



ON VIETNAM'S TOURISM INDUSTRY

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1. Achievements in 2002

In 2002, the tourism industry enjoyed a boom. According to the General Department of Tourism, the industry served some 2.6 million foreign visitors, an 11.5% increase; and 13 million local tourists, an 11.6% increase. Tourism receipts rose to VND23,500 billion. Foreign visitors came from everywhere: China (27.7%), Japan (10.5%), the U.S. (9.7%), Taiwan (8%), France (4.2%) and South Korea (2.4%).

Not only the tourism authorities, but also our foreign friends, appreciated this development. Christopher F. Bruton, an experienced tourism manager of the Dataconsult Co., said: "When I first came to Vietnam in 1976, no foreign visitors was in sight. Thirteen years after, in 1989, a handful of them came here and now Vietnam attracted 2.6 million tourists. It's a surprising achievement."

In fact, after the war, all efforts were put in the struggle against hunger, poverty and national defense, therefore no attention was paid to the tourism. In 10 years after the Liberation Day, there was only one tourism

company (Vietnam Tourism Company) that mainly served guests sent by the VCP and the Government. This company was at first under the Ministry of Foreign Trade, and then, the Prime Minister Office. From 1969 to 1978, it belonged to the Ministry of Interior. In the years 1960 - 1975, the tourism industry served some thousands of foreign visitors a year. On January 23, 1979, the General Department of Tourism was officially established and the day became a milestone in the history of the industry. In the 1980s, the flow of foreign visitors started to increase.

Table 1: Vietnamese tourism in the 1980s

Indicator	Foreign visitor (person)	Local traveler (1,000 person)	Sales (VND million)
1980	41,110		
1985	50,830		
1986	54,353	280	215
1987	73,283	400	365
1988	110,390	480	470
1989	187,753	540	607

Sources: Ministries of Interiors, and of Trade and Tourism, 1990

On March 31, 1990, the General Department of Tourism was merged with other agencies to form the Ministry of Culture - Information - Sports - Tourism. One year after, on August 12, 1991 it was separated from that ministry and merged to the Ministry of Trade. At that time, it was considered for the first time a service industry. In 1992, the General Department of Tourism was turned into a ministerial agency. Fourteen tourism services were established in cities and provinces endowed with potentials for tourism, and the industry started to develop. After many ups and downs, the industry has made progress and improved its performance.

Table 2: Vietnamese tourism performance
in 1990-2002

Year	Total sales (VND billion)	Foreign visitors (million)	Local tourists (million)
1990	650	0.25	1.00
1991	800	0.30	1.50
1992	1,350	0.44	2.00
1993	2,500	0.67	2.70
1994	5,200	1.02	3.50
1995	8,000	1.36	5.50
1996	9,500	1.60	6.50
1997	8,500	1.72	8.50
1998	6,400	1.52	9.60
1999	7,360	1.78	10.00
2000	18,000	2.14	11.60
2001	20,500	2.33	12.30
2002	23,500	2.60	13.00

Table 2 shows that the tourism is among the fast growing industries. The number of foreign visitors increased from 250,000 in 1990 to 2.6 million in 2002, a 12-time increase within 12 years, while the number of local

travelers rose from 1 million to 13 million. Foreign visitors could bring Vietnam in billions of dollars a year. The tourism industry is also the one that caught up quickly with regional counterparts. Eight years before, the Vietnamese tourism industry was in the poorest group in the ASEAN bloc and now it is in the middle group, under Thailand, Malaysia and Singapore (it has just surpassed Indonesia after Bali bombing). Due to its fast development, it is ranked among key industries by the Resolution of the 9th VCP National Congress.

2. What makes us worry

Results produced by the tourism industry are encouraging but they can't bear comparison with development of regional counterparts. According to the World Tourism Organization, some 700 million people engaged in international travel and spent some US\$476 billion in 2000 and only 2.14 million visitors and US\$1.2 billion came to Vietnam (a market share of 0.25%). In Southeast Asia, the Vietnamese tourism industry only takes a humble position. According to the Pacific Asia Travel Association, 12.78 million visitors came to Malaysia in 2001; 8.22 million to Thailand; 6.85 million to Singapore and 5.15 million to Indonesia while Vietnam attracted only 2.33 million tourists. These data remind that our achievement is nothing to boast about.

Foreign experts, tourists and companies all recognize Vietnam's potentials for tourism development but Vietnam fails to develop them to the full. Vietnam has a coastline of 3,250 km long with many wild beaches, two attractive deltas in the North and the South, and a lot of historical remains and relics, not to mention hospitality and openness common among residents in rural areas. The potentials for tourism are very great, but not fully tapped. Vietnam must learn how to make the best use of these potentials from foreign countries. The Seine in France attracts millions of tourists every year while Hồng and Mekong River lure only a handful. Đà Lạt, Nha Trang, Phú Quốc are as beautiful as Genting in Malaysia or Pattaya in Thailand but they still lie dormant for years.

After enjoying initial achievements, tourism authorities must accept the whole truth in order to see urgent

problems to solve: we need better infrastructure, hotels and human resource (Most hotels run short of room when the number of foreign tourists increases by 10%; and only 15% of tourism guides are well trained!); safe and security for tourists isn't ensured; too many hawkers, beggars and pickpockets roam the streets; tourism products are poor; investment in the industry is small; inter-departmental cooperation is lacking; legal infrastructure for tourism industry isn't perfect, etc.

3. Directions for the coming years

To make the tourism a really key industry, the General Department of Tourism has worked out a Strategy for Tourism Development in 2001-2010 and a National Tourism Action Program for 2002-05. The Strategy aims at turning Vietnam into a tourism center of the region and bringing Vietnam into the group of ASEAN members with developed tourism industry after 2010. This means that the growth rate of the industry must be some 11% a year; the number of foreign visitors some 3.5 million, local travelers 15 or 16 million and tourism receipts US\$2 billion by 2005. And these targets for the year 2010 are 5.5-6.0 million foreign visitors; 25-26 million local travelers and receipts of US\$4-4.5 billion. To achieve these targets, the industry must:

- work out a master plan to develop the tourism industry in a sustainable manner;
- make intensive investment instead of distributing source of investment among too many projects;
- mobilize all possible sources of finance for tourism development;
- push ahead with tourism marketing campaigns to build good public image of Vietnam and its tourism industry;
- develop cooperation with other governmental bodies and local governments;
- invest more intensively in training human resource needed for future development of the industry.

And everything must be done systematically and effectively because time and tide wait for no man ■

