

A DECADE-LONG DEVELOPMENT OF VIETNAM TOURISM: ACHIEVEMENTS, LIMITS, AND SOLUTIONS

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During the past ten years, the development of Vietnam's tourism industry has brought about a huge source of foreign exchange for budget income, created jobs for millions of laborers, and stimulated the development of many related industries like transportation, construction, civil aviation, and banking, etc. Tourism also helps tourists know more about a country's history and culture, and its economic potentials. In the past decade, Vietnam's tourism has accomplished many an important achievement, that is, the number of foreign tourists has reached over five million, tourist receipts contribute about 6% of GDP, and many Vietnam's natural sights have been recognized and placed in the top ten of attractive places in the world. Yet, Vietnam's tourism is facing a great deal of challenges hindering its development. Thus, this paper is to investigate achievements and challenges facing the Vietnam's tourism and then proposes six solutions to its sustainable development.

Keywords: tourism products, attractions, resources, workforce, environment

1. Evaluating the performance of Vietnam's tourism in the period 2001-2010

Of the 181 countries and territories surveyed by the World Travel and Tourist Council (WTTC), Vietnam's tourism is ranked 47th in terms of general development, 54th for contributions to the national economy, and 12th in light of long-term growth. Currently, Vietnam is among the top five countries with developed tourism industry in ASEAN. In time to come, Vietnam's tourism is getting higher rungs of the success ladder.

In terms of flows of tourist, Vietnam's tourism has come under the spotlight when its total number of both foreign and domestic tourists rose from 14,030,050 persons in 2001 to 33,049,855 in 2010; the number of foreign ones increased by 2.17 times and domestic ones 2.39 times. Most of foreign tourists arriving in Vietnam are from China, Korea, the U.S, Japan, and Taiwan. In 2010, the number of foreign tourists traveling to Vietnam increased by 33.8% as compared to the 2009, while that of domestic tourists rose only by 12%.

This shows that Vietnam's tourism has been strong enough to attract foreign tourists irrespective of the post-crisis issues.

Table 1: The number of tourists in the period 2001-2010

Years	Domestic tourists	Foreign tourists	Total
2001	11,700,000	2,330,050	14,030,050
2002	13,000,000	2,627,988	15,627,988
2003	13,500,000	2,428,735	15,928,735
2004	14,500,000	2,927,873	17,427,873
2005	16,100,000	3,477,500	19,577,500
2006	17,500,000	3,583,486	21,083,486
2007	19,200,000	4,229,349	23,429,349
2008	20,500,000	4,253,740	24,753,740
2009	25,000,000	3,772,359	28,772,359
2010	28,000,000	5,049,855	33,049,855

Source: General Office of Tourism & GSO

As for the revenue from the tourism industry, Vietnam's tourism has always been listed in the top-five industries earning the largest volume of

foreign exchange for the country. Returns on tourism have facilitated the preservation and upgrading of historical heritages and relics, the resurrection of festivals and traditional guilds, and the growth of related industries. Tourist receipts have kept on increasing year by year and rose much faster than the quantity of tourists.

Table 2: Tourist receipts in the period 2001-2010 (VND thousand billion)

Years	Receipts	Years	Receipts
2001	20.50	2006	51.00
2002	23.00	2007	56.00
2003	22.00	2008	64.00
2004	26.00	2009	70.00
2005	30.00	2010	96.00

Source: General Office of Tourism & GSO

In 2001, tourist receipts reached VND20.5 thousand billion. In 2010, it rose to VND96 thousand billion, 4.7 times as high as those of 2001 while the number of tourists only increased by 2.34 times after a decade. In 2009, despite a sharp decrease of over 11% in terms of the number of foreign tourists, the tourism revenue did not plunge but rose by 9% as compared to the 2008. So far, the tourism industry has accounted for some 5% of GDP but the real income it generates might be much bigger. Besides, it also strongly attracts foreign direct investments (FDI). If FDI in tourism in 2001 was only US\$10.3 million, this figure rose to US\$5,500 million in 2010. During the past ten years, there have been very encouraging achievements in international cooperation and investment.

Table 3: FDI in tourism

Years	Number of project	FDI capital (US\$ million)
2001	4	10.3
2002	25	174.2
2003	13	239
2004	15	111.17
2007	48	2,012
2008	26	9,126
2009	-	8,800
2010	-	5,500

Source: Tourist Information Center (General Office of Tourism)

Regarding human resource, the tourism work-

force, during the past ten years, has steadily increased. From 2000 to 2009, it has doubled and reached over one million with the direct staff accounting for 34.58% and indirect staff 65.42%. The tourism workforce makes up 2.2% of the total national one. The tourism industry, counting to late 2010, has employed some 1.4 million laborers.

Table 4: Tourism workforce (thousand persons)

Years	Direct laborers	Indirect laborers	Total
2000	170.9	375.9	546.8
2005	286.4	630.1	916.5
2009	370.0	700.0	1,070.0
2010	-	-	1,400.0

Source: General Office of Tourism

There have been considerable successes in the task of training the tourism workforce. The scale of recruitment is increasing more and more and has gradually met practical requirements. A network of centers training in tourism of various levels, from university to vocational school, has taken shape and developed well and reasonably. Currently, 21 universities, 10 colleges, and 57 technical high schools are providing courses in tourism.

More than US\$30 million have been raised from outside sources to train and develop the tourism workforce. Tourism training facilities have been upgraded and newly bought. Training and teaching staff have rapidly increased in number and are trained professionally in foreign language skills and devoted to the training of a high quality tourism workforce. Training curricula and textbooks have been step by step standardized. These are good signs for the task of training the tourism workforce in the context of integration (Phạm Thành Hiếu, 2010).

Up to 2009, in the whole country, there are 789 international travel agencies including 68 state-owned businesses, 250 joint-stock companies, 12 joint-ventures, 455 limited liability companies, four private companies, and more than 10,000 inbound travel agents. The network of accommodations at service of tourism is developing quantitatively and qualitatively. Up to late 2010, there are about 12,000 accommodation facilities with over 235,000 rooms, a triple increase compared with 2000. Three- to five-star hotels account for 2% of hotels in Vietnam with rooms represent-

ing about 17%. To be precise, there are 44 five-star hotels with 10,756 rooms, 110 four-star hotels with 13,493 rooms, and 235 three-star ones with 16,353 rooms. The Vietnam's hotels are mostly small and medium-sized with about 19 to 20 rooms a hotel. In addition, there are thousands of private households engaging in tourism activities all over the country.

Table 5: Accommodations at service of tourism in 2000-2010

Years	Accommodation providers	Rooms
2000	3,267	72,200
2002	4,390	92,500
2004	5,847	125,400
2006	6,720	160,500
2007	8,550	184,800
2008	10,400	205,000
2009	10,900	215,000
2010	12,000	235,000

Source: Tourist Information Center

2. Shortcomings of Vietnam tourism

Recently, though Vietnam tourism has incredibly developed, it has not yet made a significant breakthrough so as to become a key industry. There are still drawbacks that hinder it from fully exploiting the national potentials.

a. Tourism products:

Tourism products are not diversified and local potentials have not been fully tapped. The quality of tourist products is not high and lacks originality, and thereby cannot draw the sufficient attention of tourists. The price of some tourism services is rather high, which can deteriorate the national competitiveness. Tourism and cultural events are not creative and renovated. Vietnam tourism has not yet made the best use of natural landscapes and original cultural values of the people to attract foreign tourists (Nguyễn Khắc Công, 2009). The situation of tourism industry in the Mekong Delta is such a typical example. The Mekong Delta has potentials for the diversification of tourism products such as: seaside resorts in Ba Động (Trà Vinh Province), Hà Tiên and Phú Quốc (Kiên Giang Province), mountain climbing and caves explo-

rations in Hà Tiên and An Giang, Cà Mau Cape tourism edge, and trips to maricultural farms, etc.

In spite of their existing competitive advantages, almost provinces in the Mekong Delta, in fact, merely depend on travel by sea and river to develop tourism. That is why tours in this area are mainly on-boat sightseeing tours, visiting fruit orchards and enjoying tropical fruits and “Đờn Ca Tài Tử” (amateur musical show - a plain but original and interesting art of entertainment in South Vietnam) and homestay. Such tours produce a feeling of déjà vu because they offer nothing different. Noticeably, provinces in the Mekong Delta operate the tourism industry on their own without any cooperation or creativity. The fact that they imitate, if not to say “plagiarize” tours from each other, has seriously deteriorated the overlap between tourism products which are always affected by the natural conditions. An example of this overlap is that when Côn Phú tours offers very successful programs such as “Draining and Fishing”, “One-day peasants”, they are at once duplicated by travel agencies in other provinces.

b. Zoning of tourism attractions and facilities:

The zoning of tourism attractions has not been undertaken consistently. The fact that tourism investments are scattered widely with a full attention to quantity but not quality is not yet completely eradicated. More emphasis is put on building chains of restaurants and hotels rather than on tourism infrastructure. Up to now, Vietnam, unlike other countries in the world, has still been in shortage of amusement parks and outstanding tourism attractions based on scenic beauty that are common in many countries. Infrastructures and traffic networks are too scanty and poor to meet requirements posed by the economic growth in general and the tourism industry in particular, making the tourist transportation time-consuming and especially adversely influencing the performance of the sector. An example is that the General Office of Tourism, when planning tourism infrastructures, has asked the government for the support of VND715 billion for the sake of Mekong Delta provinces in the period 2001-2010.

By this “decoy” capital, other investments have been attracted, viz. US\$10 million from ADB, US\$21.88 million from FDI sources for projects to build high-quality hotels and resorts, and thousands of billion dong from domestic investments, and the emergence of numerous different types of accommodation. It is quite a pity that most of those facilities are of small scale; their architectural features are not in harmony with the surrounding landscape; and service quality, seemingly, cannot meet required standards.

c. Tourism advertisement and promotion:

The tourism advertisement and promotion has not been sufficiently perceived by governmental agencies of all levels, and thus lacking professionalism and long-term strategies. As the former Deputy Prime Minister Vũ Khoan put it, there exist three “lacks” in Vietnam tourism, viz. lack of knowledge, lack of professionalism, and lack of proper behaviors of the tourism workforce. This inefficiency is found in the mechanism that could not keep up with the duty of the industry, and in the shortage of representative offices in foreign countries. Expenditures on tourism advertisement and promotion are limited. Full attention has not been paid to market researches. There are not any fact-finding trips or market researches and assessment conducted on a large scale. The cooperation between the government and enterprises, between governmental agencies and business associations, between central and local authorities, and between tourism and relating industries, is not close enough. Policies and mechanisms for tourist promotion and advertisement are not appropriate and expenditure on promotion and advertisement is too scanty while money is widely scattered without any synchronicity. There are no plans to promote festivals and cultural events with the result that the image of Vietnam tourism on world tourism magazines and famous media is poor.

d. Tourism workforce:

There is a growth in the size of workforce, but the structure and quality has not met the expected requirements of the industry. It could be said that Vietnam tourism workforce is not only scanty but also low-qualified. Tourist workers with university

and post-graduate degrees account for only 9.7%; those with primary, secondary, and three-year college levels represent 51%, and some 39.3% of the workforce is under the primary level. Of all these workers only 43% are professionally trained in tourism careers and some 57% are trained in non-tourism careers or not trained at all. Around 48% of tourism laborers can speak one foreign language. Lacking expertise and poor language skills is the common problem facing Vietnam’s tourism workforce. According to the statistics of the General Office of Tourism, in the Mekong Delta, 46.13% of 17,397 direct laborers working at accommodation facilities are not professionally trained or only trained in short-term courses (i.e. 12.6% with university and college levels, 14.1% with secondary level, and 16.3% with primary level).

e. Tourism resources and environment:

Tourist resources are decreasing seriously because of the unreasonable exploitation. Many tourism activities yield too much garbage contaminating the environment. Accommodation facilities, especially those built on islands without good planning, are factors impinging badly on the environment, causing an erosion of the embankments and weakening the local eco-system. Untreated sewage directly dumped at sea by accommodation facilities makes the water resources severely polluted. So far, the sea exploitation has been gradually making the sea muddy. On-sea entertainments and coral excavation for souvenirs have gradually destroyed the tropical eco-system. Currently, many of famous beaches such as Long Hải beach (Bà Rịa-Vũng Tàu Province), Nha Trang beach (Khánh Hòa Province), Phan Thiết beach (Bình Thuận Province), and Đồ Sơn beach (Hải Phòng Province), are facing the risk of being seriously polluted. Along the Southern Central Coast, especially on beaches in Khánh Hòa, Ninh Thuận, and Bình Thuận, there appear one-foot-thick layers of grey grease mixed with animal carcass that causes a serious pollution. As assessed by the Economic and Aqua Planning Institute, untreated effluent is more and more drained into rivers and sea every day, polluting severely the

marine environment and profoundly affecting the development of tourism industry, especially sea-related tours that attract some 80% of the total of tourists traveling to Vietnam. A study carried out in 2008 by the World Bank forecasts that Vietnam loses an income of at least US\$69 million each year from the tourism due to obsolete hygienic processing systems; and the poor environment quality has weakened the competitiveness of Vietnam tourism in the world market.

f. Management, mechanism and policy:

Some mechanisms and policies on tourism are still obsolete (no legal directive on tourism promotion). Normative legal documents and procedures are not studied in time. Many concepts in normative documents are not in accordance with common and popular concepts of the United Nations World Tourism Organization (UNWTO); and some concepts are very vague such as ecological urban area, urban eco-tourism, and 5-star tourism complex, etc. Moreover, these mechanisms and policies are not implemented in time or in harmony with/among other agencies and localities. There are not yet priority policies on mobilization of resources for the development of tourism. The task of checking and summing up past experiences in planning, allotting capital and in investment structure has not been carried out regularly. Begging, pushiness, theft, robbery, and other crimes at tourist attractions still exist due to the lack of cooperation between competent authorities and agencies.

3. Some solutions to the sustainable development of Vietnam tourism

Based on the analysis of shortcomings of Vietnam tourism, some solutions are to be proposed for the sustainable development of Vietnam tourism.

Firstly, it is necessary to invest in tourism infrastructures. The zoning of tourist attractions should be undertaken consistently. Areas zoned for tourism development should be advantageous in terms of geographical location, and scenic beauty. The zoning should be closely linked with efforts to preserve national cultural traditions and

make the best use of valuable cultural heritages, historic relics, and outstanding cultural constructions. It is also necessary to increase investment in infrastructures in key tourist attractions and tourism-advantageous places in mountainous and distant areas with a view to exploiting local potentials to the best. Besides, it is also necessary to coordinate the efficient utilization of governmental resources and resources from other economic sectors in order to facilitate participation of the private sector in tourism.

Secondly, it is necessary to invest in high-quality and original tourism products. These products should be diversified and combined with good service, user-friendliness, and availability. Besides, such the products must also reflect Vietnamese identities. The inbound tourism market is also needed developing so as to make the best use of local advantages and meet requirements of international integration.

Thirdly, the tourism workforce must be high-qualified and professional enough so as to meet the requirement of tourism development. To achieve that, it is necessary to develop and support tourist training facilities, upgrade equipment, insure the combination of theory and practice, and train a high-qualified and responsible teaching staff. Preferential policies are also needed to attract talents and it is necessary to have preferential treatment to encourage experts to take part in the development of tourism. The international cooperation in training the tourist workforce is also extremely necessary.

Fourthly, it is necessary to beef up the promotion of Vietnam tourism via advertisement campaigns launched on domestic and foreign media; advertise the potential and strengths of key tourist attractions; improve the cooperation between governmental agencies to build up programs on tourism promotion; carry out surveys and studies on the customer psychology, interests, habits, and behavior in order to work out appropriate products and advertisements for each kind of markets; produce and release widely documentaries about Vietnamese culture, history, architectural constructions, historical relics, scenic beauty,

guilds, and festivals, etc.; enhance international cooperation; and make use of international resources and support to make the tourism promotion and advertisement more efficient.

Fifthly, the government should administer the efficient utilization of national resources at service of tourism; encourage and facilitate the participation and contribution of individuals and organizations in protecting the environment for the sustainable development of Vietnam tourism. The education of tourism resources and environmental protection should be interwoven with each other so as to enhance the perception of tourism industry participants.

Sixthly, the mechanisms, policies, and legal infrastructure for tourism should be perfected as soon as possible with a view to creating a legal corridor for a synchronous management of tourism industry. Administrative reform should also be expedited for the sake of both tourists and businesspersons. It is also necessary to set up tourism groups and corporations with strong potentials and outstanding trade names. New policies should be adopted to develop the tourism human resource, promote publicity and supply of information about Vietnam's tourism, increase investment in construction of infrastructure at key tourist attractions and enhance the cooperation between the public and private sectors.

4. Conclusion

It is apparent that Vietnam's tourism, over the past decade, has gained certain achievements.

With plentiful tourism potentials, especially with the diversity of natural and human resources, Vietnam tourism would seemingly develop strongly in time to come. An important problem is that limits facing Vietnam tourism must be eradicated in order to create a springboard for further development. The cooperation between the government, enterprises, and the citizens will definitely facilitate the sustainable development of Vietnam's tourism■

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