

billion and 162 million units for domestic use, and by the year 2005 the respective targets are 300 million units, US\$1.5 billion and 175 million units. The biggest markets to import VN's garment products will be the US, Northern America, Japan and the EC. Followers are CIS (former Soviet Union) and other countries.

As for textile products, by the year 2005 the country is estimated to produce 1.8 billion metres of various cloth, 15,000 tonnes of towel, 30,000 tonnes of knitted product, 7,000 tonnes of mosquito net and curtain, 20 million units of stockings and socks with a great effort to reach an export turnover of US\$ 1 billion.

With Textimex's calculation, VN's textile-garment industry will provide a range of products worth US\$1,335 million in 2000 and US\$2,427 million in 2005 for the world market. These figures will considerably change VN's trade balance, create jobs for millions of laborers, especially young people, increase payment to the State budget to VND3,000 billion, a ten-fold increase over the present amount.

In order to seize the world trend and realize the above targets, VN's textile-garment industry should uniformly solve the problems of organizational structure, investment capital, raw materials, technology, etc. But the main problem is still investment capital.

In accordance with the Ministry of Light Industry's estimation, US\$1,695 million is needed to bring VN's textile-garment industry into the XXIth century with planned targets (by the year 2005). This amount will be used for innovation of technology and equipment, training staff in the textile field alone. As for garment field, this figure will be US\$367 million; the funds of which needed for installment of equipment and capital construction are VND3,945 billion. In short, the total capital needed for investment in the textile-garment by the year 2005 is US\$2,514 million. Where is such a great capital drawn from?

Textimex has planned the orientation of creating capital, including: expanding joint-ventures with foreign partners (possibly attaining 40% of the demand), strongly mobilizing dead money from the people and overseas Vietnamese (10%), getting loans from domestic banks (20%), from foreign countries (20%). The rest is provided by the textile-garment enterprises.

Measures of investment will be taken as follows: dividing large-scale enterprises; equitizing competent

concerns; changing the orientation of production or disbanding enterprises which have obsolescent machinery and technology, bad business performance; carrying out joint-venture and cooperation in each area with a view to investing properly.

But these plans and measures cannot be easily performed. After six years' implementation of Law on Foreign Investment, so far we attract only 30 projects in the textile-garment field with a registered capital of US\$449 million; only above US\$100 million of which has been realized. Borrowing capital from banks is not smooth because some textile-garment enterprises recently used capital ineffectively, for example, Nam Định Textile Factory is owing an overdue debt of VND500 billion to 4 commercial banks. As a result, banks feel more cautious about investment in this field. If an enterprise wants to get loans from foreign countries, its debts must be guaranteed by a domestic bank. But due to above-mentioned situation, a bank surely makes so bold as to guarantee debts. Can an enterprise issue debenture bonds to attract the people's money? Hoàng Thạch Cement Company recently had to make great efforts to attain VND46 billion through its bonds. Consequently, the textile-garment industry can hardly rely on this way if it has no other solution.

To date making capital for the development of VN's textile-garment industry is still a hard problem. In our opinion, the State should have resolute and thorough measures such as disbanding loss-making State enterprises without hesitation; quickly equitizing effective ones; encouraging foreign companies to invest in VN's textile-garment industry; levelling the interest rate of debenture bonds to that of credit organizations on the market and assigning these bonds to commercial banks as issuing agents; reducing tax; priorly assigning land-use right...as well as stimulating establishment of private enterprises in the textile-garment industry. The important way is to change form of ownership from State enterprises to joint-stock companies whose share holders are almost workers. Naturally, the State should give priority to workers in share prices.

Then the State should hire foreign experts to improve management, technique and operation of equitized enterprises. The reality showed the form of private ownership in the textile-garment field brought in good results, for example, HCMC-based Minh Phụng Company and Huy Hoàng Company ■

**T**ourism, the smokeless industry, brings about big profits and assumes an important role in the national economy, and in Thừa Thiên-Huế to be precise, especially at present time when our economy is open to the world.

Thừa Thiên-Huế is one of the three tourismagnetic areas of the country and Thừa Thiên-Huế authorities have decided that the tourism industry is one of the four key industries of the province which need to be invested and developed properly. Tourism industry hold an important part in the provincial economy. It has great effects on changing the provincial economic structure, supplying new jobs and improving the people's living standard.

Being in the middle of the Central Vietnam, Thừa Thiên-Huế has many natural and socio-historical features. In its small area, there are many mounts, hills, forests, plains, ponds, lagoons and beaches. Thừa Thiên-Huế is a province well-known for its natural beauty (Hương river, Ngự Mount, Lăng Cô, Bạch Mã, Cảnh Dương, Thuận An, etc). Tourists are attracted to Huế not only by its scenic spots but also by its monumental buildings made by the people from all over the country.

In the past, Huế has been the capital of *Đàng Trong* state of Lord Nguyễn (Vietnam, in the XVII and XVIII centuries, was divided into two states, *Đàng Ngoài* and *Đàng Trong*), and the national capital under Nguyễn Dynasty (XIX century). Many of its monuments were kept intact such as mausoleums of Nguyễn kings (Gia Long, Minh Mạng, Thiệu Trị, Tự Đức, Khải Định...), inner citadel, royal palace, and a lot of pagodas and temples (Thiên Mụ, Từ Đàm, Từ Hiếu, Báo Quốc, Hòn Chén...). All of them formed a cluster of historical and cultural monuments which were recorded in the UNESCO list of the world's cultural heritages.

In Huế, the nature, history, society and people have really mixed together to form a poetic and attractive picture. We can say that Thừa Thiên-Huế is an ideal spot for tourism. But before 1990, Thừa Thiên-Huế hosted annually 20,000 foreign tourists and 40,000 local visitors at most. Most of foreign tourists came from the former-USSR and Eastern European countries. This tourist flow decreased remarkably because of political unrest in these tourist-generating countries in 1990 and 1991. From 1990 on, when Vietnam expanded its foreign relations, the Thừa Thiên-Huế tourism industry was developed consider-

# TOURISM: A KEY INDUSTRY OF THỪA THIÊN-HUẾ

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ably. The number of foreign tourists began to increase. In 1994, foreign tourists represented over 60% of visitors coming to Huế (from France 62%, the US 5.5% Japan 5.3%, Germany 2%, Australia 2%). The average staying period of a tourist was also on the increase as showed in the following table:

In order to host around 80,000 tourists annually, the Thừa Thiên-Huế Tourism Company had to used all

million) and represented a large percentage in the local treasury.

In spite of these achievements, the Thừa Thiên-Huế tourism industry has showed many shortcomings such as: many potential resources were left untapped, tourism activities were poor, service quality, especially in high-priced hotels, didn't meet the tourists' demand, etc.

Statistics showed that the number of tourist coming to Huế were

sport on water, picnicking, visiting casino, etc.); organizing trips on rivers, ponds, lagoons; co-operating with the provincial Culture Service in organizing traditional music and dancing shows; offering short-term tours (within one week) and supplying other services.

The prospect of the Thừa Thiên-Huế tourism industry is attached to tourism projects calling for investment such as Bạch Mã, Lăng Cô, Cảnh Dương resorts; Mỹ An spa; Dân Tộc and Nguyễn Huệ hotels; Vọng Cảnh golf course, etc. When these projects are finished, the quality of tourism service in Thừa Thiên-Huế will be improved, and visitors coming to Thừa Thiên-Huế will feel more satisfied.

When the living standard is improved, travelling and visiting places will become a need, so the tourism industry will be a promising business, especially in Thừa Thiên-Huế where many scenic spots, historical monuments and artistic buildings still hold great attraction for both foreign and local tourists.

## Reference materials

- *Activities of the Thừa Thiên-Huế tourism industry from 1990 to 1994 and its prospect.* (a document)
- *Summing report of the Thừa Thiên-Huế Tourism Company (1990-1994)*
- *Business and Investment in Thừa Thiên-Huế*, a document issued by the Thừa Thiên-Huế Foreign Trade Service, March 1994.
- *Rough estimate of the socio-economic situation from 1990 to 1993 and development project for 1994-1995*, a document of Thừa Thiên-Huế Planning Committee, October 1993.

Indicators	1990	1991	1992	1993	1994
I. Total number of visitors	29,577	46,125	56,294	72,535	76,114
- foreign	8,200	9,531	17,647	33,268	51,534
- local	21,377	36,594	38,647	39,267	24,580
II. Total staying days	42,000	66,420	90,700	120,970	139,195
- foreign	12,300	15,251	29,000	64,870	105,640
- local	29,700	51,169	61,700	56,100	33,555
III. Average staying day of a tourist	1.42	1.44	1.60	1.62	1.80
- foreign	1.50	1.60	1.64	1.95	2.05
- local	1.39	1.40	1.60	1.43	1.36

Source: Summing report of the Thừa Thiên-Huế Tourism Company (1990-1994)

available sources of capital (including co-operating with foreign partners) to upgrade and improve the suprastructure. Up to June 1995, there were 55 concerns operating in accomodation industry (hotel, inns, villas for rent, etc), three big ones had hotel capacity of 1,500 with over 600 well-trained employees. Some hotel were of the 3 - star class such as 157-room Century Hotel, 140-room Hương Giang Hotel.

After five years of development (from 1990 to 1994), the tourist receipts increased considerably: by 9 times compared with 1990 (from VNĐ4,663 million to 41,000 million). The contribution of the tourism industry to the public treasury increased by 17.4 times (from VNĐ 410 to 7,124

doubled year after year and the tourist receipts reached US\$4 million in 1994. We can believe in a bright future of the Thừa Thiên-Huế tourism industry. The foreign tourists have many reasons to visit Thừa Thiên-Huế: visiting the cluster of cultural monuments praised by UNESCO or the artistic royal palace and citadel; revisiting old battle fields or native land; looking for new market or business partners; relaxing or having a good time.

In the coming years, there is a plan to develop the tourism industry of Thừa Thiên-Huế: expanding the network of hotels in town, building bungalow houses; establishing resorts with diverse tourism activities (hunting, mountaineering, playing