Ministry of SMEs and Startups

Press Release

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BONGHWA Designated a ‘K-Vietnam Valley’ Special Zone, Turning 800 Years of Korea-Vietnam Ties into Local Renewal

The Ministry of SMEs and Startups (MSS) has designated the Bonghwa K-Vietnam Valley Special Zone in Bonghwa County, North Gyeongsang Province, following the 60th meeting of the Committee on Special Economic Zones for Specialized Regional Development on August 6.

Under a program launched in 2004, local governments can set up special zones for regional development, where they selectively apply 130 regulatory exceptions under the Special Zones Act to pursue projects built around local strengths. As of August 2026, 171 such zones operate across 135 cities, counties, and districts nationwide.

The Bonghwa zone builds on eight centuries of ties between Korea and Vietnam. Drawing on historical assets – including Prince Lý Long Tường of Vietnam’s Ly dynasty, who settled in Bonghwa during the Goryeo era, and the ancestral village of the Hwasan Lee clan descended from him – the county will create an international tourism hub blending history, culture, and leisure. Bonghwa aims to attract more tourists and longer-term visitors, giving the local economy a new source of growth.

With the designation in place, Bonghwa will carry out eight specialized projects worth a combined KRW 347.6 billion (approx. USD 232 million) from 2026 to 2030 – among them the K-Vietnam Valley itself, tourism development around Changpyeong Reservoir, rental smart farms, and a Baekdudaegan healing ‘pet village.’ Ten regulatory exceptions, spanning the Immigration Act, the National Land Planning and Utilization Act, and the Housing Act, will ease constraints on residency for foreign workers, land use, and housing supply.

“The Bonghwa K-Vietnam Valley Special Zone is a new way to turn a one-of-a-kind piece of history – 800 years of contact between Korea and Vietnam – into culture, tourism, and local growth,” said Vice Minister Roh Yong-Seok. “We will support these projects so that these zones become real engines of local growth, and manage them with a sharper focus on results.”

At the same meeting, the committee reviewed and approved changes to other special zones. The Goseong Shipbuilding and Marine Industry Special Zone in South Gyeongsang Province will have its designation extended by three years to 2028, reflecting developments such as new operators in some districts and the resumption of construction. Its total budget will rise from KRW 945.3 billion to KRW 1.37 trillion (approx. USD 913 million) to account for investment plans in the Naesan and Yangchon-Yongjeong districts, and four regulatory exceptions with no planned future use will be removed.

The committee also approved dissolving four zones at the local governments’ request, either because their projects had finished or because local conditions had changed: the footwear industry growth hub in Seomyeon, Jin-gu, Busan; the foreign-language education zone in Seo-gu, Incheon; the Saturday market, medicinal herbs, and Korean beef zone in Jeongnamjin Jangheung, Jeonnam-Gwangju; and the global education zone in Gumi, North Gyeongsang. Each local government plans to keep any necessary projects going after dissolution, on its own or through related policies.

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