

A Study Assessing The Economic Development Impacts on Hanoi Of Implementing The Red River Scenic Boulevard Axis Project and Related Recommendations

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Abstract—

The Red River Scenic Boulevard Axis Project is one of the strategic orientations for urban spatial development in Hanoi in the new period. It is not merely a transport infrastructure project; it is also associated with the objective of restructuring the urban space on both sides of the Red River, forming an ecological, cultural and service-oriented scenic axis, expanding development space, improving quality of life and creating new economic momentum for Hanoi. According to information announced in May 2026, the project covers a land-use scale of approximately 11,418 hectares, includes 5 project groups with 18 component projects, and comprises two scenic boulevard routes along both banks of the Red River with a total length of more than 80 km. It is to be implemented across 16 communes and wards, with an expected implementation schedule from 2026 to 2038 and a preliminary total investment of approximately VND 736,963 billion. This article analyzes the main economic impacts of the project on Hanoi, including impacts on the development spatial structure, public-private investment, the real estate market, tourism and services, cultural industries, urban transport, employment, budget revenues and urban competitiveness. At the same time, the article identifies risks that need to be controlled, such as financial pressure, land speculation, resettlement, people's livelihoods, flood drainage assurance, protection of the Red River ecosystem and the requirement for transparency in the use of land funds for payment. On that basis, the article proposes several recommendations to ensure that the project becomes a driver of sustainable development, harmonizing economic growth, social welfare, environmental protection and the cultural identity of the Capital.

Keywords— Red River; Hanoi; scenic axis; economic development; riverside urban area; urban reconstruction; sustainable development.

I. INTRODUCTION

In the history of urban development, rivers often serve as axes that shape a city's spatial structure, commerce, transport, culture and identity. Hanoi is a city formed and developed in close association with the Red River, yet for a long time the river has not truly become a central space of modern urban life. Due to flood-control requirements, the dyke system, spontaneous development of residential areas outside the dyke and limitations in infrastructure connectivity, the Red River riverside area has existed more as a transitional zone than as an actively planned urban development axis.

As Hanoi enters a new stage of development, the requirement is not only to expand the city's scale, but also to improve the quality of growth, create green living spaces, enhance competitiveness and promote the cultural and historical values of the Capital. The Hanoi Capital Master Plan for the 2021-2030 period, with a vision to 2050, was approved by the Prime Minister under Decision No. 1569/QĐ-TTg dated 12 December 2024. This is an important basis for Hanoi to reorganize its development space, in which the Red River is recognized as a spatial axis of special landscape, ecological, cultural and economic value.

The implementation of the Red River Scenic Boulevard Axis Project should therefore not be viewed merely as a construction project, but as a large-scale program for reconstructing development space. The project can create new economic momentum through infrastructure investment, service development, tourism, cultural industries, urban real estate, public transport and riverside public spaces. However, it is also a highly complex project involving hundreds of thousands of residents, a large land fund, river flow, flood drainage, the environment, heritage, livelihoods and resource-

mobilization models.

The research question is: how will the project affect Hanoi's economic development, what are the opportunities and risks, and what recommendations should be emphasized to ensure that the project not only generates short-term growth but also contributes to forming a sustainable development structure for the Capital over the coming decades?

II. PLANNING BASIS AND PROJECT SCALE

An important legal basis for the development of the Red River space is the Red River Urban Subdivision Plan at a scale of 1/5000, covering the section from Hong Ha Bridge to Me So Bridge, approved by the Hanoi People's Committee under Decision No. 1045/QĐ-UBND dated 24 March 2022. This plan lays the foundation for managing riverbank space, existing residential areas, technical infrastructure, parks, greenery, public facilities and urban development areas on both sides of the river.

The 2024 Capital Law and new planning orientations have provided additional mechanisms for Hanoi to take a more proactive role in organizing public spaces, greenery, water surfaces and in exploiting the cultural and ecological value of the Red River area. However, all development activities on riverbanks and mid-river islands must ensure flood prevention and control requirements, avoid obstructing the flow and avoid reducing the flood drainage capacity of the river system.

According to information announced by the Hanoi People's Committee on 19 May 2026, the Red River Scenic Boulevard Axis Project is identified as one of Hanoi's development-driving axes in the long-term planning orientation. The project has a scale of about 11,418 hectares and includes 5 project groups with 18 component projects. These include two scenic boulevard routes along both banks of

the Red River with a total length of more than 80 km, large-scale park clusters, embankment and riverbed-riverbank regulation projects, resettlement and reconstruction urban areas, and independent site-clearance projects.

A noteworthy point is that the project affects not only physical space but also residents directly within the project scope. The current population in the project area is reported to be about 247,431 people, with approximately 70,474 households. The city expects to provide about 79,000-85,000 resettlement apartments and land lots, basically meeting the resettlement needs of affected residents. This is a very important factor because the quality of resettlement, livelihood stability and protection of people's rights will determine the level of social consensus as well as the effectiveness of project implementation.

III. IMPACTS ON THE URBAN ECONOMIC DEVELOPMENT STRUCTURE

The project's greatest impact is the creation of a new development spatial structure for Hanoi. At present, the city's historic core is under heavy pressure in terms of population, transport, social infrastructure, construction density and lack of public space. The formation of the Red River scenic axis can help Hanoi shift from a development model mainly dependent on the old urban core to a multi-polar and multi-center model, in which the Red River becomes an axis connecting space, economy and culture.

If implemented in the right direction, the Red River riverside area can become a new frontage of the Capital. This axis has the potential to connect the northern, eastern and southern parts of the city, creating development momentum for Dong Anh, Long Bien, Gia Lam, Me Linh, Tay Ho, Hoan Kiem, Hai Ba Trung, Hoang Mai, Thanh Tri and surrounding areas. When the riverside space is renovated, reconstructed and connected with infrastructure, it will increase land accessibility, enhance land-use value and attract investment in services, commerce, tourism, culture, entertainment, sports and high-quality real estate.

The project's economic impact lies not only in the value of infrastructure construction but also in its capacity to redistribute development resources. In the long term, a riverside scenic axis can help Hanoi develop new service centers, reduce the burden on the historic inner city and create more space for high value-added economic sectors. This direction is consistent with the orientation of building Hanoi into a green, smart, modern and internationally integrated city with high competitiveness and as a safe, friendly and attractive destination.

However, these positive impacts will become reality only when planning is not fragmented by local interests and when the riverside space is not turned into a chain of closed real estate projects. Without control, the Red River axis could become an area that increases spatial inequality: residents are relocated farther away while the riverside space is excessively commercialized. Therefore, the core issue is to ensure that the Red River becomes a public development axis, not merely an axis for land exploitation.

Table 1. Key information on the Red River Scenic Boulevard Axis Project

Content	Summary information
Land-use scale	Approximately 11,418 ha
Components	5 project groups, 18 component projects
Scenic boulevard routes	Two routes along both banks of the Red River, with a total length of more than 80 km
Location	16 communes and wards within the project scope
Existing population	Approximately 247,431 people; approximately 70,474 households
Resettlement needs/supply	Expected approximately 79,000-85,000 resettlement apartments/land lots
Preliminary total investment	Approximately VND 736,963 billion
Expected schedule	2026-2038 period

IV. IMPACTS ON INVESTMENT, CONSTRUCTION AND GRDP GROWTH

With a preliminary total investment of approximately VND 736,963 billion, the project is very large in scale and capable of creating spillover effects across many sectors of Hanoi's economy, such as construction, materials, design consultancy, transport, finance, real estate, urban technology, the environment and urban services. During implementation, the project will generate large investment demand, stimulate production and business activities and create direct and indirect jobs for many groups of workers.

The most visible short-term impact is the increase in activities related to infrastructure construction, site clearance, road construction, embankments, parks, resettlement areas, technical infrastructure and social infrastructure. These activities can contribute to GRDP growth through the industrial-construction sector and related services. In the context of Hanoi's objective of achieving high growth in the 2026-2030 period, driving projects such as the Red River axis play an important role in creating new growth space.

The medium- and long-term impacts lie in the capacity to create new urban assets. Once infrastructure is completed, economic value will not only lie in roads or parks, but also in increased urban productivity: reduced travel time, better spatial connectivity, developed services, improved living environment, tourism growth, real estate restructuring, and increased budget revenues from land and business activities. This is the infrastructure capitalization effect that many riverside cities around the world have successfully utilized.

Nevertheless, it must be recognized that a large capital scale also creates significant pressure on finance, investment governance and efficiency control. The use of land funds for payment requires very strict mechanisms for valuation, bidding, supervision and public transparency to prevent loss and waste of public assets. If the financial equation is not designed prudently, the project could create a long-term burden, distort the land market or put pressure on

the city budget.

V. IMPACTS ON TOURISM, SERVICES AND CULTURAL INDUSTRIES

The Red River has the potential to become a distinctive tourism-service axis of Hanoi. The Capital already has strengths in cultural tourism, heritage, cuisine, craft villages, events and urban tourism. In 2025, Hanoi's tourism sector was reported to have welcomed more than 33.7 million visitors, with total tourism revenue of over VND 134.46 trillion. This is an important foundation for developing new tourism products associated with the Red River space.

If the Red River scenic axis is well organized, Hanoi can develop river tourism routes, cultural parks, festival spaces, riverside pedestrian streets, open-air museums, creative spaces, performing arts venues, water sports, night markets, cycling routes and urban viewpoints. Riverside craft villages such as Bat Trang can be more strongly connected with the city center, creating a high value-added cultural, commercial and tourism experience chain.

The project's impact on cultural industries is also noteworthy. Hanoi is a heritage-rich city but still lacks large-scale, open contemporary cultural spaces capable of hosting regular events. The Red River axis could become a space for developing public art, light festivals, creative performances, design, cuisine, handicrafts, sports events and community activities. This is consistent with the orientation of taking culture as a foundation for development in the Capital's strategic plans.

However, riverside tourism development must avoid two extremes. One is excessive commercialization, which erodes cultural identity and pushes local residents out of the development space. The other is investment in large parks and squares without an operating program, leading to wasted space after construction. To create sustainable economic value, the city needs to plan the operating model from the outset: who will manage it, who will organize events, where revenues will come from, what proportion of space will be free for the community, and how coordination among enterprises and local communities will be implemented.

VI. IMPACTS ON THE REAL ESTATE MARKET AND LAND RESOURCES

The Red River scenic axis project will certainly have a strong impact on Hanoi's real estate market. Transport infrastructure, parks, river embankments, public spaces and urban reconstruction will change land-price expectations in riverside areas. Areas previously regarded as peripheral or poorly connected may become high-value locations if they are integrated into the scenic axis and the new transport network.

The positive impact is that the city can exploit land resources to invest in infrastructure, reconstruct degraded residential areas, create resettlement housing funds, develop new housing and form modern urban areas. If well managed, the incremental value from land can be returned to serve public interests: building parks, schools, health facilities, public transport, social housing and environmental improvements.

However, this is also a field with very high risks.

When planning information is unclear or changes frequently, the market is prone to land speculation, price inflation and rumor-driven transactions, increasing compensation costs, creating difficulties for site clearance and causing instability among residents. In addition, if excessive emphasis is placed on exploiting urban land rent, the project may risk reducing the proportion of public space, increasing construction density and creating new pressure on infrastructure.

An important recommendation is to establish a fair and transparent mechanism for capturing incremental land value. The increase in land value resulting from public investment and general planning must be allocated reasonably among the State, investors, affected residents and the urban community. Benefits from the project should not be concentrated in the hands of a few groups with early access to information or ownership of strategically located land.

VII. SOCIAL IMPACTS, RESETTLEMENT AND PEOPLE'S LIVELIHOODS

One of the project's greatest challenges is the residential issue. With approximately 247,431 people and about 70,474 households within the project scope, the project is not only an infrastructure undertaking but also a very large-scale program of resettlement and community reconstruction. The city expects to arrange resettlement urban areas and multi-purpose urban areas, with a total of about 79,000-85,000 resettlement apartments or land lots to meet the needs of affected residents.

The positive impact is that residents in areas outside the dyke, in residential areas at risk of flooding and erosion, and in places with degraded infrastructure can be relocated to safer locations with more synchronized technical and social infrastructure. If resettlement is implemented well, residents may enjoy a better living environment and more convenient access to schools, health care, transport and urban services.

However, experience from many urban projects shows that resettlement is not merely about providing housing. People need livelihoods, community relationships, cultural spaces, workplaces, markets, schools, public services and the ability to afford new living costs. If resettlement focuses only on having houses without ensuring a viable life, residents may face difficulties after relocation, lose income sources, experience community disruption and lodge complaints.

Therefore, the project needs to treat resettlement as a social development component, not merely as a site-clearance task. Detailed sociological surveys are needed for each resident group: business households, households engaged in riverbank agriculture, informal workers, the elderly, poor households, tenants and people without sufficient legal documents. Each group requires appropriate policies. In particular, priority should be given to on-site resettlement or resettlement near the former place of residence whenever possible, in order to preserve livelihood networks and community relationships.

VIII. IMPACTS ON THE ENVIRONMENT, FLOOD DRAINAGE AND CLIMATE RESILIENCE

The Red River is a complex hydrological system. Therefore, all riverside development activities must place flood drainage safety, river flow and ecosystems first. Works

in riverbank areas must strictly comply with flood prevention and control planning, ensuring safe flood drainage space for the inner city in the context of extreme climate change. This is a requirement that cannot be underestimated, especially as Hanoi has recorded serious episodes of heavy rain, flooding and inundation in recent years.

Flood risk is not a theoretical issue. In 2024, the downstream water level of the Red River in Hanoi once reached about 11.30 m, which was recorded by specialized agencies as the highest level in about 20 years. This shows that every decision on riverside space development must be placed within extreme climate scenarios rather than relying only on average hydrological conditions.

Therefore, the project's economic impacts must be assessed together with the costs of climate risk. If riverside infrastructure is designed based on principles of adaptation, respect for the river flow, expansion of green space, increased water permeability, restoration of alluvial areas and natural flood spaces, the project can contribute to improving Hanoi's resilience. Conversely, if construction is too rigid, riverbanks are excessively elevated, flood-drainage corridors are narrowed or concrete surfaces are overused, short-term economic benefits may be offset by future flood damage.

Protecting the Red River environment is also a condition for the project's economic success. A scenic axis cannot be attractive if the water is polluted, riverbanks are disorderly, waste accumulates and ecosystems are degraded. Therefore, the project needs to be integrated with programs for wastewater treatment, discharge control, alluvial area restoration, development of native greenery, sand-mining management, biodiversity protection and real-time water-quality monitoring.

IX. KEY POLICY RECOMMENDATIONS

First, flood drainage safety and the ecology of the Red River must be established as the red line of development. All construction items, from roads, parks, embankments and parking lots to service facilities, must undergo independent hydrological appraisal. Flood-drainage corridors should not be exchanged for commercial land funds. Riverbank and mid-river island areas should be prioritized for wetland parks, ecological spaces, outdoor sports and lightweight structures capable of adapting to changing water levels.

Second, the entire financial mechanism and land funds used for payment must be made transparent. Given the very large investment scale and the expected thousands of hectares of land funds for payment, the project needs a public mechanism for land valuation, investor selection, payment methods, implementation progress and accountability. Independent audits and supervision by the People's Council, the Vietnam Fatherland Front, expert communities and residents are needed to limit losses of public assets.

Third, resettlement and livelihoods should be prioritized before the broad implementation of commercial components. Residents in the project area must be regarded as beneficiaries, not as passive subjects of relocation. The city should announce early the resettlement plan, apartment standards, locations, social infrastructure, policies for vocational transition support, temporary rental support and independent complaint mechanisms.

Fourth, land speculation must be controlled and planning communication must be clear. The city needs to publicize boundaries, schedules, implementation phases, lists of component projects and areas subject to transaction restrictions or construction control. Slow or unclear communication will create conditions for rumors, speculation and higher social costs.

Fifth, a sufficiently large and continuous proportion of public space must be ensured. The Red River axis will have symbolic significance only if Hanoi residents can truly access the river. The fragmentation of parks by commercial projects, closed urban areas or oversized roads should be avoided. Riverside space should prioritize walking, cycling, public transport, squares, parks, wharves, cultural spaces and community amenities.

Sixth, the riverside economy should be developed under a multi-sector model, without depending solely on real estate. Real estate can be a financial resource, but it should not become the main objective. The Red River axis should simultaneously develop tourism, commerce, creative services, culture, sports, community education, the night-time economy, green urban logistics and innovation activities.

Seventh, a unified, professional and long-term project governance mechanism should be established. With implementation expected to continue until 2038, the project needs a governing body with sufficient authority and the capacity to coordinate across sectors, including planning, transport, construction, natural resources and environment, finance, culture, tourism, agriculture, disaster prevention and local authorities. Without a coordination mechanism, the project is likely to become fragmented, face delays and generate conflicts of interest.

Eighth, culture and urban memory should be treated as economic assets. The Red River area is associated with the history of Thang Long-Hanoi, craft villages, wharves, markets, riverside residents and many layers of urban memory. New development needs to preserve and retell these stories through open museums, heritage routes, public art, community spaces and cultural tourism products. This is a way to create a distinct identity and avoid turning the Red River axis into a generic urban space.

X. CONCLUSION

The Red River Scenic Boulevard Axis Project has the potential to become one of Hanoi's most important development drivers in the coming decades. The project can expand development space, restructure urban areas on both sides of the river, create new infrastructure, promote tourism, services and cultural industries, enhance land values, create jobs, increase budget revenues and improve quality of life. Given the special position of the Red River in the Capital's history and identity, the project also has symbolic significance, helping to shape the image of a green, modern, cultured and internationally integrated Hanoi.

However, large scale also means great risk. Issues such as finance, land, resettlement, livelihoods, flood drainage, the environment, real estate speculation and social equity must be placed at the center of the decision-making process. The success of the project should not be measured by the length of the boulevard, the total investment capital or the

area of land exploited, but by the quality of life of residents, access to the Red River space, safety against natural disasters, long-term economic efficiency and the harmony between development and conservation.

The overall recommendation is that Hanoi should implement the project with the mindset of developing in relation to the river without overwhelming the river; exploiting economic value without extreme commercialization; reconstructing the city without disrupting communities; and mobilizing land resources in a transparent, fair and sustainable manner. Only by achieving this balance can the Red River scenic axis become a substantive driver of economic development and, at the same time, a new symbol of a cultured, civilized, modern and happy Capital.

Table 2. Summary of economic impact groups and governance recommendations

Impact group	Economic opportunities	Key recommendations
Development space	Expands growth poles, connects the two riverbanks and reduces pressure on the urban core	Ensure that riverside space is a continuous public space
Investment and construction	Generates large investment demand and spillover effects for materials, consulting, construction and urban services	Control total investment, schedule, quality and capital efficiency
Real estate and land	Increases land value and creates resources for infrastructure development	Make land valuation transparent, prevent speculation and capture incremental value for the public interest
Tourism and services	Forms river tourism products, a night-time economy and cultural spaces	Design an operating model and preserve local identity

Impact group	Economic opportunities	Key recommendations
Resettlement	Improves living conditions if policies are appropriate and coordinated	Prioritize livelihoods, resettlement near former residences and community consultation
Environment and climate	Increases green space, improves landscape and enhances adaptive capacity	Treat flood drainage safety and ecological restoration as mandatory conditions

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