Optimists can read such reports as indicating there is more than enough golf business just waiting to be lured to all the multimillion-dollar golf projects on Vietnam's drawing boards. Evans Mahoney, director of golf at King's Island Golf Resort outside Hanoi, is among skeptics that Vietnam can handle nearly 100 courses so quickly, should they all be built.

"I wouldn't be able to write a business plan that would make that sell," said Mr. Mahoney, who predicts a shakeout in the next decade, with location often determining which courses survive.

His boss, Madame Nguyen Thi Nga, chairman of BRG Group whose banking, real estate and golf holdings include the Hilton Hanoi Opera hotel, will soon open Legend Hill, her third golf resort. Ms. Nga said she has invested about \$100 million in golf and hasn't turned a profit on the golf itself. The payoff, she says, will come from her hotels and residences around her golf courses, plus golf as it becomes more popular among Vietnamese.

"After development, a golf course has to survive losses for a long time, because the investment in golf course alone is very large," says Ms. Nga, whose handicap is 28.

Back at Ba Na mountain, a ruddy-faced American, Tom Addis IV, supervises Huynh Huong and the other laborers creating a playing field for a game they don't yet grasp. Mr. Addis clearly relishes being in a country where golf course construction is still on the upswing.

"Every golf course so far being built here is very unique," said Mr. Addis scrambling in a Bobcat all-terrain-vehicle up soon-to-be-grassed sandy hills. "Everybody is trying to do something new and different."

—Anh Thu Nguyen contributed to this article.