

# Asian Tour European-Asian Integration in Sustainable Tourism Management

## *Analysis of the State of the Art of the Tourism Sector in the Thái Nguyên Province of Vietnam*



Source: Vietnam Embassy – USA (<http://www.vietnamembassy-usa>)



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# 1. Project Context

In the context of globalisation and increased international travel flows, tourism is one of the most relevant and competitive industries in the world economy. It is widely known that tourism can represent a powerful driving sector for the socio-economic progress of the developing world, with particular potential for expansion in the Asian context. In the specific case of Vietnam, there is a growing industrial sector, resulting from international interest and cooperation within the country, which seems to be progressing the national economy, with tourism development becoming increasingly one of the key national objectives.

Tourism is claimed to be one of the key economic activities of the country, with particular emphasis being placed on human resources, infrastructure development, environmental issues, product development, environmental issues and marketing strategies by the Tourism Master Plan 2001-2010. However, evidence shows an urgent need for identifying sustainable ways of using tourism resources, to avoid a voracious exploitation of the country's patrimony and to help guarantee substantial long-term socio-economic benefits and beneficial trade exchange in the international marketplace, with clear attention being placed on the differentiation between long-haul and short-haul travellers and in the light of specific needs of European, domestic and the emerging Asian travellers.

The overall aims of this project and report are framed by an analysis of the territory focused on an understanding of:

- (i) the capacities of tourism attractions of the territory;
- (ii) the skills and capacities of the human resources in the sector.

Although a brief introduction to the tourism context in Vietnam will be given, the overall purpose of this report is to place particular emphasis on the Asian-Tour project partner area: the *Thai Nguyen province*.

Figure 1: The Thai Nguyen province in the north east region.



Source: Vietnam Embassy – USA (<http://www.vietnamembassy-usa>)

## 2. Vietnam

### 2.1 Country profile<sup>1</sup>

Lying on the eastern part of the Indochinese peninsula, the Social Republic of Vietnam is a strip of land shaped like the letter “S”. China borders it to the north, Laos and Cambodia to the west, the East Sea to the east and the Pacific Ocean to the east and south.

The country’s total length from north to south is 1,650km. Its width, stretching from east to west, is 600km at the widest point in the north, 400km in the south, and 50km at the narrowest part, in the centre, in Quang Binh Province. The coastline is 3,260km long and the inland border is 4,510km. Vietnam is also a transport junction from the Indian Ocean to the Pacific Ocean.

*Mainland Territory:* 331,211.6 sq. km

*Population:* 84,115.8 thousand inhabitants (in 2006)

*National Capital:* Hanoi

*Latitude:* 102° 08' - 109° 28' east

*Longitude:* 8° 02' - 23° 23' north

*Climate:* Vietnam lies in the tropics and monsoon (detail)

*Topography:* Three quarters of Vietnam's territory consist of mountains and hills (detail)

*Administrative Units:* Vietnam is divided into 64 provinces and cities.

At present there are 54 different *ethnic groups* inhabiting Vietnam, of which the Kinh (Viet) people make up nearly 90% of the whole population, and 53 other ethnic groups represent the remaining 10%. The 54 different ethnic groups inhabiting Vietnam can divide eight different groups by the Vietnamese language (table 1).

Table 1: Ethnic groups of Vietnam

<b>Group</b>	<b>Ethnic groups</b>
Viet - Muong	4 ethnic groups: Chut, Kinh, Muong, Tho.
Tay - Thai	8 ethnic groups: Bo Y, Giay, Lao, Lu, Nung, San Chay, Tay, Thai
Mon - Khmer	21 ethnic groups: Ba Na, Brau, Bru-Van Kieu, Cho Ro, Co, Co Ho, Co Tu, Gie Trieng, Hre, Khang, Khmer, Kho Mu, Ma, Mang, M'nong, O Du, Ro Mam, Ta Oi, Xinh Mun, Xo Dang, Xtieng
Mong - Dao	3 ethnic groups: Dao, Mong, Pa Then
Kadai	4 ethnic groups: Co Lao, La Chi, La Ha, Pu Peo
Nam Dao	5 ethnic groups: Cham, Chu Ru, Ede, Gia Rai, Raglai
Han	3 ethnic groups: Hoa, Ngai, San Diu
Tang	6 ethnic groups: Cong, Ha Nhi, La Hu, Lo Lo, Phu La, Si La

Source: Vietnam National Administration of Tourism (2008)

<sup>1</sup> This section contains information mainly provided by the website of the Vietnam National Administration of Tourism.

The historic origins of the Vietnamese people has been described in the following terms:

Relatively little is known about the origins of the Vietnamese. They first appeared in history as the so-called “Lac” peoples, who lived in the Red River delta region, in what is now northern Vietnam. Some scholars have suggested that the Lac were closely related to other peoples, known as the Viet (called the Yue by the Chinese), who inhabited the coastal region of East Asia from the Yangtze River to the Red River delta during the 1st millennium BC. Others have questioned this view, noting that modern-day Vietnamese share many cultural and linguistic traits with other non-Chinese peoples living in neighbouring areas of Southeast Asia. (Source: <http://original.britannica.com/eb/article-52722/Vietnam>)

At the core of the history of national development, the ethnic groups have been closely attached to one another in sharing the same tasks of fighting against foreign invaders, defending the country's territory, gaining the right to live and the right to national independence and self-determination. Each group of ethnic people have developed their own language and identity, thus making the Vietnamese culture, long known for its variety, a well blended combination of different cultures.

## **2.2 Historical background<sup>2</sup>**

The *early history* of Vietnam has become apparent through archaeological finding recently discovered, which have revealed human presence in its territory since the Paleolithic Age (Old Stone Age 300,000 - 500,000 years). The development of agriculture and animal farming dates back to the Neolithic Age (New Stone Age) and the Hoa Binh - Bac Son cultures (approximately 10,000 BC), including the technique of paddy rice cultivation.

In the Bronze Age, the brilliant Dong Son culture emerged as a unique and distinct civilization. The Hung Kings' period in Van Lang Kingdom (later called Au Lac Kingdom) dates back to about 1000 years BC. In 200 BC, Au Lac Kingdom was invaded and became part of the large empire of the Han feudalism in the north. It must be pointed out that the strong Vietnamese culture was maintained throughout the ten-century domination of Chinese feudalism.

The *Dai Viet* became an independent state in the 10th century AD, when the Vietnamese had won their freedom. The country experienced the ruling of many national feudal dynasties, and, as a nation, had to fight against the conquering conspiracies of Chinese and Mongolian feudal empires. Vietnam has an history of glorious victories against the invasions of the Song (11th century), the Yuan or the Mongols (13th century), the Ming (15th century).

While the Dong Son culture, of Chinese influence, developed from centuries to centuries into an independent state, Buddhism and Confucianism brought many popular cultural characteristics into the Dai Viet. Nevertheless, Vietnam maintained its own language and agricultural civilization.

In the 17th and 18th century, feudalism in Vietnam became considerably weak with peasants rising up in revolts that led to the Tay Son movement (1771-1802). Tay Son overthrew all regional feudal rule and simultaneously implemented many social and cultural reforms. With the help from foreign aid, Nguyen Anh took over and the Nguyen Dynasty was established, which was the last royal dynasty in Vietnam.

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<sup>2</sup> This section contains information mainly provided by the website of the Embassy of Vietnam – USA.

In 1858, French colonialists began to invade Vietnam and from 1884, a French protectorate and a colonial government controlled the whole territory of Vietnam. In the early days, several attempts to free the country from the French were made by Vietnamese people under the leadership of intellectual patriots, but they all failed. It was only with Nguyen Ai Quoc, (later known as President Ho Chi Minh), that the foundations for the Vietnam Communist Party were laid on 3rd February 1930. Under the leadership of the Communist Party, the Vietnamese people rose up against French colonization and Japanese occupation, organized the Great National Uprising in August 1945 and established the Democratic Republic of Vietnam on 2nd September 1945. The thirty-year war of resistance followed. The coming back of the French resulted in the nine-year war of resistance (1945-1954) which ended by the famous victory of Vietnam in Dien Bien Phu and the 1954 Geneva Agreement on Vietnam, according to which the country was temporarily partitioned into North Vietnam and South Vietnam by the 17th parallel, later reunified in 1956 through a general election held all over Vietnam.

Table 2: The making of modern Vietnam

<b>Date</b>	<b>Event</b>
1959/65	Gradual build-up to Vietnam war
1968	Communist launch Tet Offensive against American and South Vietnamese forces My Lai massacre by American troops
1969	President Richard Nixon announces gradual troop withdrawal
1973	Paris peace accord signed
1975	Communist capture south and reunite country
1979	Vietnam invades Cambodia and topples Pol Pot. Brief war with China ensues
1986	Doi Moi economic liberalization launched Pro-Moscow diplomatic policy replaced with "friends everywhere" doctrine
1989	Number of "Vietnamese boat people" fleeing penury hits peak
1991	The Soviet Union, Vietnam's cold-war sponsor, disintegrates
1994	America lifts trade embargo UN brokers pact on resettling and repatriating boat people
1995	Vietnam joins ASEAN America and Vietnam restore diplomatic relations
2000	Vietnam creates stock market and legally recognises private enterprises America-Vietnam trade pact signed
2006	Vietnam hosts Asia-Pacific summit
2007	Vietnam joins World Trade Organisation
2008	Vietnam wins temporary seat on UN Security Council

(Source; *The Economist* 2008:4)

While the northern part of Vietnam, known as the Democratic Republic of Vietnam, with its capital Hanoi, was placed under the control of the Vietnam Workers' Party, the southern part, known as the Republic of Vietnam, was controlled by a pro-French administration and later, a pro-American administration, with its capital in Sai Gon. Although the Sai Gon government used

all its forces to prevent the election, suppressed and killed former participants in the resistance movement, it could not suppress the aspiration of all Vietnamese people to unify the country, which led to the formation of the National Front for Liberation of South Vietnam on 20th December 1960.

The early 60s saw the gradual build up to the notorious Vietnam War (American War as called by the Vietnamese). The United States increased its military aid to the Saigon government, and, in the mid '60s, a direct military intervention began when half-million American troops and their allied troops were sent to South Vietnam. From 5th of August 1964, they started bombarding North Vietnam. In spite of that, the Vietnamese won numerous victories in the northern as well as southern part of the country and in 1973, the Paris Agreement was signed on the restoration of peace in Vietnam and the withdrawal of all American troops from Vietnam.

In the spring of 1975, the Saigon government was overthrown by the patriotic armed forces of Vietnam, the southern part of Vietnam was liberated and the country was united as one.

On 25th April 1976, the Democratic Republic of Vietnam was renamed into the Socialist Republic of Vietnam, which governs both northern and southern parts in its territory. In 1977, Vietnam became a member of the United Nations.

After so many years of prolonged war, the country was heavily devastated and the economy collapsed. Early in the 80s, Vietnam witnessed the most serious ever socio-economic crisis, inflation rate rose up to a record 774.7% in 1986, a year that saw the introduction of economic reforms *Doi Moi* that transformed Vietnam's economy. These reforms consisted six policy initiatives designed to lift Vietnam from the economic crisis mentioned above:

- The decentralization of state economic management, which allowed state industries some local autonomy
- The replacement of administrative measures by economic ones, including a market orientated monetary policy, which helped to control inflation
- Adoption of an outward orientated policy in external economic relations; exchange rates and interest rates were allowed to respond to the market
- Agricultural policies that allowed for long term land use rights and greater freedom to buy inputs and market products.
- Reliance on the private sector as an engine of economic growth
- Letting state and privately owned industries deal directly with the foreign market for both import and export purposes (Source with further consideration <http://www.csuchico.edu/~cheinz/syllabi/asst001/fall98/thompson/doimoi.htm>)

The success of Doi Moi is evident in both economic and societal terms, making Vietnam, in the words of the World Bank's International Development Association,

Vietnam is one of the fastest growing economies in the world. It is going through a far-reaching transformation from an inward looking planned economy to one that is globalized and market based. It has the potential to be one of the great success stories in development. Real income has grown 7.3 percent per year over the last 10 years. When the World Bank reengaged with Vietnam in 1993, income per capita was US\$170. In 2008, it could cross the US\$1,000 mark. The poverty rate has fallen from 58 percent in 1993 to 16 percent in 2006. Vietnam can reach most of the Millennium Development Goals. (Source: <http://siteresources.worldbank.org/IDA/Resources/IDA-Vietnam.pdf>)

The general development trend of gradual globalization and regionalization, with top priority being given to the creation of a multi-sector market economy regulated by the Government was predicated on Doi Moi. The Vietnamese economy became opened and transformed from centralized planned economy heavily based on imports to an outward market-oriented one.

From 1989, Vietnam began to export about 1 - 1.5 ton of rice, inflation rate gradually decreased (the rate stood at 67.4% in 1990), living standards improved, democracy was enhanced, national defence and internal security were firmly consolidated, and external relations were broadened freeing the country from blockage and isolation.

Generally, Vietnam has made progress in the fields of education, health care, culture and art, sports, family planning, public media, and other social activities. The political situation, independence and sovereignty of the nation, national security and defence have been maintained stable, thus actively facilitating the Doi Moi process. The political system from central to local level was consolidated. The foreign policy of independence and sovereignty multilateralization and diversification has brought about beneficial results. In 2007 Vietnam became member of the World Trade Organization.

While industrialization and modernization is aimed at developing Vietnam into an industrial country with modern infrastructures, a rational economic structure, a progressive approach to production, a firm national defence and security, a strong democratic country and advanced society; on the other hand the "government is finding it much harder to manage an economy made up of myriad private companies, banks, and investors than to issue instructions to a limited number of state institutions, especially as the public sector is currently suffering a drain of talent to private firms that are able to offer much higher pay". Some critics say that "Vietnam has set itself such demanding standard". However, others highlight the strengths with which the country has managed to overcome war, division, penury and isolation, which could be used as template in other settings such as some African states, North Korea and China. (The Economist 2008:5)

### 3. Tourism in Vietnam

#### 3.1 A brief overview

Since 1987, the country political stability has also made tourism development possible, with foreign investors showing interest in the country. (Mok and Lam 2000). Vietnam's *doi moi* established a so-called 'open door policy' which enabled the establishment or re-establishment of normal political relationship with other countries with key trade barriers being lifted. As a consequence to this also the service sector has been evolving and growing at the highest rate since the Asian financial crisis in 1998. This success reflected a strong performance in finance, tourism, trade, transport and telecommunications. According to Suntikul, Butler and Airey (2008) the improving *visa policy*, the limited *transportation networks* and the restricted *marketing* (i.e. tourism promotion budget around S\$1m about a tenth the size of the budgets of Thailand or Singapore) are the three main determinants of accessibility to Vietnam.

The country has a unique ancient history with some missing parts mainly due to the lack of early historical records. However, recent discoveries have uncovered pre-historical sites, which have added few more pages of history to the rich Chinese link, which is embedded in the culture of the country. Vietnam has a very rich natural and cultural heritage, which constitute (or could constitute) a particularly varied and interesting tourism product. Pages of modern history linked to the Vietnam War have gradually been translated into war tourism sites of great interests especially to the European and Western market in general.

The establishment of Vietnam tourism industry can be dated to 1960. "In 1990, the industry received 250,000 millions foreign visitors and one million local visitors, earning VND 1.35 billion. In 2000, the number increased to 2,050,000 and 11,000,000 respectively in the income reached VND 17.4 billion. In 2006, the industry received 3.583 million foreign visitors and 17.5 million local visitors. Tourist exported service earned US\$ 2.850 billio and imported services gained US\$ 1.050 billion. Turnover received from tourist, hotels and restaurant services reached VND 74,325. Income from the industry reached VND 51 billion<sup>3</sup> (Phu Duc 2007:143)

Table 2: International Arrivals December 2007 (12 months period).

	12/2007 (estimate)	Accrued for 12 months of 2007	12/2007 vs. 11/2007 (%)	Year 2007 vs. year 2006 (%)
<b>Total</b>	<b>354,000</b>	<b>4,171,564</b>	<b>104.0</b>	<b>116.0</b>
<b>By means</b>				
By air	279,047	3,261,941	105.0	120.7
By sea	17,227	224,389	93.3	100.1
By road	57,726	685,234	103.2	104.3
<b>By purposes</b>				
Tourism	221,991	2,569,150	106.1	124.1
Business	51,407	643,611	97.4	111.7
Visiting relatives	50,857	603,847	103.2	107.6
Others	29,744	354,956	102.6	93.9

(Source: VNAT GSO 2008)

<sup>3</sup> At time of writing the exchange rate was 1US\$ = 16,000 VND.

According to the Euromonitor International (2007), “Vietnam is predicted to be among the top ten major tourist destinations in the world in the next ten years by the World Travel and Tourism Council (WTTC)”. In the latest survey by the WTTC, Vietnam “moved up from sixth to fourth place in the league table of the world’s fastest-growing destinations”. (The Economist, 2008:12)

International visitors to Vietnam in December 2007 were estimated at 354,000 arrivals. Totally, international visitors in 12 months of year 2007 reached 4,171,564 arrivals, 16.0% higher than those in the same period of year 2006.

Table 3: International Arrivals August 2008 by countries and territories (8 months period).

	12/2007 (estimate)	Accrued for 12 months of 2007	12/2007 vs. 11/2007 (%)	Year 2007 vs. year 2006 (%)
<b>By countries and territories</b>				
China	43,290	558,719	94.3	108.2
Hong Kong (China)	445	5,864	92.1	139.6
Taiwan (China)	24,364	314,026	94.4	114.3
Japan	36,367	411,557	108.8	107.2
South Korea	43,462	475,535	112.9	112.7
Cambodia	11,906	150,655	96.3	97.2
Indonesia	1,898	22,941	101.2	107.6
Laos	2,195	31,374	84.4	92.3
Malaysia	11,953	145,535	100.4	137.8
Philippines	2,488	31,820	95.2	116.3
Singapore	10,160	127,040	97.6	121.0
Thailand	13,120	160,747	99.7	129.8
USA	37,462	412,301	112.2	106.9
Canada	8,672	89,084	121.0	120.8
France	14,289	182,501	95.3	137.9
United Kingdom	8,883	105,918	102.7	125.7
Germany	8,704	95,740	112.2	124.7
Switzerland	1,869	20,683	111.5	123.9
Italy	1,953	21,933	109.7	139.2
Netherlands	3,094	36,622	103.6	137.9
Sweden	2,559	22,409	144.7	119.1
Denmark	1,841	21,130	107.1	117.0
Finland	904	6,262	189.4	117.2
Belgium	1,478	18,706	96.3	126.6
Norway	1,019	11,573	108.3	91.2
Russia Federal	5,291	44,554	151.3	154.8
Spain	1,680	27,224	73.8	123.0
Australia	24,046	227,300	132.8	131.7
New Zealand	1,794	20,173	109.6	142.4
Others	26,814	371,638	86.5	127.0

(Source: VNAT GSO 2008)

Since 1995, VNAT encouraged the tourism industry to focus on the development of infrastructure and facilities to attract more investment, while developing a distinct tourism product. The report also highlights the ‘unsustainable nature of the sector’ both in terms of tourists’ arrivals (limited repeat visitors) and in terms of use of local resources, which “is also reflected by tourism destinations being exploited carelessly and by traditional cultures being affected and changed by tourist arrivals. In general, Vietnamese tourism sites have been exploited naturally without good caring, planning or investing”. These issues need to be addressed in the short to medium term in order to preserve those resources, which attract tourist in the first place.

Vietnam’s top 3 visiting nationalities in 2007 were China with 558,719 presences, South Korea with 475,535 presences and USA with 412,301 closely followed by Japan with 411,557 presences.

International visitors to Vietnam in August 2008 were estimated at 339,000 arrivals. Totally, international visitors in the first 8 months of 2008 reached 3,009,153 arrivals, 6.9% higher than those in the same period of year 2007.

Table 4: International Arrivals August 2008 by means and by purpose (8 months period).

	8/2008 (estimate)	Accrued for 8 months of 2008 (arrivals)	8/2008 vs. 7/2008 (%)	8 months 2008 vs. 8 months 2007 (%)
<b>Total</b>	<b>339,000</b>	<b>3,009,153</b>	<b>102.7</b>	<b>106.9</b>
<b>By means</b>				
By air	275,797	2,307,640	102.9	105.1
By sea	10,984	121,100	105.3	82.2
By road	52,219	580,413	101.2	123.3
<b>By purposes</b>				
Tourism	180,001	1,786,874	106.0	102.2
Business	76,308	596,220	101.0	140.8
Visiting relatives	52,796	412,057	96.0	101.3
Others	29,895	214,002	100.9	90.9

(Source: VNAT GSO 2008)

As highlighted by (Phu Duc 2007), in 2005 a survey conducted by VNAT provided an overall picture on the expenditure structure of foreign visitors in Vietnam. They arrived in the country by air 967.1%) by road (27.1% and by sea (58%). Returning visitors accounted for the 32% and among them, 35% arrived by air, 30.5% by road and 7.8 by sea. Their visit was classified by:

- a. purpose: Holiday/travel 26%, Business 71.4%, Visiting Relatives 64.5%, Conference 50.8% and others 60.6%;
- b. age and gender: 15-24 22.2%, 25-44 37.5%, 45-64 35.3%, Over 65 31.7%, Male 37.3%, Female 30.2%.

The average number of days spent in the country and the amount spent was offered in relation to the mean of travel: by air 12.3 days and 933.6 US\$, by road 4 days and 205.2 US\$, by sea 2.5 days and 46.2 US\$.

The survey also highlighted that the visitors with expenditure per capita of over 1,000 US\$ were mainly: American, Australian, Canadian, German, New Zealanders, British, Swiss, Swedish and

French. While the expenditure by age was respectively: 25-44 1,065 US\$, 45-64 1,232.2 US\$, over 65 1,179.9 US\$, the expenditure by gender was: Male 1,286.8 US\$ and Female 1,043.9 US\$. This data should be read bearing in mind that those tourists visiting relatives or students as well as retired people often spent longer than those visiting the country under tour arrangements (Phu Duc 2007:148)

In the 2005 survey, 10,000 were the *local tourist companies* and 576 *foreign tourist businesses*, including 12 joint ventures. Between April 2004 and September 2007, VNAT “gave service licenses to 576 tourist businesses. They included 59 state-own companies, four joint-stock companies, 325 Companies Ltd. And 12 joint ventures”, with businesses located along the country: from Ha Tinh to the North 299, from Quang Tri to Binh Thuan DN 50 and in the Southern provinces 277. “The total number of tourist guides comprises of 5,758 classified into the following language: English 43%, Chinese 23%, French 10%, Japanese 8%, German 3.9%, Spanish 1.3% and others 10.8%. (Phu Duc 2007:149)

Tourist businesses’ services have experienced a rapid development. By September 2007, the country reached 8,571 *lodging facilities* with 170,599 rooms. Amongst them there were 581 one-star, 602 two-star, 140 three-star, 65 four-star, 25 five-star, 2,907 standard, with the majority of five-star facilities being located in Ho Chi Minh City (11) and Hanoi (8) and sporadic presences in Da Nang (1), Quang Nam (1), Thua Thien Hue (1), Khanh Hoa (2) and Lam Dong (1). (Phu Duc 2007:150)

International tourism is a growth sector of great importance as a change agent in global social and economic contexts. Over the past 50 years, this phenomenon mainly originated from the Western world. The last decade has seen the emergence of international tourism from non-Western countries, with expanding populations and economies such as India, China, South Korea and Japan generating a growing flow of ‘new’ international tourists. Vietnam has most of these countries at its doorsteps, with an evident growing international demand for its service sector by the mentioned emerging markets. This can most certainly provide growth opportunities for the Vietnamese tourism sector by securing a large portion of these short haul markets, but at the same time it can translate into concerning threats (i.e. negative environmental and social implications).

In the article ‘Asia, beware Benidorm’ (The Economist 2008:22), some key considerations on the evolution of tourism in southern Europe may be of relevance in the assessment of the booming tourism sector of certain Asian localities such as Vietnam. “In the 1960s the government of Spain, Portugal, Italy and Greece encouraged the building of hotels and other tourist infrastructure, which seemed the fastest way to catch up with the wealthier north. During the 40 years of breakneck development that followed, vast stretches of the Spanish coast were concreted over, transforming the Cost del Sol into the Costa del Concrete and attracting hordes of tourists in search of sun, sea and sand. Some Greek Islands have come to resemble a Hellenic Hog Kong, with high rise hotels and traffic jams. Some people in tourism made good money, but in recent years even they have started to notice how the ugliness and the noise is keeping visitors away”.

Amongst the many articles on tourism potential, development and aimed targets appearing daily on the national newspaper *Việt Nam News*, the 31<sup>st</sup> July 2008 article ‘Country looks to cash in on tourism – Ads on CNN and international fairs are just part of the country’s tourist attraction effort’ highlights Việt Nam National Administration of Tourism (VNAT) view on tourism development in the country: “Top priority...to continue advertising the image of Vietnamese tourism in new international networks, as well as improving the quality of existing tourism products and creating high quality tourism services”. However, the article seems to miss one important point, which is the essential differentiation required in the ‘identification and packaging of a product’ to reflect the different needs and expectations by the domestic, the emerging

short-haul Asian and the long-haul European and other international markets. There seem to be a naivety in the way tourism development is translated into the construction of more high-rise hotel buildings to cope with increasing numbers of visitors, with an evident lack of planning and management of those natural resources, which attracted tourists in the first place. In simple terms, top priority, from what it was observed during the Asian-Tour mission and consecutive travelling to the South of the country (by Dr Novelli) should be the identification of ad-hoc *destination management strategies* aimed at preserving the natural and cultural heritage of those places in order to have a *diversified and sustainable tourism product*.

The Asian-Tour project ToR highlighted that the locality may have a “lack of skilled human resources, and have inadequate economic inflows and business relations with foreign operators”. During the visit, it was apparent that, while the basic skills needed (e.g. receptionist, house keeping, waitress, etc) to operate in the sector were fairly consistent and generally provided by local educational institutions such the Hanoi Hotel School, it was disconcerting to discover a *general lack of environmental awareness and knowledge of basic sustainable destination management* throughout the country in some places more evident than others. In this context and as identified as part of the Asian-Tour project’s aim, *technical assistance* is urgently required on sustainable environmental management and consecutively tourism management, which are intertwined with a need of understanding of markets’ differentiation (e.g. domestic vs international, long-haul vs short-haul, Asian vs European). Co-operation in the identification of related policies and standards may be a key prominent need in Asia as a whole, but for Vietnam, to benefit in the long-term from those sought after income-generating tourism activities and to limit the negative effects of the exploitation of local resources, this project may contribute some basic recommendation and training to key players in the partner province.

In relation to the European tourism market travelling long-haul (i.e. to Vietnam), it is important to highlight that while tourists from this part of the world have a growing interest in specific tourism products such as heritage/historic and wartime heritage sites, rural nature-scenic locations, cultural-arts events, adventure, health and spa experiences, they also increasingly aspire in a way or another to authentic experiences - van Egmond 2007:75 refers to terms as ‘real’, ‘original’ way of life, ‘unspoilt’ destinations, ‘local people’, etc. - and to sustainability during their travelling. “The popularity of Vietnam, Cambodia and Laos is rising due to the fact that many people have come to appreciate Thailand and now want to see more of South-east Asia.” (van Egmond 2007:70). This highlights the necessity to facilitate market understanding and collaboration between EU tourism operators and Asian counterparts, able to perform on international markets in an integrated way.

### **3.2 Vietnam Major Tourism Attractions**

The Vietnam National Administration of Tourism (VNAT) website highlights its product into 5 main categories:

1. *Historical & Cultural Vestiges* including: Vestiges, Pagodas, Temples, Towers, Churches, Tombs, Ancient Citadels, Palaces, Museums, Memorial Sites, Others
2. *Scenic Landscapes* including: Mountains, Forests, Rivers, Lakes, Waterfalls, Beaches, Islands, Grottoes, Others
3. *Cultural Travel* including: Festivals, Handicraft Villages, Ancient Village, Towns, Archaeological Sites, Markets, Others
4. *Ecological Travel* including: Garden Houses, Tourist Areas, Resorts and Spas, Bird Sanctuaries, Others
5. *Sport & Entertainment* including: Theatres, Cultural Houses, Golf and Parks

Major tourist sites are listed by location such as: Sa Pa, Hanoi, Halong City, Hue City, Danang City, Nha Trang City, Dalat City, Ho Chi Min City. Great emphasis is placed on the 5 World Heritage Sites of: Halong Bay, My Son Sanctuary (69 Km south-west of Danang), the ancient town of Hoi An (30 km south of Danang), the ancient middle age capital Hue and Phong Nha national park (in the central Quang Binh province). Royal Courteous Music (of hue city) and Gong Cultural Space (of Tay Nguyen, Hoa Binh) are also recognised as UNESCO World heritages (Phu Duc 2007).

### 3.3 Main Transportation Links

As mentioned earlier one of the key determinants to Vietnam accessibility is transportation, especially in terms of policy and operational strategy of airlines and airways. After the *doi moi*, the country has seen the emergence of foreign airlines and consecutively the national carrier Vietnam Airlines has implemented a process aimed at improving their service operation (Sunticul, Butler and Airey 2008). This has brought the company to become increasingly part of the international market, with air links being in continuous expansion (table 5 and 6).

Table 5: International air links from Hanoi

From Hanoi to:			
Bangkok	4 flights/ day	Thai Airways	1h50'
	6 flights/ week (Excluded Sun)	Vietnam Airlines	1h50'
Beijing	3 flights/ week (Tue, Fri and Sun)	Vietnam Airlines	3h25'
Busan	Daily	Vietnam Airlines	4h50'; 4h55'
Frankfurt	3 flights/ week (Mon, Thu and Sat)	Vietnam Airlines	12h55'
Guangzhou	4 flights/ day	China Southern Airlines	1h30'
	Daily	Vietnam Airlines Cathay Pacific Airlines	1h25'
Hong Kong	2 flights/ day	Airlines	1h50'
	4 flights/ week (Tue, Wed, Fri and Sat)	Hongkong Airlines	
Kunming	4 flights/ week (Tue, Thu, Fri and Sun)	Vietnam Airlines	1h40'
Luong Phrabang	8 flights/ week	Vietnam Airlines	1h00'; 1h20';
Moscow	2 flights/ week (Wed and Sat)	Vietnam Airlines	10h40'
Osaka	4 flights/ week (Tue, Thu, Sat and Sun)	Vietnam Airlines	4h25'
Paris	3 flights/ week (Tue, Fri and Sun)	Vietnam Airlines	13h20';
Seoul	2 flights/ day	Vietnam Airlines	4h05'; 4h20'
Siem Reap	Daily	Royal Khmer Airlines	2h00'
	24 flights/ week	Vietnam Airlines	1h55'; 2h00'
Singapore	Daily	Singapore Airlines	3h25'
	3 flights/ week (Tue, Thu and Fri)	Vietnam Airlines	3h20'
Taipei	Daily	Vietnam Airlines	2h40'
Tokyo	7 flights/ week (Mon, Wed, Fri and Sat)	Vietnam Airlines	4h45'; 5h15'
Vientiane	14 flights/ week	Vietnam Airlines	1h05'; 1h20'; 1h30'

Source: Vietnam National Administration of Tourism (2008)

The year 2005 saw the penetration of low cost airlines into the Vietnamese market, with airlines such as Tiger Airways from Singapore and Air Asia from Thailand. Although this phenomenon attracted the attention of numerous potential travellers, it appeared that tour operators bought all

the tickets from low cost carriers, setting a barrier towards the remaining passengers. (Euromonitor International 2007)

Table 6: International air links from Hoi Chi Minh City

From Ho Chi Minh City to:			
Bangkok	33 flights/ week Daily	Thai Airways	1h25'
		Vietnam Airlines	1h30'
Busan	Daily	Vietnam Airlines	5h40'
Frankfurt	2 flights/ week (Wed and Fri)	Vietnam Airlines	13h20'
Fukuoka	4 flights/ week (Tue, Thu, Sat and Sun)	Vietnam Airlines	4h45'
Hong Kong	21 flights/ week 4 flights/ week (Mon, Wed, Fri and Sun)	Vietnam Airlines	2h40'; 2h45'
		Hongkong Airlines	
Kuala Lumpur	2 flights/ day Daily	Malaysia Airlines Vietnam Airlines	2h40'
Manila			
Melbourne	3 flights/ week (Mon, Wed and Fri)	Vietnam Airlines	8h10'
Moscow	1 flights/ week (Mon)	Vietnam Airlines	11h05'
Nagoya	3 flights/ week (Mon, Wed and Fri)	Vietnam Airlines	5h30'
Osaka	Daily	Vietnam Airlines	5h10'
Paris	3 flights/ week (Mon, Thu and Sat)	Vietnam Airlines	13h40'
Phnom Penh	Daily	Vietnam Airlines	0h50'; 0h40'
Seoul	2 flights/ day	Vietnam Airlines	5h00'
Siem Reap	41 flights/ week	Vietnam Airlines	1h00'; 1h20'
Singapore	17 flights/ week 3 flights/ day	Singapore Airlines	1h55';
		Vietnam Airlines	1h50';
Sydney	4 flights/ week (Tue, Thu, Sat and Sun)	Vietnam Airlines	7h25'
Taipei	Daily	Vietnam Airlines	3h15'
Tokyo	12 flights/ week	Vietnam Airlines	5h45'

Source: Vietnam National Administration of Tourism (2008)

The current air links network also offer affordable fares on the domestic routes operated by Vietnam Airlines and Pacific Airlines, which facilitates access to a variety of other destinations such as: Buon Ma Thuot, Nha Trang, Dalat, Danang, Dien Bien Phu, Dong Hoi, Hue, Con Dao, Chu Lai, Haiphong, Phu Quoc, Vinh.

Low fares by national carriers such as Malaysia Airlines at as little as 9US\$ to travel from Hoi Chi Minh City to Kuala Lumpur. At the time of visiting the country, Jetstar was offering flights from Hoi Chi Minh City to Darwin in Australia for 98US\$.

The most popular means of transport for long journeys in Vietnam are rail or bus/coach, with the first being recommended as the most secure amongst the two. (Euromonitor International 2007) The most used one for short transfers would be motorbikes increasingly used by tourists too. A good supply of taxis is available in the main cities, which is most certainly a securer way to approach the traffic and reach a destination.

Vietnam has 2600 km of railways linking over 260 stations. However, most of the line is narrow gauge and single track including the main rail link between Hanoi and Hoi Chi Minh City, which requires about 32 hours on an express train. There are talks about expanding the rail network and about the realization of a high-speed connection between the two main cities, but it emerged that the top priority in the mind of local service sector operators is to improve the road

system rather than the more sustainable rail option.

In some sporadic cases, trains have been used as a tourist experience as well as a mean of transport. It is the case of Livitrans Trains offering overnight transfers to Sapa on the route Hanoi - Lao Cai – Hanoi, with air-conditioned cabins (Livitrans 2008).

There is also an intense set of waterways connecting most of the major ports, with some cases where boat transfer are the only way to get to certain remote islands. The Mekong waterways are known to be the best way to explore the Mekong region.

### ***3.4 Tourism Sector Key Players***

At present, the Vietnam National Administration of Tourism (VNAT) is still not an Apex agency of the tourism sector in Vietnam. At the end of 2007 the new Ministry of Culture, Sport and Tourism (MCST) was established, which is responsible for the management of culture, sport and tourism sectors at national level. VNAT now is currently playing the role of a General Administration of Tourism which is under direct control of the MCST.

While at provincial and cities' level there are 64 Departments of Culture, Sport and Tourism (DCST) in 64 provinces and cities, at district level, there are Section of Culture, Sport and Tourism (SCST).

Basically, there are three levels of State Management of the tourism sector: i) the Central level: MCST (Central Government); ii) the Provincial level: DCST (Provincial Government) and iii) the District level: SCST (District Government).

Vietnam Tourism Association (VITA) is a non-profit making agency, which presents a thousand of companies (public and private) involved in the tourism sector throughout the country. VITA represents and protect legal interests of its members. It is under the State management of the MCST and at provincial level, it has provincial and regional chapters (divisions).

### ***3.5 The Vietnam Tourism Master Plan***

The idea of facilitating a diversified tourism product finds its roots in a long-term process that the VNAT started in 1995 with the realization of a Tourism Master Plan for 1995-2010, later revised in 2000. The VNAT focus was mainly placed on the development of infrastructure and on the encouragement of investment, while also aiming at the realization of a distinct tourism product.

The idea of facilitating a diversified tourism product finds its roots in a long-term process that the VNAT started in 1995 with the realization of a Tourism Master Plan for 1995-2010, later revised in 2000, when the Vietnamese Tourism Development Strategy (2001 - 2010) was approved by the Prime Minister, and defined major tourism development goals as:

- To develop the tourism industry into a spearhead economic sector of the country.
- Step by step to turn Vietnam into a considerable centre of tourism, trade and service in the region.
- By the year 2020, Vietnam will be one of the leading countries in tourism in the region.

As Highlighted by Trung Luong (2005:7) “cultural tourism and ecotourism are two major priorities of Vietnamese tourism in the process of bringing tourism business to the level of a spear-head economic branch of the country.” The Tourism Development Strategy emphasized as main tourism development goals 2 main set of targets for 2005 and 2010:

- 2005 : 3.0 – 3.5 million international visitors which was met by a total of 3,467,757

international arrivals (VNAT GSO 2008)

- 2010 : \* 6.0 – 6.5 million international visitors

The major markets for Vietnamese tourism are:

- East Asia and Pacific: Japan, S. Korea, Taiwan, China, ASEAN, Australia
- Europe: Germany, France, UK, the Netherlands
- North America: USA, Canada

Initially the VNAT focus was mainly placed on the development of infrastructure and on the encouragement of investment, while also aiming at the realization of a distinct tourism product. After the revision of the master Plan by VNAT and WTO in 2001, the tourism development plan reflects the following zoning<sup>4</sup>:

- *Northern tourism zone*: this zone encompasses 29 provinces from Ha Giang bordering China in the north to Ha Tinh in the south. Tourism in this zone focuses on urban and nature tourism, and associated ethnic cultural tourism and ecotourism, with some beach resorts. Beach tourism is constrained by distinct winter season.

Within this zone there are 3 key tourism development areas: Ha Noi and surroundings, Ha Long bay and the adjacent coastal region and the western mountain area of Sa Pa. The Ha Noi capital has ancient roots and is one of the most attractive cities in Asia. Centered on Ha Long bay, which is a UNESCO World Heritage Site, it is situated in an important coastal and island development area. The natural and ethnic cultural attractions of Sa Pa and its environs have recently experienced rapid growth in tourism.

- *North central zone*: this covers 6 provinces from Quang Binh in the north to Quang Ngai in the south. Culture and nature tourism offer the greatest potential, with urban, ecotourism and beach/marine tourism potentially significant.

The key tourism development areas and centers in this zone are concentrated in or near the secondary cities of Hue and Da Nang. This mid-coast cluster has a rich combination of natural and cultural attributes, including five of the nation's six UNESCO World Heritage Sites: national park Phong Nha – Ke Bang, the former capital at Hue, Hue royal ceremonial music, Hoi An ancient town and My Son relic. The upland and marine protected areas of this zone are promising for both nature and its most fragile component, ecotourism. Significant to the zone's tourism development is the West – East Corridor.

- *South Central and Southern zone*: comprising 29 provinces from Binh Dinh and Kon Tum in the north to Kien Giang and Ca Mau in the far south of the country. The largest zone consists of two sub-zones further divided in four micro-zones.

This zone, with its superior infrastructure and other tourism support systems, has recently experienced the most rapid and considerable growth of tourism among the three zones, so that tourism is becoming a key economic activity. The completion of the Trans-Asia Highway should be a further incentive for this sector. Ho Chi Minh city is the focal point in the southern sub-zone for tourism development. The seaside town of Nha Trang is the centre of the South-Central sub-zone with its focus on beach/marine activities. The zone is rich in beach/marine attributes, as well as mountain environments and associated ethnic cultural diversity. Ho Chi Minh city, in

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<sup>4</sup> This section contain information entirely provided by the report Trung Luong P. (2005) *Vietnam Tourism: Current Status and Development Orientation*, Paper presented at the Workshop on "Mekong Tourism : Learning Across Borders" Social Research Institute, Chiang Mai University, 24 February 2005.

addition to offering its comparatively well developed shopping, entertainment and cultural attractions, is the hub for tourism activities in the Mekong river delta and on the river itself, which extends to the coast and up river into Cambodia. The other two key development areas centre on Da Lat and Nha Trang. (Trung Luong 2005:8-9)

Several useful summaries of the plan exist including the following (3.5.1) from the Asian Development Bank Mekong Delta Subregion tourism project and (3.5.2) from VNAT's Institute for Tourism Development Research

**3.5.1 Asian Development Bank Greater Mekong Subregion: Tourism Sector Strategy - Volume 1 Annex 4 (2005) (N.B. extracts cited verbatim<sup>5</sup>)**

**TOURISM SECTOR INSTITUTIONAL FRAMEWORK IN VIETNAM:** The institutional framework for tourism policy, planning and programming at the national and provincial level in Vietnam is highly centralized in the Vietnam National Tourism Administration (VNAT), and embedded within a long-term policy planning framework with a 15 year timeframe. Within this policy framework, the planning framework for programme implementation follows a 5-year timetable.

**LOCAL/ PROVINCIAL TOURISM:** Although there is an extensive network of provincial and city tourism administrations throughout Vietnam, most provincial and city administrations lack the necessary skills to undertake tourism policy, planning and programming at their level at the present time.

**PLANNING AND POLICY FORMULATION PROCESS:** The process of formulating tourism policy, planning and programmes at the national and provincial level is led by the VNAT's Planning and Finance Department and is mandated by the Tourism Law. The overall approach to policy, planning and programme development may be characterised as follows: (i) under its legal mandate, the VNAT leadership calls for the formulation of the required national, regional or provincial tourism policy, plan and programmes on a periodic basis; (ii) the Tourism Research Institute (TRI) - an attached agency of the VNAT- undertakes the necessary research and consultations with affected stakeholders; (iii) the VNAT studies the report and may seek further inputs from key government agencies and the provinces where involved; and (v) once agreement is reached, the VNAT puts the policy, plans and programmes forward to the Government for its consideration and endorsement. Once endorsed by the Government, all responsible state agencies, as well as economic, political, social, and professional organizations, People's armed forces, units and individuals are required by law to implement the related policies, plans and programmes

**TOURISM POLICIES:** The overall policy of the Vietnamese Government for the development of tourism is to use its outstanding natural, cultural and historic heritage to: (i) generate foreign exchange, income, and employment; (ii) connect Vietnam more closely with its neighbours in the GMS; (iii) develop the full potential of the Indochina tourist area (Vietnam-Lao-Cambodia); and (iv) raise the standards of living of the population, especially the poorer and disadvantaged sectors of society.

**TOURISM REGULATIONS:** The legal framework for the tourism sector is currently covered by "The Tourism Ordinance" of 8 February 1999. The ordinance covers: (i) the scope and applicability of the ordinance; (ii) provisions for the protection, use and development of tourism resources; (iii) policies for the promotion of the tourism sector by the state; (iv) the rights and obligations of tourists while in the country; (v) the licensing, and operation of tourist enterprises and tour guides; (vi) international cooperation in tourism; (vii) the roles and responsibilities of the state administration of tourism; (viii) provisions and penalties for infractions of the Ordinance; and (ix) implementing provisions. There are also a host of government decrees and local ordinances covering the operation of the National Administration of Tourism (Resolution 45/CP 22 June 1993) and regulation of tourism-related enterprises. Efforts to assemble all the decrees and ordinances into a single legal framework for

<sup>5</sup> <http://www.adb.org/Documents/Reports/Consultant/37626-01-GMS/vol2/annex4.pdf>

Vietnam have been ongoing since 2001. The draft “Law on Tourism” is now in its 6th draft revision. It is noted that earlier drafts included specific provisions for the development of pro-poor community tourism in remote and rural areas but these provisions have been removed from the 6th draft.

**TOURISM STRATEGIES AND PROGRAMMES:** The official plan for the development of tourism is the Master Plan on Tourism Development in Vietnam Period 1995-2010, produced in 1994. This document continues to guide the VNAT in its plans and programmes. Other planning documents have been prepared including an update of the 1990 WTO/UNDP Tourism Master Plan in 1998. However, this document has not been officially endorsed and is used to provide a longer-term perspective with a view to incorporating relevant elements into the next 15-year plan. The overall strategies of the Master Plan on Tourism Development in Vietnam (1995- 2010) are: (i) improving the existing organization and management structure; (ii) fine tuning mechanisms and policies to promote tourism sector growth; (iii) enhancing tourism marketing and promotion activities; (iv) improving tourism human resources capacities; (v) promoting applied research in tourism and the application of science and technology; (v) to protect the tourism assets of the country and control adverse social impact of tourism; and (vi) to proactively pursue international economic integration and cooperation at the regional and subregional level.

### 3.5.2 Official VNAT Overview Of The Current State Of Tourism (abstracts cited verbatim<sup>6</sup>)

#### **Development targets and strategy for Vietnam tourism to the year 2010:**

The Master Plan for Vietnam tourism approved by Prime Minister in May, 1995 defined short-term, medium-term and long-term targets for development by 2010. At the same time they defined development foci concerning culture, landscape and environment. To realize these targets, the Vietnam National Administration of Tourism has outlined the basic strategy of tourism development projects.

- **Human resource strategy:** concentrate on retraining and new training to meet immediate requirements and prepare for long-term targets by several means: on the spot training, domestic and overseas training. Attach special importance to tourism education for all people in the country.
- **Product strategy:** Diversify and enhance tourism product quality to come in line with the world tourism market, creating original tourism products with national character, especially cultural, historical, art traditions which offer competitive advantages and market expansion. Specialist tourism products should be developed such as tourism in combination with convalescence, sea tourism, cave tourism, golf playing, sport, fishing, boat tours or tourism for people interested in art and craft products, traditional occupation villages, plant nurseries, festivals, traditional cultural activities, conference tourism...
- **Strategy of raising the quality of tourism service:** improve service quality in all three areas: service attitude, diversity and conveniences of service goods, and abilities to be ready to serve and to receive tourists.
- **Strategy of maintaining, restoring and developing tourism resources and environment (including natural and human cultural resources).** It must classify functional zones in a large tourism area, hence defining the zones that have to be protected completely, the land reserved for planning, the zones needing restoration. To set out regulations on classification, exploitation and protection of the landscape.
- **Tourism investment strategy:** Stimulate domestic and foreign investment (including state-owned and private sectors) under concrete plans and investment projects.

The market strategy: Researching, analysing, appraising current and potential markets for Vietnam tourism so that it can integrate more quickly into regional and international tourism markets. The main markets sending tourists to Vietnam will be: South-East Asian countries, Asia-Pacific then

<sup>6</sup> [http://www.mekonginfo.org/mrc\\_en/doclib.nsf/0/696047C635E5CBD4802566F0005245BC/\\$FILE/Acticle1.htm](http://www.mekonginfo.org/mrc_en/doclib.nsf/0/696047C635E5CBD4802566F0005245BC/$FILE/Acticle1.htm)

West-European and North American markets...

**[IN CONCLUSION, the Institute of Tourism Development Research noted the following]...**

To concentrate investment towards changing the tourism development situation in Vietnam; to maintain a sustainable tourism environment; to exploit effectively the country's huge ecological tourism potential; to reduce costs of restoring environmental damage and reach maximum benefits; to actively contribute to common tourism development around the country - both ecotourism development and research are important & necessary:

- Immediately, there must be appraisals of ecotourism potential and tourism planning for natural protected areas, making legal and scientific bases for investment in ecological tourism development, guaranteeing sustainable development of forest ecological systems.
- Besides this, joint circulars between Ministries of Agriculture and Rural Development, Culture and Information and Vietnam National Administration of Tourism have to be set out, guaranteeing co-ordination in effective exploitation of forests with respect to ecotourism development.
- Concentrate on investment completing infrastructure systems and creating transportation routes, connecting national transportation systems with natural protected areas. Currently, the transportation system is poor, and electricity has not been provided to many protected areas, which has influenced the capacity to exploit these areas.
- Work out a management model for investment activities, tourism business exploitation for each kind of natural protected area, guaranteeing effective and united activity and management. Strengthen training and education, especially for professional tour guide staff, in natural knowledge, ecological environment, so that organised ecotours are made interesting.
- Rationally balance social equality and economic interests between owners, using forest ecological resources, local community and tourism exploitation organisations. Rightly the conflict between these players has been the main cause of impacts on the ecological environment, and limiting sustainable development of ecological environment in general and tourism in particular.

Have active propaganda, raising people's & tourists' awareness of protection of the ecological environment in protected areas. Promulgation of concrete regulations pertaining to forest and ecological resource protection for tourism activities in natural protected areas. (Authors: Vice-Professor-PhD Vu Tuan Canh, Engineer Nguyen Thanh Long)

## 4. The Thai Nguyen Province

### 4.1 Province profile

Located in the north east region (figures 1 and 2), the Thai Nguyen is a mountainous province of 3,546.6 sqkm and a population of 1.1 million people of nine ethnic groups, namely: Tay, Nung, Dao, H'mong, San Chay, San Diu, Hoa, Ngai and Kinh. Centrally located in the Viet Bac area in Northeast Vietnam, it borders Bac Kan to the north, Hanoi capital in the south, Bac Giang and Lang Son Provinces to the east and Vinh Phuc and Tuyen Quang Provinces to the west.

Figure 2: Map of Vietnam – regional subdivision.



The Thai Nguyen Province (TNP) consists of nine administrative areas (7 districts, 1 city and 1 town, including Thai Nguyen City, which is the provincial centre for administration, Song Cong Town, Pho Ten, Dong Hy, Vo Nhai, Phu Luong, Phu Binh, Dai Tu and Dinh Hoa Districts.

While on one hand the TNP is known as the gateway to the north-west of the country and home to some important heavy industry establishments, with Thai Nguyen City being also known as the 'City of Steel' and several extractive and processing plants scattered around the province, on the other hand the TNP is characterised by a variety of natural and historical places (table 5), home to the revolutionary base and the centre of the Dinh Hoa Safety Zone (ATK) – the forest area and city where the Party Central Committee, the Government and Hoi Chin Minh established the

headquarters to lead the resistance against the French colonialists (1946-1954). Located in the Viet Bac region, TNP played an important role in military strategy “easy to attack, easy to defend” during the French Revolution. Before the August Revolution in 1945, the TNP served as a revolutionary base where the National Salvation Troops II was established in September 1941, the Safety Zone II of the Party Central Committee of the North were established in 1942 and the Vietnam Liberation Army was established in 1945.

Table 4: TNP Tourism Sites in brief

Central tourism area of Thai Nguyen City:	Museum of Vietnamese Ethnic Groups Temple to Doi Can
Nui Coc Reservoir Tourism Area:	Nui Coc Reservoir Landscape Van Mountain Historical and Cultural Monument
Dinh Hoa Tourism Area	Tin Keo Monument in Phu Dinh commune Doi Co Monument in Khuoi Tat Village Phung Hieu Monument in Diem Mac Commune Bao Bien Village in Bao Linh Commune Quang Village in Dinh Bien Commune Cho Chu Prison Duom Temple
Cultural and ecological tourism in Dong Hy – Vo Nhai Cave	Hang Pagoda Linh Son Cave (also called Hang Doi) Than Sa Archaeological Site Mo Ga Stream in Vo Nhai Phong Hoang Cave

Source: *Thai Nguyen Potential for Economic Development and Integration (2007)*.

The landscape is varied and interesting to observe with rice fields and tea plantations, which extend throughout the areas of Nui Coc Lake, Phuong Hoang Cave, Mo Ga Stream, Duom Mountain, Tien (Fairy) Cave, Nam Dut and Khuon Tat Waterfalls, Cau River, Green Tam Dao Range, limestone mountains of Bac Son and Ngan Son and Gam River.

The province has been recently associated with some archaeological findings belonging to the Than Sa Old Stone Age, recently discovered in the Than Sa and Thuong Nung Valleys. Also land of the Tan Cuong tea and residential area of nine ethnic groups, including Tay, Nung, Dao, H’mong, San Chay, San Diu, Hoa, Ngai and Kinh, the TNP has some unique traditional ways of living, festivities and celebrations, which have been preserved from generation to generation, such as the rural community and their *puppet show* in Dinh Ca in the Vo Nhai District, where a community based tourism project is in its embryonic stage.

Thai Nguyen City (80 Km from Hanoi) is an industrial city with a population of 290,400 people and home of the first Southeast Asia steel mill, build in the 50s with Chinese support. It is known as the city of steel and iron and one of the main country’s training centres in the field. The only evident tourist attraction is the Museum of Cultures of Vietnam’s Ethnic Groups, with significant ethnographic displays and interesting location in the centre of the city, improved with funding by the Swedish agency (SIDA). Although the city claims to be a landmark in the history of the country, with a strategic role in the First Indochina War, with considerable importance as the key Viet Minh depot for supplies from China in the fight against the French, there is no recognisable sign of this piece of history in this urban setting.

Tourism in the TNP has been mainly characterised by domestic tourist visits, with an increasing presence of Chinese visitors. There are about 100 hotels (2000 rooms). In 2007 the province received 1.2mn. tourists, generating 381bn. Vietnamese Dong, but only 25,000 were foreign

(mostly Chinese). There seems to be very little contact with foreign tour operators, and the awareness of non-Asian tourist needs (i.e. the requirements of European markets) seems very limited.

#### **4.2 The Thai Nguyen Tourism Master Plan**

The Department of Industry, Trade, and Tourism of Thai Nguyen Province has produced a tourism master plan, which has not yet been translated into English. The plan is framed by Provincial goals to develop the service economy so as to broaden economic activity and self-reliance. Specifically, goals for the service economy are stated by the Department of Industry, Trade, and Tourism as follows<sup>7</sup>:

Developing...more quickly than the average growth rate of the provincial economy and much faster than that of the previous periods so that making the province a strong service centre of the Northern midland and mountainous provinces;

...GDP average growth rate of services in the period 2006-2010 [projected at] over 14.5%...and 49% in 2020...Ensuring that some provincial products will play important role not only in the region but also in the country (tourism, trading, education, financial services...) [thus] contributing to the budget and supporting other industries' development;

Attracting about 30-35% of total [workforce];

Making out preferential policies and resources for some key industries and products that are advantages of the province such as tourism, trading, education and health...gradually increasing high quality and luxury services; increasing share of private sector;

Shifting the structure of services in the direction of increasing key services, establishing new industries and products with high value and suitable to the provincial advantages as well as development demand of the Northern midland and mountainous region;

Developing sustainable services; protecting ecological environment and natural landscapes; preserving and developing morality and cultural tradition; harmonizing economic benefit with socio-economic stability and national defence security.

Details of the tourism plan are limited but the stated objective for tourism is to focus on two broad categories (a) ecology, history, and culture and (b) landscape and circuit tourism. More specifically, the Province's Department of Industry, Trade, and Tourism make the following official statement about tourism<sup>8</sup>

##### **1. Developing tourism:**

With the aim of developing tourism:

- Quickly and stably, socially and economically efficient; making tourism a key industry, supporting other industries' development; making contribution to the shift of economic structure; increasing its share in the provincial GDP;
- Preserving and developing cultural identities; creating more jobs; improving knowledge and living conditions of people;
- Effectively exploiting the natural resources for tourism attached with protecting ecological

<sup>7</sup> <http://www.thaingyuen.gov.vn/eg/index.asp?c=46&KT=3>

<sup>8</sup> <http://www.thaingyuen.gov.vn/eg/index.asp?c=46&KT=3>

environment and socio-cultural environment;

- Paying attention to the residential community in the place having natural resources; creating conditions for them to take part in tourism activities;
- Constructing modern infrastructure and human resources with high qualification, making Thai Nguyen province a famous tourism destination in Viet Nam.

**Development direction of the provincial tourism:**

Tourism market: exploiting the following markets with priority given to: (1) Ha Noi capital; (2) Western Europe, especially French; (3) Japan; (4) China (including Hong Kong, Taiwan, Macao); (5) America, ASEAN...

Tourism products: eco-tourism, resort; entertainment-sports; cultural tourism; festival; working villages.

Constructing high quality and synchronous infrastructure; diversifying and creating typical and competitive tourism products; exploiting, protecting and developing natural resources and improving the tourism environment.

Tourism area given investment priority: Ho Nui Coc

Cooperating with Ha Noi, Hai Phong and Quang Ninh to develop internal tourism; cooperating with Japan, China, French, America and ASEAN to develop International tourism.

## 5. Methodology

The methodology employed for the purpose of this research encompasses three phases:

1. *Desk research* – collecting data on Vietnam and the Thai Nguyen Province tourism sector available through the internet sources and other secondary sources available at the Library of the University of Brighton (School of Service Management, Eastbourne Campus). Reference to these sources is made throughout this document and a full bibliography is also attached.
2. *Empirical research* (on the terrain) – collecting secondary (i.e. government documentation and reports) and primary information through meetings, roundtables and discussions with high ranking officials from national, regional and provincial authorities and associations and with SMEs representatives.
3. *Reporting* – completing the research by compiling field notes with other secondary findings collected prior, during and post the field visit.

### 5.1 Empirical research

A field analysis was conducted between the 15<sup>th</sup> July 2008 and the 29<sup>th</sup> July 2008 (15 days) , including field visits, direct meeting, round table and interviews with key stakeholders such as sector actors and representatives from the local economy - institutional and non (Table 5).

Table 5: Empiric research activities.

<b>Tasks identified in the term of reference</b>	<b>Actions</b>
1. Research, identification and selection of Asian tourism actors (both operators and institutions) to be potentially involved in project activities.	The Thai Nguyen Tourism Promotion Office located in Thai Nguyen City organized a set of field visits, round tables and official meetings with key actors (see in Annex 1).
2. Elaboration of a questionnaire to be submitted to Asian tourism actors.	A questionnaire (see in Annex 2) was prepared on the basis of the preliminary information provided by the TNP project partner. However, the use of this research instrument was found to be inappropriate due to the level of English language by the tourism actors involved in the assessment and a translation of the document would have resulted into a meaningless set of questions still in need of further explanation. The questions identified in the questionnaire were therefore used as a guideline in the round tables, official meetings and local visits with respondents, with Mr Tien simultaneously translating the discussion.
3. Direct contacts of the selected actors and promotion of the project objectives and activities and verification of their interest (by phone, e-mail, fax)	The Thai Nguyen Tourism Promotion Office invited a rich set of key stakeholders (i.e. government officials, SMEs representatives) to round tables and official meetings. They had prepared a leaflet to be distributed at meetings with information both in English and Vietnamese. Most of the events were attended a representative from the local press and on the 18 <sup>th</sup> July 2008 a full article with photo appeared on page 1 of the Thai Nguyen daily Newspaper.
4. Submission of the questionnaires to the interested actors by the experts, even through direct visits (when possible according to a logistic point of view)	See List in Annex 2.

An assessment of the limited available documentation and field visits were undertaken in the Thai Nguyen partner province aimed at understanding the current situation of tourism. Brief comparative visits to neighbouring provinces and other locations such as Ha Long Bay and Hanoi were also undertaken to draw comparisons between the three-dimensional tourism context (socio-economic-environmental) of locations wishing to diversify their economy into tourism and others which already benefit in a way or another from it.

These gave the opportunity to establish the real picture of the conditions and potentials for *tourism* to become one of the economic sectors in the province. However, with world prices for commodities increasing rapidly the competition for economic activities and thus human resources and investment will also include the extractive and manufacturing industries (i.e. minerals, iron, coal and steel).

The information collected in this research served the purpose of obtaining a clear picture of the local context in which the project activities will be developed. The field analysis helped to understand the state of the art of the tourism sector of the project partner's territory - the Thái Nguyên Province of Vietnam, and the actual skills and capacities of the human resources available in the sector. This analysis was aimed at identifying a set of priorities for the implementation of the planned and forthcoming Asian-Tour project activities.

## 6. Key Findings

### 6.1 Analysis of the existing and planned actions in the tourism

This section summarizes the content of meetings and roundtables aiming at highlighting key existing and planned actions in the tourism sector. The minutes from the above are reported in some detail below - which emphasises the central part that these initial encounters played in gaining an understanding of the on-the-ground situation in the TNP.

#### A. Vietnam Tourism Association (VITA) - Initial Briefing (16/07/08)

VITA is the officially recognised private sector organisation representing the interests of its 1000 members in the tourism sector. Since the *doi moi* (economic reforms) of the 1990s tourism has grown rapidly in many parts of Vietnam. However, this has been geographically sporadic with rural areas and those away from the coast being particularly disadvantaged.

Where tourism development has taken place, two recurring sets of problems are apparent a) lack of qualified and trained human resources, and b) lack of investment in tourism infrastructure. In particular, the issue of skills for functional areas (such as housekeeping, front office etc.) was mentioned, but it is expected that the EU project in partnership with the Vietnam National Authority for Tourism (VNAT) will have trained 2,500 trainers and produced basic training manuals for 13 functional areas (mainly for the hotels sector).

According to the participants (Vietnam Tourism Association), only 30% of tourism employees have received specialised training. This is problematic when placed into the context of what seems to be a complete lack of a cohesive framework or incentive for on-the-job training in the sector.

Evidence suggests that training beyond full time tertiary education (of which the Hanoi Hotel School is a good example) is limited to in-house sessions aimed at team-building and motivation: a good start, but does not tackle the issue of skill shortages. It is worth noting at this stage the 5 year EU project due to finish within 12 months: the Vietnam Human Resource Development in Tourism which as well as producing functionary operational handbooks aimed at 13 skill sets, has a target of 2,500 trainers to have undergone training by the project completion date.

The issue of top managers was raised (it was noted that of 28 five star hotels in Vietnam, only one had a Vietnamese general manager... however, this was not the case for other grade hotels). No mention was made of environmental issues or sustainability.

The project cannot directly tackle skills shortages, the task is too great and perhaps overwhelming and in conflict with the other, national EU project on human resources.

The Asia invest project must focus on high level awareness and capacity building that will foster an ability of the Vietnamese to become self sufficient in identifying (very specifically) the needs of their sector and be helped to find credible and viable solutions. With this in mind, the initial findings are:

- **Capacity building** (how to conduct a regional training needs analysis; product identification, development and investment; how to develop strategic policy and planning for sustainable tourism and how to assess the international market)
- **Human resources** (focus on strategic management, functional management)

It can be seen that what emerged from the initial meeting was an identification of the need for high level, strategic, and policy training as the best value and input from the project.

The relationship between VITA, VNAT, Provincial governments, and the Ministry of Culture, Tourism, and Sport needs further investigation so as to ascertain where policy and direction is coming from and where the power lies.

## **B. INITIAL BRIEFING FROM THAI NGUYEN PROVINCE TRADE AND TOURISM PROMOTION CENTRE (17/07/08)**

The province is 3,500 sq km. with a population of 1.28 million, 9 administrative areas (7 districts + 1 town, + 1 city), and 8 ethnic groups. It is 80 km. from Hanoi, 50 km. from the existing airport and reports a growth of some 10% per annum. The economy of the province relies heavily on extractive industries (various metals and coal). The weather is typical of mountainous tropical areas. The province is said to be ready for further development in its tourism offer, which presently comprises (in brief):

- Ho Nui Coc lake (a vast lake created as part of a hydro-electric scheme) which they see as a core product;
- ATK which has huge national historical significance and will be of interest to foreign tourists;
- The national museum of ethnic minorities, and abundant rural scenery;
- Some minor archaeological sites (important to Vietnamese history and identity, but not significant in terms of international tourism).

It claims to have good coordination with neighbouring provinces and organises tours with them for domestic tourists.

There are 100 hotels (2000 rooms). In 2007 the province received 1.2mn. tourists, generating 381bn. Vietnamese Dong, but only 25,000 were foreign (mostly Chinese). There seems to be very little contact with foreign tour operators, and the awareness of non-Asian tourist needs (i.e. the requirements of European markets) seems very limited.

The main point of concern was said repeatedly to be 'human resources' and 'lack of skills.' However, the consultants believe that while this factor is of considerable importance, it is not the main issue which according to the evidence on the ground is lack of understanding of foreign markets.

Training has been undertaken by the provincial trade and tourism department for rural areas, VNAT in terms of capacity building for the same department, and by the Hanoi Hotel School, which has delivered technical training for some hotels.

The infrastructure consists mainly of roads and an 8 lane highway is being constructed between Hanoi and the city (there are no plans to upgrade the railway).

## **C. MEETING WITH THAI NGUYEN CITY LEADERS AND DEPARTMENT HEADS (17/07/08)**

The political decision by the Ministry of Culture, Sport and Tourism together with VNAT to designate 2007 Thai Nguyen Province year of tourism kick started recent developments in the region. The decision was based around the 60<sup>th</sup> anniversary of Ho Chi Minh's decision to oppose French colonial rule and to base his struggle in what is now termed the ATK region of the province. The central government provided finance and VNAT some technical resources to launch festivals, product development (such as the 1000 steps to the cave, and the province's tourism brochure.

The main restrictions to tourism growth mentioned were lack of commercial experience in the sector, human resources (but no concise definition of what was meant by this), and 'lack of consultants' (meaning foreign consultants with international experience).

#### **D. VISIT TO ETHNIC MUSEUM in Thai Nguyen City (17/07/08)**

The core activities of the museum are to gather and display ethnic artefacts and intangible ways of life from all over Vietnam, to undertake anthropological research into minority groups, conservation work, and documenting change through visual methods (mostly photography). With a view to preserving and developing what is known about the ethnic groups in Vietnam as they face problems of modernisation and assimilation into the market economy. The museum is funded and controlled by the national government, which remains somewhat suspicious of overt moves to commercialise the museum (through gift shops and cafes as has become common in Europe). Some funding has also been received through the Rockefeller Foundation and SIDA, which has also provided mentoring support in the realization of the museums displays.

#### **E. FIELD VISIT TO DINH CA IN THE DISTRICT OF VO NHAI (18/07/08)**

One of the mountainous districts border Lang Son [sp.] province it comprises 64000 hectares with 8 ethnic groups, national forest and several large caves including the Dragon's caves (Phuong Hoang Caves) accessed by 1000 steps built by the district with funding from VNAT. While the potential of tourism is recognised, there is a lack of capacity in developing and implementing plans for its development (for example how to turn the landscape from a passive experience observed through the windows of a tourist coach into actual business opportunities). The opportunity for cultural shows and home-stays as part of community based tourism was seen, but again, it is detected a lack of capacity for turning ideas into business opportunities.

#### **F. FIELD VISIT TO ATK (19/07/08)**

This area is very significant in Vietnamese colonial history and culture. The trip included a typical rural puppet show, a lengthy and detailed visit to a traditional ethnic home suitable for home-stay tourism, and the site of a potential combined water and waterfall daytrip location.

#### **G. MEETING WITH THAI NGUYEN HOTEL JOINT STOCK COMPANY (19/07/08)**

This large, city centre complex was built under Soviet and GDR expert guidance in the 1970s and was privatised some time after *doi moi*. According to the director, the occupancy rate of the hotel is quite low and this may be linked to lack of development of international tourism in the province as a whole. Inflation (especially the first 6 months of 2008) was mentioned as a problem affecting interest rates and business risk.

#### **H. MEETING WITH HUU NGHI (FRIENDSHIP) HOTEL COMPANY OWNED BY VAN DAO CO. LTD. (19/07/08)**

This city centre garden style hotel has extensive restaurant facilities aimed mainly at the conference and business seminar market. One wing of the hotel is rented out to Chinese workers on a long-term basis. They seem to lack capacity in kick starting inbound and foreign tourist trade.

## **I. MEETING WITH DA HUONG HOTEL COMPANY OWNED BY VAN DAO CO. LTD. (20/07/08)**

The organisation started in 1993 (post *doi moi*) as a restaurant and has since grown into a Ltd. company with two hotels and a tour operating business. It has plans to develop a commercial complex (21 floors) including leisure facilities such as a gym, swimming pool, shops, and a 4 star hotel. They also have a 10,000 sq. metre site earmarked for an entertainment complex.

The HR director gave a breakdown of staff employed. Of the 65 employed, 9 are university graduates, 12 have diplomas, 15 with high school graduation. They have used the Hotel School in Hanoi to conduct in-house training. They also used English teachers from the nearby teacher training university but this didn't work out. The director expressed confidence in his company brand and noted that business was 'good.' They have good relations with other provinces through their travel business but are worried that this tends to focus on outbound (in 2007 they handled 10,000 tourists) rather than the more profitable inbound inter-regional travel (the director attributed this problem to a perception that Thai Nguyen province was perceived as 'remote'. The hotel in the city centre has an occupancy rate of 70%- predominantly domestic with some Chinese tourists. There seemed very little understanding of markets outside of Asia. A final comment was made of a general problem in Vietnam where family obligations sometimes predominate in hiring staff members rather than qualifications and such family relatives 'cannot be fired.'

## **J. MEETING WITH DONG A CONSTRUCTION INVESTMENT & TRADE JSC (20/07/08)**

Dong A is predominantly a construction, trade, and investment company established in 2003 with an interest in hotels (they own and operate 3 city hotels) and restaurants. They have 200 employees in the tourism section, 20% of whom have university degrees. Others receive various forms of on-job-training, some of which has been successfully conducted by the Hanoi Hotel School. Of the 200 employees, only 10 can speak a foreign language (8 Chinese, 2 English). They have ambitions and vision for the further development of the tourism side of their business but at present recognise that the tour operating side of their business is weak. Only 20% of their guests are foreigners, with very few 'tourists' (mainly business related including long-term Australian mining engineers who stay in the hotel and in rented villas). The director recognised the difficulty of dealing with the European market and for the foreseeable future thought that the company would focus on Asian tourism. They tried to use English teachers from the local teacher training university, but this didn't work out.

## **K. MEETING WITH TAN CUONG BINH GROUP (JOINT SOCK COMPANY)**

Tea processing company followed by tour of tea processing units and tea plantation.

This company enjoys wide brand recognition in Vietnam and has a thriving tea expert business and sophisticated and impressive showroom selling designer porcelain ware which forms part of a tourist attraction. They have plans to build Thai Huyen City's first five star hotel with €10mn. investment scheduled for opening in late 2009/ early 2010. However, they were worried about finding staff of the right quality and emphasised the need for 'more training.'

## **L. ROUND UP MEETING**

At this round up meeting it was revealed that a tourism master plan (2007-2020) existed for the province. The plan was produced by The Thai Nguyen Trade and Tourism Promotion Office with

some guidance from VNAT and has since been approved by the provincial government. The plan states ambitions to:

- Raise the present tourism province GDP from 1.2% to 5%
- Increase the 1.2 million visitors to 5 million including 100,000 foreigners (mainly from ASEAN countries and China)
- Increase room capacity from the present 1,000 to 5,000 (including 2000 at 3,4,5 star level (i.e. reduce the number of low grade hotels)
- Focus tourism development on 'ecology' (lakes and caves), cultural tourism (ethnic minorities, traditional music, festivals), and the landscape

The plan has a steering committee but it was unclear if the plan is being implemented or who has had access to it.

The four specific questions raised by the delegates at the meeting were:

1. 'How do we attract tourists?'
2. 'What investment is needed in infrastructure?'
3. 'How do we improve our HR?'
4. 'How do we promote our image?'

It was noted that these were big questions and the consultants gave some detailed answers and advice including a briefing on trends in European outbound markets, the need for networking. The consultants finding at that stage were presented as follows:

- The province certainly has tourism potential as demonstrated by its popularity as a domestic holiday venue
- It is underperforming in relation to this potential
- Successful international tourism is based on a bedrock of successful domestic tourism that allow systems of service delivery and training to embed themselves and be ready for the changing circumstances
- The essential need to differentiate between different needs of different source markets and the problems that arise through trying to use the same plant, service delivery systems and styles to a mixed audience
- The essential need for product development (especially entertainment and attractions) and how to clearly communicate such products to specific markets
- The importance of networks and communication with travel suppliers and market makers as well as tourists themselves (this includes an excellent, well linked web presence)
- While there is clear evidence of skills and standards, these need further development which may be undertaken by the newly opened Faculty of hotel and tourism training at a local college but in the meantime good working relationships should be kept with the Hanoi Hotel School
- English language training (as the key language for communicating with European tourists) was essential
- Tourism strategy, policy-making, and market analysis capacity in the province needed development
- Access from Hanoi was an issue and it was suggested that the railways be given much more serious consideration.

## 6.2 PEST Analysis Template: *Tourism Situation in Thai Nguyen Province July 2008*

### **Political:**

- All governments are under environmental pressure from global agreements such as Kyoto, which will feed down to provincial level;
- Legislation from European Travel Directive will continue to impact on rights of tourists;
- GATS rules about tourism may have a negative impact on the ability to keep tourism as an indigenous activity;
- Health and safety rules will become more widespread curtailing some adventure and nature-based tourism activities in their present, somewhat uncontrolled nature

### **Economic:**

- While development and economic growth have had positive impacts on the whole of Vietnam, there remain pockets of poverty. Tourism has a role in (a) poverty alleviation and (b) general education about the world;
- Climate change is an issue in two ways (a) the impact on chaotic weather conditions and rising sea levels and (b) the social change whereby long haul passengers (especially Europeans) may choose not to fly because of the environmental impacts
- Tourists are generally becoming more astute in their ways of choosing trips especially their use of the internet;
- Exchange rates have powerful affects on destination choice, but there is little to be done at provincial level to combat this economic factor
- Oil prices will continue to be volatile and impact long haul travel

### **Social:**

- Generalisations about lifestyle of tourists cannot be made in the case of Vietnam and Thai Nguyen Province because of the complete disjuncture between traditional European markets that are increasingly seeking ethical and green tourism and the emerging Chinese market that is seeking a comfortable mass tourism product. The challenge is to keep both these markets happy
- Global recession will undermine economic confidence of consumers

### **Technological:**

- Technology usage in the province's tourism sector is very low through lack of awareness and lack of access. This represents a major threat to the future growth of the industry;
- Consumers are using technology in three ways (a) to explore vacation possibilities (b) to package and book their own deals, and (c) to investigate (through user-generated spaces) comments and opinions about quality of goods and services at destinations.

### 6.3 SWOT Analysis Template: *Tourism Situation in Thai Nguyen Province July 2008*

<p><b>Strengths:</b></p> <ul style="list-style-type: none"> <li>○ Vietnam in general has a strong and positive international image for tourism, it is seen as a country worth visiting;</li> <li>○ Price is a competitive advantage (except for airfares due to lack of intercontinental inbound);</li> <li>○ The provincial administration has committed to developing the services economy in general and tourism economy specifically;</li> <li>○ At present, the province is perceived as giving value for money;</li> <li>○ The hardworking nature of Vietnamese people and their willingness to be employed in the tourism sector is a considerable asset;</li> <li>○ The province can be seen as a novel destination for all markets</li> </ul>	<p><b>Weaknesses:</b></p> <ul style="list-style-type: none"> <li>○ There seems to be a lack of awareness about the complexities of the various markets especially the European market;</li> <li>○ Relationships and partnerships with European tour operators are very weak</li> <li>○ Infrastructure in the province is very weak and in need of upgrading;</li> <li>○ Hotel quality varies greatly and there are too many hotels operating at bare minimum of acceptable service levels for foreign tourists;</li> <li>○ While there are several plans for tourism much more robust measures need to be taken to implement them;</li> <li>○ Communication barrier due to lack of foreign language knowledge.</li> </ul>
<p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>○ Adventure tourism, nature-based tourism (including ecotourism) are growing significantly worldwide: the province is well placed to gain market advantage;</li> <li>○ China and India are still growing strongly but are looking for a different product than the European tourist</li> <li>○ Niche tourism products of increasing interest.</li> </ul>	<p><b>Threats:</b></p> <ul style="list-style-type: none"> <li>○ Oil prices are a threat to international travel worldwide: the province must ensure a spread of markets so as not to be vulnerable to economic downturn in source/ generating markets;</li> <li>○ Insufficient IT awareness is holding back tourism development as potential foreign tourists struggle to find sufficient information and make direct bookings;</li> <li>○ While several worthwhile efforts in training and HR development are apparent, there remains weaknesses in foreign languages (especially English) and skills;</li> <li>○ Unsustainable practice (i.e. environmental management)</li> </ul>

## **7. Definition of the strategic guidelines and action priorities of the target sector – focus on capacity building.**

The recommendation about the focus of immediate capacity building actions to be implemented under the umbrella of the Asian-Tour framework address two sectors of direct relevance to the Asian-Tour project: Small and Medium Enterprises (SMEs) and Destination Management Organizations (DMOs), which broadly have similar requirements as detailed below.

In terms of the SMEs there is a strong need for an in depth understanding of:

- Market Assessment and Differentiation both in terms of the 'European' customer and related potential product as what exists may be good for the Domestic and Asian markets, but may be not necessarily sufficient for the European one;
- General Sustainability Issues (environmental/social/economical) - especially environmental as the use of tourism resources may be unsustainable in the long term;
- Product Development (i.e. trails, 'packaging' available resources in a meaningful way, mainly focused on rural areas with key potential niche tourism product linked to community based tourism, cultural tourism, adventure...)

In terms of the DMOs/Promotion Office/Gov. bodies there is a strong need for an in depth understanding of:

- Market Assessment and Differentiation both in terms of the 'European' customer and related potential products (see above)
- Destination Management and Sustainability Issues (environmental/social/economical)
- Product Development (i.e. trails, 'packaging' available resources in a meaningful way, mainly focused on rural areas with key potential niche tourism product linked to community based tourism, cultural tourism, adventure...)
- Training Needs Analysis (as they seem to refer to the need of improving basic skills, but this was not necessarily what we found, the need may be more in the context of this project related to the one listed above).

One more point which needs mentioning is the fact that, from our experience, the general level of English in the TNP is not existent either in the hotels or at management level, with only a limited number of people (we are told, but could not verify this) that speak a basic level of English.

**Annex 1 – List of key stakeholders meetings and visits to prominent Thai Nguyen Province attractions and neighbouring tourism destinations.**

<b>Date</b>	<b>Location</b>	<b>Title</b>
15 <sup>th</sup> July 2008 pm	Hanoi	Preliminary meeting with Mr Tien, planning activities for the research.
16 <sup>th</sup> July 2008 am	Vietnam Tourism Association (VITA) Office	Context and Initial Briefing
17 <sup>th</sup> July 2008 am	Trade and Tourism Promotion Centre of Thai Nguyen Province Office	TNP Partner Introduction to project.
17 <sup>th</sup> July 2008 am	The People's Committee of Thai Nguyen Province Office	- Round Table with about 20 key stakeholders (i.e. Director of Foreign Affairs Division, Local Press, local tour operators) followed by working lunch.
17 <sup>th</sup> July 2008 pm	- The Museum of Cultures of Vietnam's Ethnic Groups	- Visit to prominent Thai Nguyen City attraction
18 <sup>th</sup> July 2008 am/pm	- District Government Office - Phuong Hoang Cave – Mo Ga Stream Landscape Relic Team - Community Based Tourism projects in Dinh Ca – Vo Nhai District - Than Sa Archaeological Vestige (20 km on motorbike)	- Meeting with District Officials. - Visit to prominent Thai Nguyen Province attractions - Working lunch with District Officials.
19 <sup>th</sup> July 2008 am	- Dinh Hoa ATK Centre for Cultural Heritage Service.	- Visit to prominent Thai Nguyen Province attractions. - Working Lunch at ATK Centre for Cultural Heritage.
19 <sup>th</sup> July 2008 pm	- VVMI – Thai Nguyen Hotel Joint Stock Company (JSC). - Van Dao Company Limited	- Formal meeting with JSC Chair and board of directors. - Meeting with Hotel Owner/Director
20 <sup>th</sup> July 2008 am	- Da Huong Tourist Hotel Company - Dong A Construction Investment & Trade JSC - Tan Cuong Hoang Binh Group JSC	- Meeting with Hotel Owner/Director - Meeting with JSC Chair and managing directors. - Meeting with JSC Chair and owner, followed by visit to tea plantation and working lunch at his restaurant.
20 <sup>th</sup> July 2008 pm	- Nui Coc Lake	- Visit to prominent Thai Nguyen Province attractions.

	- Ho Nui Coc Hotel JSC	- Round up meeting with private sector and provincial/district government representatives from Thai Nguyen. - Working dinner.
21 <sup>st</sup> July 2008	Ha Long Bay	Visit to prominent HLB attractions (i.e. local market and tourism development area)
22 <sup>nd</sup> July 2008	Ha Long Bay	Visit and participant observation at the Ha Long Bay World heritage Site
23 <sup>rd</sup> July 2008	Hai Phong	- Visit to the prominent HP tourist attractions - Round table with Government Officials, local business actors, HPTA and VITA representatives on 'Tourism and the European Market' - Visit to the Phieu Phuc Vu Wellnes and Mud Spa centre.
24 <sup>th</sup> July 2008	Hanoi	- Meeting between P. Burns and M Novelli. and outline of preliminary thoughts on project report outline and recommendation
25 <sup>th</sup> July 2008	Hanoi	- Meeting between P. Burnes and M. Novelli and revision of field notes. - P. Burns departure to UK. - M. Novelli meeting with local tour operator.
26 <sup>th</sup> July 2008	Hanoi	Visit to the prominent Hanoi tourist attractions and selected local international hotels.
27 <sup>th</sup> July 2008	Hanoi	Visit to the prominent Hanoi tourist attractions and brief assessment of tours available from Hanoi to neighbouring parts of the country.
28 <sup>th</sup> July 2008	Hanoi's rural surrounding areas	Visit to rural district setting
29 <sup>th</sup> July 2008	Hanoi's rural surrounding areas	Visit to rural district setting

**Annex 2 – Questionnaire**

**Asian Tour: European-Asian Integration in Sustainable Tourism Management  
- Vietnam Tourism Current State Analysis Survey -**

<b>Reporting Date</b>	
<b>Location (region/ city)</b>	
<b>Name of company/organization</b>	

**Q1 Which one of these categories best describes your type of business enterprise?**

	<b>Circle ONE box only or specify others</b>
<b>1: Accommodation Establishment</b>	<i>hotels, resorts, guest-houses, motels, villas, bungalows, apartments, others.....</i>
<b>2: Restaurant</b>	<i>Vietnamese cuisine, International, others.....</i>
<b>3: Travel and Tour Operating company</b>	<i>ground handlers, inbound, outbound others.....</i>
<b>4: Transport Company</b>	<i>tourist buses/coaches, taxis, car rentals others.....</i>
<b>5: Tourist Shop</b>	<i>duty free, handicrafts/ souvenirs, retail outlet others.....</i>
<b>6: Recreation/ Entertainment</b>	<i>club/ water-based club, health club, cultural centre, others.....</i>
<b>7: Cultural/ Heritage attraction</b>	
<b>8: Tourist Attraction</b>	<i>theme park, museum, natural wonder others.....</i>
<b>9: Airline Company/ General Sales Agency</b>	Further details .....
<b>10: Pleasure Boat/ Yacht operating company</b>	Further details .....
<b>11: National/ Regional Tourism Organisation</b>	Further details .....

**Q2 Which one of these categories best describes your organisation?**

	<b>Please tick ONE box only</b>
Single independent establishment	
Head office of a chain or group	
Branch of a larger organisation	
Franchise (name the Franchise)	
Public sector owned	
Other (describe)	

**Q3 How many people are currently employed by your organisation at these premises?**

Please include temporary and seasonal workers and any staff who are currently away on sick leave or holiday. Include external staff such as sales representatives or tour guides if this is the base to which they normally report.

<i>Please specify number of staff in each column</i>	<b>Full-time</b>	<b>Part-time</b>
1-4 staff members		
5-9 staff members		
10-19 staff members		
20-49 staff members		
50-99 staff members		
More than 100 staff members		

**Q4 In which of the following categories would you require training?**

Employment category	<i>Please tick as many columns as you need</i>		
	Urgent	Needed but not urgent	Not needed
<i>Managerial</i>			
<i>Technical and Supervisory</i>			
<i>Clerical/ secretarial and allied</i>			
<i>Manual and operative</i>			
<i>Other (specify):.....</i>			

**Q5 Which of the following human resource actions applies to your establishment?**

Activity	<i>Please tick ONE column for each activity</i>			
	Yes, in the last 12 months	Yes, but over a year ago	Thought about it but decided <i>no</i>	Never heard of it
Carried out a training needs analysis				
Written a development and training plan				
Have a full time training officer				
Conducted trainer-training courses or participated in such courses				
Provide on the job training (in house training using company personnel)				
Provide a mix of in-house and outside training				
Contracted an external agency/company to provide training				
We do not conduct training				

**Q6 Thinking about your current workforce, what are the most urgent training and development needs?**

<i>Please tick each category as appropriate</i>	Urgent	Needed but not urgent	Not needed
Management/ leadership training			
Tourism product development			
Marketing management			
People management			
Sustainable tourism management			
Customer service skills			
Communication/ language skills (i.e. foreign language)			
Information and Communication Technologies			
Financial management			
Heritage management			
Team-working			
Environmental management			
Other (please specify).....			

<p><b>Q7 Which are the top 3 <i>nationalities</i> of your customers/clients?</b></p> <p>1.....</p> <p>2.....</p> <p>3.....</p>	<p><b>Q8 Please list the top 3 <i>strengths</i> of the tourism sector in your area:</b></p> <p>1.....</p> <p>2.....</p> <p>3.....</p>
<p><b>Q9 Please list the top 3 <i>weaknesses</i> of the tourism sector in your area:</b></p> <p>1.....</p> <p>2.....</p> <p>3.....</p>	<p><b>Q10 Please list the 3 main attractions/characteristics (natural, cultural, heritage, etc.) which makes your locality unique and possibly of interest to tourists:</b></p> <p>1.....</p> <p>2.....</p> <p>3.....</p>

**Q11 Do you agree or disagree with the following statements:**

<i>Please tick <u>each category</u> as appropriate</i>	<b>Agree</b>	<b>Disagree</b>	<b>Do not know</b>
The more tourists the better			
Fewer tourists but spending more is better			
Our region can take as many tourists as can come			
Tourism harms the environment			
Tourism helps growth and local development			
Tourism harms local society by exposure to foreigners			
Tourism provides jobs to the local community			
Tourism interferes with local ways of life			
Tourism can encourage respect for the environment			
Tourism provides false promise of development			

**Q12 If you were chosen to be part of a training programme, which aspect of *tourism* would you like to learn about?**

<i>Please prioritize your choice giving an order from 1 (most important) to 15 (least important)</i>	
Mass Tourism product development	
Niche Tourism/ Special Interest Tourism product development	
Marketing management	
Human resource management	
Sustainable/Responsible/ Environmental tourism management	
Customer service management	
Community-Based Tourism	
Information and Communication Technologies	
Financial management	
Heritage management	
Destination management	
Environmental management	
Corporate Social Responsibility (CSR)	
Other (please specify): (a)..... (b).....	

**Q13 Would you like to add anything else:**

.....  
 .....  
 .....

**Thank you.**

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