

# THE PLAN TO DEVELOP BÌNH DƯƠNG TOURISM INDUSTRY IN THE YEARS 1998-2000

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## I. TOURISM INDUSTRY IN THE BÌNH DƯƠNG DEVELOPMENT STRATEGY

### 1. Geographical position

Bình Dương has an area of 2,718.5 sq. km and a population of 661,000 people (the population density is 239 person per sq.km). Bình Dương is bordered by HCMC to the south, Bình Phước to the north, Đồng Nai to the east, and Tây Ninh and HCMC to the west. And it is 30 km from HCMC.

Bình Dương has its role in the strategy to develop the Eastern South and the Southern Vital Economic Zone as well. With its convenient location adjacent to the Đồng Nai and Saigon rivers, abundant natural resources, favorable climatic conditions and even surface, Bình Dương is a good site for industrial estates, residential areas and tourist resorts.

### 2. The role of the tourism industry in the Bình Dương development strategy

Bình Dương represents only 0.8% of the area and 0.4% of the population of the country. After being separated from Bình Phước, Bình Dương has made the following achievements:

- Its gross product increased by 16% annually; and especially it reached 18.8% in 1995, 20.8% in 1996 and 22% in 1997.

- Up to 1997, it attracted total investment of US\$1 billion and supplied some 10,000 jobs to industrial workers.

- Its structure of industry is well proportioned and the manufacturing-construction sector is developed rather well.

The industrial development has helped the service sector grow. Up to the end of 1997. There were 120 companies came into operation in Bình Dương and helped to change the structure of industry.

### The expected structure of industry of Bình Dương by 2000

Sector	1995	1996	2000
Manufacturing-Construction	31%	44%	49%
Agriculture	41%	27%	19%
Service	28%	29%	32%

Source: The Bình Dương Development Plan 1996-2010

The development plan shows that the service sector, especially the tourism industry, tends to grow in the coming years because of the following reasons:

+ Bình Dương has established good economic rela-

tions with other provinces and many foreign countries.

+ Many tourists from HCMC come to Bình Dương because its beautiful landscape along with foreign visitors who work in joint ventures or look for business opportunities.

+ The living standard is improved with the result that the need for tourism products.

However, the Bình Dương tourism industry hasn't developed to the best of its ability in recent years.

## II. BÌNH DƯƠNG TOURISM INDUSTRY IN RECENT YEARS

### 1. Tourist flows to Bình Dương

#### Visitors to Bình Dương (1994-1996)

	1994	1995	1996	1997
Total	66,400	79,126	126,667	160,000
+ foreign visitors	1,400	2,473	1,444	1,800
+ local tourists	65,000	76,553	125,223	158,200

Source: Bình Dương Trade and Tourism Service

Thus, the amount of visitors to Bình Dương increased year after year, but this amount is small in comparison with the national tourism boom.

### Bình Dương tourism and the national tourism boom

	1994		1995	
	Foreign visitors	Local visitors	Foreign visitors	Local visitors
Country	100%	100%	100%	100%
Bình Dương	0.14%	1.86%	0.19%	1.39%

Most of visitors to Bình Dương are local tourists from HCMC. They come to Bình Dương at festivals or on business. There are only a few foreign visitors. Most of them go to offices of foreign companies operating in Bình Dương.

### Average stay of tourists in Bình Dương (day)

	1994	1995	1996
Foreigners	3.10	2.73	4.56
Local visitors	1.04	1.11	0.71

Objectives of the visit determine the visitors' stay in



## Bình Dương

Thus, the tourists' average stay is short, but this situation is common in Vietnam. The stay of foreign tourists in Bình Dương is of national average (the tourists' stay in Vũng Tàu is 2.3-2.5 days) because most foreigners come to Bình Dương on both business and vacation. The total tourist stay in Bình Dương is as follows:

**Total stay of tourists in Bình Dương (day)**

	1994	1995	1996
Total visitors	70,000	91,489	95,367
Foreign	4,200	6,752	6,588
Local	65,800	84,737	88,779

## 2. Tourism receipts

The Bình Dương tourism receipt rose from VNĐ241 million in 1987 to over VNĐ49 billion in 1996, increasing by 117%. Contribution from the tourism industry to the provincial budget rose from VNĐ4.2 million in 1987 to 4.2 billion in 1996, increasing by 122% a year.

Performance of the Bình Dương tourism industry (VNĐ mil.)

	1991	1992	1993	1994	1995	1996
Receipts	15,744	27,916	19,179	30,697	33,900	49,640
Compared with the previous year	+64.25%	+77.31%	-29.36%	+55.67%	+10.43%	+46.43%
Contribution to the budget	302.2	488.6	250	3,800	4,000	4,200
Compared with the previous year	+123.35%	+61.68	-48.83%	+142%	+5.26	+5%

Source: Bình Dương Trade and Tourism Service

**Bình Dương Tourist Expenditures 1995-96 (VNĐ mil.)**

Expenditures	1995	% of total receipts	1996	% of total receipts	Compared with 1995
Total	33,900	100%	49,460	100%	+10.43%
Accommodation	8,340	24.6%	10,230	20.61%	+22.66%
Goods	16,010	47.23%	24,780	49.92%	+54.78%
Foodservice	8,800	25.96%	13,758	27.72%	+56.34%
Others	750	2.21%	872	1.75%	+16.27%

Tourism receipts include a lot of expenditures. The following is the structure of tourist expenditures.

Large proportion of expenditure on accommodation and foodservice to the total expenditure means that quality and attractiveness of tourism products is low. The above table shows that the expenditure on accommodation and foodservice represented 50.56% (in 1995) and 48.33% (in 1996) of the total sales while the expenditure on goods and other items represented 49.44% and 51.67% in those two years. These results mean that:

-Hotels and accommodations in Bình Dương haven't been well developed yet. The performance of existing hotels is poor because the amount of tourists is small.

-Bình Dương can supply a lot of souvenirs (ceramics and lacquerwares) and other services to tourists but this potential hasn't been fully tapped yet.

## 3. Labor force of the tourism industry

According to the Bình Dương Service of Trade and Tourism, the labor force of the tourism industry includes 445 persons, 265 of which work for the Bình Dương Tourism Company and only 21 of which are graduates. The Company has spent VNĐ200 million on refresher courses but its personnel still need more training to make further improvements in the tourism industry.

## 4. Investment in the Bình Dương tourism industry

The Bình Dương Tourism Company came into operation in 1987 with a starting capital of VNĐ88 million and then got more facilities and new investments from various sources. In recent years, it has invested in many projects, such as Bình An Lake Resort (VNĐ1.5 billion), Cầu Ngang Resort (600 million), Bình Dương Hotel and a floating restaurant (1.2 billion), and a transport company (1.2 billion). Up to now, its assets are worth VNĐ6.129 billion.

In addition, the Company has also cooperated with many organizations, including certain private companies; to build new hotels and tourism resorts. Up to 1996, the Bình Dương tourism industry could supply 414 hotel rooms, 21 of which are in the one-star class.

## 5. Overall estimate

Statistics show that the tourism business in Bình Dương has made some progress but its products haven't been good enough to attract tourists. Its personnel aren't well trained. Investment in the tourism industry has increased fast but it hasn't produced intended results.

## III. THE BUSINESS STRATEGY OF THE BÌNH DƯƠNG TOURISM INDUSTRY 1998-2000

### 1. Bases for the prediction of Bình Dương tourism development in the coming years

+ The Bình Dương socio-economic development strategy for the years 1996-2000.

+ The role played by Bình Dương in the master plan to develop the tourism industry in the Southern Vital Economic Zone 1996-2000.

+ Tourism potentials in Bình Dương.

+ Estimates of tourist flows to Bình Dương and southern provinces in the years 1998-2010.

+ Licensed tourism development projects worked out by the Bình Dương government.

Development targets for the Bình Dương service sector in the years 1998-2000 are:

-Annual growth rate of the provincial gross product: 24.7%

-Growth rate of tourism receipts: 45.6%

-Growth rate of the service sector: 27.9%

**Estimates of the Bình Dương Tourism Industry 1998-2000 (US\$ mil.)**

	1995	1998	2000
Bình Dương gross product	251.4	442.3	687.8
Tourism receipts	1.6	2.8	6.1
Compared with the provincial gross product	0.63%	0.64%	0.88%
Total sales made by the service sector	61.7	111.5	182.3
Compared with the provincial gross product	24.48%	25.2%	26.58%

## 2. Tourist flows



In the years 1998-2000, it was estimated that the flow of foreign tourist to Vietnam would increase by 20% a year. Binh Dương tourism authority estimates that the tourist flow to Binh Dương will increase by 33.2% a year, and by 2000, Binh Dương will attract 0.2% of the total foreign tourists coming to Vietnam.

The better part of visitors to Binh Dương will be local tourists who are mainly from HCMC. It is estimated that the flow of local tourists to Binh Dương will increase by 7% a year, that is, by 2000 Binh Dương will play host to some 223.300 local tourists.

### 3. Tourism receipts

In 1997, a foreign visitor to Binh Dương spent US\$55 a day on average, compared with US\$6 spent by a local one. It's estimated that the spending will increase to US\$75 and 10 respectively in the years 1998-2000, that is, the Binh Dương tourism receipts will reach US\$4.276 million by 2000.

In 1997, around 50% of tourist spending was on accommodation and food and 47.2% of the rest was on souvenirs. Small spending on other services and goods means that most Binh Dương products weren't attractive to tourists.

In the coming years, the development of Binh Dương tourism industry will aim at reducing tourist spending on accommodation and food, and increasing the spending on other goods and services.

### 4. Hotel industry

In 1997, an average foreign visitor stayed for 2.73 days and a local visitor for 1.1 days in Binh Dương. It's estimated that the average stay will increase to 2.8 and 1.2 days respectively by 2000. The room occupancy rate in Binh Dương in 1997 was 60%. There are only 63 rooms of required standard and their occupancy rate was 29.6%. As for rooms for local tourist, the rate was 61.4%.

Estimated Occupancy Rate in 1998-2000

Hotel	1995	1998	2000
For foreign visitors	29.6%	55.2%	67.2%
For local visitors	61.4%	64.0%	68.0%

Estimated Demand for Hotel Room by 2000

	Hotel	1995	2000
Case 1	International	30	50
	Local	210	445
	Total	240	495
Case 2	International	36	60
	Local	520	600
	Total	556	660
Case 3	International	40	65
	Local	575	610
	Total	625	675

To achieve these targets, the Binh Dương tourism industry needs a total investment of US\$12.86 million for the period 1998-2000, that is, US\$4.28 million a year.

### 5. Main directions in the development of the Binh Dương tourism industry

a. Reorganizing and modernizing state-run tourism

Estimated Labor Force of the Binh Dương Tourism Industry

	Labor	1995	2000
Case 1	Direct	303	618
	Indirect	667	1,362
	Total	970	1,980
Case 2	Direct	685	822
	Indirect	1,507	1,804
	Total	2,192	2,626
Case 3	Direct	770	842
	Indirect	1,694	1,853
	Total	2,464	2,695

companies.

b. Training personnel for the tourism industry: refresher courses and full-time training courses in hospitality must be supplied with a view to helping tourism labor force meet required standards.

c. Diversifying tourism products:

+ Making tourism products characterized by traditional cultural and historical features in order to improve their competitiveness and expand the market share.

+ Offering a wider range of products, such as cultural tourism, ethnic tourism, recreational tourism, etc.

+ Cooperating with neighboring provinces or foreign parties to supply special tourism products that meet demands of foreign and local tourists.

d. Improving the quality of tourism services: Attitude of service staff, diversity, availability and prices of goods and services are main competitive factors that decide the product development.

e. Maintaining and developing tourism potentials

Many tourist resources and attractions must be protected and revamped, such as Phú Lợi Prison, Dầu Tiếng Lake, Hội Khánh pagoda, etc.

f. Making new investments: the tourism authority must cooperate with authorities (such as information and culture, sport, communications, etc) in mobilizing all possible sources of finance to develop tourism resorts and products.

g. Tourism marketing: Analyses of existing and potential markets for Binh Dương tourism products are needed to integrate the Binh Dương tourism industry into the national and international tourism industry. Main markets for the Binh Dương tourism industry are visitors from HCMC and foreigners working in industrial estates in Binh Dương. Well-prepared marketing campaigns can help to promote Binh Dương tourism products.

### IV. CONCLUSION

Analyses of the performance of the Binh Dương tourism industry before 1997 show that this industry hasn't made the best use of its potentials and hasn't played well its role in the service sector. To tap its potentials, the Binh Dương tourism authority must carry out strategies to develop the tourism industry for the period from now to 2000 and the next periods as well, and pay full attention to the cooperation with tourism companies in other provinces, especially in HCMC.

The provincial government had better make plan to invest in this industry, beef up the machinery of the Service of Trade and Tourism and put all tourism services in the province well under control.