

Japan International Cooperation Agency (JICA)  
Vietnam National Administration of Tourism  
The Socialist Republic of Vietnam

**COMPREHENSIVE STUDY  
ON  
TOURISM DEVELOPMENT  
IN  
THE CENTRAL REGION OF  
THE SOCIALIST REPUBLIC OF VIETNAM**

**FINAL REPORT  
SUMMARY**

**February 2002**

**Pacific Consultants International  
ALMEC Corporation**

## PREFACE

In response to the request from the Government of the Socialist Republic of Vietnam, the Government of Japan decided to conduct the comprehensive study on tourism development in the central region of the Socialist Republic of Vietnam and entrusted the study to Japan International Cooperation Agency (JICA).

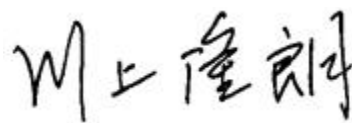
JICA dispatched a study team headed by Mr. Tadashi Kume of Pacific Consultants International and consisting of Pacific Consultants International and ALMEC Corporation to Vietnam, three times between November 2000 and February 2002. In addition, JICA set up an Advisory Committee headed by Mr. Yusuke Tamaki of Japan Seafarers Relief Association between November 2000 and February 2002, which examined the Study from specialist and technical point of view.

The team held discussions with the officials concerned of the Government of Vietnam and conducted field surveys at the study area. Upon returning to Japan, the team conducted further studies and prepared this final report.

I hope that this report will contribute to tourism development and promotion in Vietnam and to the enhancement of friendly relationship between our two countries.

Finally, I wish to express my sincere appreciation to the officials concerned of the Government of Vietnam for their close cooperation extended to the team.

February 2002



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Takao Kawakami  
President  
Japan International Cooperation Agency

February 2002

Mr. Takao Kawakami  
President  
Japan International Cooperation Agency  
Tokyo, Japan

### **Letter of Transmittal**

Dear Sir,

We are pleased to formally submit herewith the Final Report of “Comprehensive Study on Tourism Development in the Central Region of the Socialist Republic of Vietnam”.

This report compiles the results of the Study which was undertaken in the Socialist Republic of Vietnam from November 2000 through February 2002 by the Study Team, consisting of Pacific Consultants International and ALMEC Corporation.

We had been assisted by many people for the accomplishment of the Study, and we would like to express our sincere gratitude and appreciation to all those who extended their kind assistance and cooperation to the Study Team, in particular, Vietnam National Administration of Tourism who acted as the counterpart agency.

Also we acknowledge the effective assistance by all the officials of your Agency and the Embassy of Japan in the Socialist Republic of Vietnam.

We hope that the report will be able to contribute to formulate appropriate policies and measures for the future development of Vietnam.

Very truly yours,



---

Tadashi Kume  
Team Leader,  
Comprehensive Study on Tourism Development  
In the Central Region of the Socialist Republic of  
Vietnam



The Study Area Map

## ABSTRACT

### Background

Economic conditions of the Central Vietnam have been lower than the North and South Regions. Tourism development is one of the competitive potentials for the economy of the Central Region. There are three world heritages in the Central Vietnam. This study aims to formulate comprehensive tourism development plan.

The Study area is the Central Region of Vietnam, namely Quang Binh, Quang Tri, Thua Thien Hue, Da Nang, Quang Nam, Quang Ngai, Binh Dinh, Phu Yen, Khanh Hoa, Ninh Thuan and Binh Thuan.

This study prepares GIS database for tourism information in the study area and GIS for Hoi An town historical tourism resources management.

### Development Framework

International tourists to Vietnam will total up to 4.2 million persons in 2010 and 8.0 million in 2020. The volume will increase twice in ten years, and four times in 20 years. On the other hand, it is estimated that domestic tourist generations are about 10 million in 2000 based on the official statistics, and this will increase to 50 million in 2020 with an annual average growth ratio of 8.4 percent. In other words, one of two persons among nation of Vietnam will do a trip with stay once a year.

Tourist bed nights including both international and domestic tourists are estimated to be 28 million in 2000, and it will increase more than four times to 120 million in 2020. As a result of this, tourism receipts from international and domestic tourists will be also doubled in 10 years from VND 21 trillion to VND 43 trillion.

Direct and indirect employment in the Study area in 2010 will be 50 thousand employees and 120 thousand in 2020.

Tourism product is generally recognized as “Package Tour” that is composed of several services of (1) transportation, (2) accommodation, (3) foods, shopping, entertainments, etc. Historical cultural package tour is obviously typical product in the Study area.

The study area has limitation on suitable area for resort development. Alternative tourism development should be considered with good natural condition and potential resources of the region. The spatial framework for the Study area is formulated based on the conditions mentioned above;

- The northern part of the Study area, including Hue, Hoi An and My Son, should be consolidated as historical cultural tourism destination with some resort complementarily.
- The southern part represented by Khan Hoa and Phan Thiet should be enhanced as coastal resort destination with good accessibility and weather condition.

When those destinations are formulated in the study area, it is necessary for tourism resources to develop with proper management. Conservation and restoration in an integrated manner by close coordination among related agencies and organizations are required.

## **Development Issues and Strategy**

Development strategy is set according to tourism development issues through examination from the four points of view of (1) Institutional development, (2) Human Resource Development, (3) Facilities development and (4) Resource management.

### Institutional Development

Major issues for institutional development significant for tourism development in both Vietnam and the Central region are market promotion and advertisement in conjunction with tourist information dissemination and coordination and integration among various government agencies for tourism development. It is recommended to;

- Promote more visitors to come to Vietnam and have them travel extensively within the country and stay longer with higher levels of daily expenditure, while considering the receiving capability and characteristics of individual destinations.
- Establish an agency, namely Vietnam Tourism Promotion Board (VTPB) under the direction of VNAT, which undertakes promotion and advertisement at the professional level.
- Establish overseas branches of the agency in key source markets to carry out specific and verified promotional activities in their responsible territories.
- Establish Tourist Information Centers (TIC), under the agency, in the three gateway cities and other popular tourist destinations to increase the tourism-friendliness of the destinations.

The implementing agencies could principally be provinces including cases of joint bodies with private sector. Ministries (not only VNAT) should play the role of supervision. Ministries should establish criteria and guidelines for establishment, operation and inspection to conserve national and international facilities in order to achieve sustainable tourism development.

### Human Resource Development

The human resource development in the tourism sector is required to improve effectiveness of tourism education and training system and improve quality and quantity of labor force. At the same time, institutional improvement for tourism education and training system, such as professional certification and accreditation of training, should be enforced. In order to ensure that training system meets the needs of industry, it is recommended to upgrade tourism training school management to enable the efficient management of training schools as well as development of research into industry training requirements. Expansion of education and training opportunities for ethnic minorities and poverty groups should be also considered.

### Tourist Facilities Development

Transportation facilities should be urgently improved, especially air access. It is recommended to improve passenger terminal of seaport for international cruise and to operate the tourism train between Hue and Da Nang in terms of product development.

Sanitary facilities in urban areas of major destinations should be also improved urgently. Tourist service facilities, such as Tourist Information Center, rest facilities, public toilets and public place for tourists, are recommended to develop in every major

destination.

Accommodation should be fit to a suitable type to location condition and product image. It is recommended to develop the coastal area in principle, taking account of balanced supply along with demand and market trend.

### Tourism Resource Management

Tourism resource management involves the activities of (1) Natural resource conservation and management, (2) Cultural and historical resource conservation and management, (3) Rural development (village tourism or eco-tourism), and social environment conservation, and (4) Urban amenity improvement and environment protection.

Environmental conservation and protection from degradation of tourism resources is the key for their sustainable tourism development. Flood mitigation and reforestation for water resource development are necessary actions also for proper tourism resource management.

Environmental Assessment System should be enforced and improved effectively to mitigate negative impacts of tourism development.

Coordination and cooperation with MOCI (Culture and Information) responsible for historical and cultural resources are proposed to enhance the management of visitors and promotion for its tourism use and development.

Visitors facilities are proposed to encourage historical and cultural tourism, not only for international tourists but also for domestic visitors. Site museum in archeological site, visitor center, and handicraft center are proposed to develop as visitor facilities.

Village tourism and rural development become one of the key development strategies in Vietnam. Based on the analysis of positive and negative impacts of tourism and local people's opinions, the following countermeasures should be taken.

- Establishment of systems to coordinate activities among all stakeholders
- Formulation and utilization of village tourism
- Preparation and implementation of evaluation list for tourism development
- Preparation of regulations and rules to protect the social environment

Pilot projects shall be implemented to meet the ideal guideline formulation including governmental supports, information services, participation and training of communities, and awareness programs.

The cities are the tourism base for accommodation and tourist attractions. These tourist centers/towns should be clean, comfortable and safe place for visitors.

Urbanization will cause pollution, especially water pollution, solid waste problems, and impact on aesthetic. Prevention from water contamination for Da Nang, Hue, Hoi An, Nha Tran cities, and a solid waste disposal system for Da Nang, Hue, Hoi An are identified for urgent action.

Other issues to protect site environment from negative impact of tourism development are;

- Establishment of an urban management system for conservation of historical

cultural environment in combination with urban development administration, especially for Hue and Hoi An town.

- Land use control for coastal areas in order to protect and create good beach and water environment in Da Nang and Nha Trang.
- Preparation for visitor center or place with transportation terminal where tourists can gather, communicate and rest.

### **Projects and Programs**

In accordance with the recommended development strategies, twenty-six (26) priority projects and programs are identified. Especially, establishment of VTPB for national tourism promotion, Tourist Information Center and development of Tourism Institute of Vietnam are closely related to the jurisdiction of VNAT.

The total investment cost required for tourism development in the study area until 2010 is estimated 1.3 billion US dollars. This cost includes implementation of the proposed projects and programs in the master plan plus investment cost for the accommodation development. On the other hand, increase of Value Added is 4.6 billion US dollars. The ratio of the increase of Value Added to project cost is 5.4. Investment for the tourism development will contribute to the economic development of the study area as well as cultural and social conservation.

Guidelines for tourism development such as Village Tourism and other tourist facilities development are also proposed.



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## Abbreviation

ADB	Asian Development Bank
ALS	Average Length of Stay
AMTA	Agency for Coordinating Mekong Tourism Activities
APETIT	Asian-Pacific Education and Training Institutes in Tourism
ASEAN	Association of Southeast Asian Nations
CLH	Classified Hotel
COMECON	Communist Economic Conference
DOSTE	Department of Science, Technology and Environment
EIA	Environmental Impact Assessment
EIRR	Economic Internal Rate of Return
ESCAP	Economic and Social Commission for Asia and the Pacific
F/S	Feasibility Study
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GIS	Geographic Information System
GMS	Greater Mekong Sub-region
GRDP	Gross Regional Domestic Product
GSO	General Statistical Office
HCMC	Ho Chi Minh City
HR	Human Resource
IEE	Initial Environmental Assessment
ITDR	Institute for Tourism Development
JICA	Japan International Corporation Agency
MARD	Ministry of Agriculture and Rural Development
MOC	Ministry of Construction
MOCI	Ministry of Culture and Information
MOET	Ministry of Education and Training
MOFA	Ministry of Foreign Affairs
MOSTE	Ministry of Science, Technology and Environment
MOT	Ministry of Transport
MOWR	Ministry of Water Resource
MPI	Ministry of Planning and Investment
NGO	Non-Governmental Organization
NTCCB	The National Tourism Curriculum and Certification Board
OJT	On the job training

PATA	Pacific Asia Travel Association
SME	Small and Medium Size Enterprise
SOE	State Owned Enterprise
TIC	Tourist Information Center
TITC	Tourism Information Technology Center
TTHue	Thua Thien Hue
UNDHA	United Nations Department of Humanitarian Affairs
UNDP	United Nations Development Programmed
USTDA	United States Trade and Development Agency
VINALINES	Vietnam national Shipping Lines
VINAMARINE	Vietnam National Maritime Bureau
VINASHIN	Vietnam Shipbuilding Industry Corporation
VINATOUR	Vietnam Tourism
VN	Vietnam Airlines
VNAT	Vietnam National Administration of Tourism
VND	Vietnamese Dong
VNTO	Vietnam National Tourism Organization
VR	Vietnam Railway
WTO	World Tourism Organization
WWF	World Wide Fund for Nature

## List of Participants

### Vietnamese Side:

#### Name Steering Committee

#### Position or Role

##### Chairman

1 Vu Tuan Canh Vice Chairman - VNAT

##### Members

2 Do Hoai Nam Deputy director of NCSSH  
3 Thai Doan Tuu Deputy Director of Trade & Services Dept., -  
MPI  
4 Nguyen Van Luu Director of ICD - VNAT  
5 Nguyen Vinh Loc Deputy Director of ICD - MOT  
6 Do Tung Lam Official of A37 - MOPS  
7 Bui Thi Lan Deputy director of ICD - MARD  
8 Le Trong Binh Deputy Director of Planning & Architectural  
Management - MOC  
9 Truong Quoc Binh Deputy Director of Preservation & Museology -  
MOCI  
10 Hoang Minh Dao Chief Office of Environment Dept., - MOSTE  
11 Trinh Quang Hao Director of ITDR - VNAT  
12 Tran Van Hung Deputy Director of Finance & Planning  
Division - NCST  
13 Nguyen Xuan Ly Vice Chairman of Peoples' Committee of TT -  
Hue  
14 Nguyen Xuan Phuc Permanent Vice Chairman of Peoples'  
Committee of Quang Nam  
15 Hoang Tuan Anh Vice Chairman of Peoples' Committee of Da  
Nang City

## Japanese Side

	<u>Name</u>	<u>Position or Role</u>
<b>JICA Study Team</b>		
1	Mr. Tadashi Kume	Team Leader/Tourism Development Plan
2	Mr. Yasutaka Nagai	Tourism Resource Assessment
3	Mr. Shigehiko Yamaguchi	Tourism Administration/Institution/Organization
4	Mr. Isamu Koike	Market Survey/Market Development
5	Mr. Kanji Hoshino	Tourism Product Development
6	Mr. Yasuhiko Maeno	Tourism Promotion/Advertisement Plan
7	Ms. Kiri Evans	Institutional and Human Resource Development
8	Ms. Nahoko Nakazawa	Social Impact Assessment
9	Mr. Iwao Kurosaka	Infrastructure Development (1)
10	Mr. Toru Kimura	Infrastructure Development (2)
11	Mr. Makine Kusano	Deputy Team Leader/Tourism Facility Development/Land Use Plan
12	Mr. Yoji Sakakibara	Demand Forecast/Economic and Financial Analyses/Investment Plan
13	Mr. Osamu Isoda	Environmental Impact Assessment
14	Mr. Toshihiro Yamauchi	Control Point/Aero Photo Management
15	Mr. Manabu Kawaguchi	System Engineer (GIS Related Data Collection/ Compilation)
16	Mr. Yoshinori Takahashi	System Engineer (GIS Database Design)
17	Mr. Aritomo Ueda	Administration
<b>JICA Advisory Committee</b>		
1	Mr. Yusuke Tamaki	Chairman
2	Mr. Susumu Kida	Member
<b>JICA Tokyo</b>		
1	Mr. Toshio Hirai	Director, First Development Study Department, Social Development Study Division
2	Mr. Hidenori Kumagai	Deputy Director, First Development Study Department, Social Development Study Division
3	Mr. Yodo Kakuzen	Deputy Director, First Development Study Department, Social Development Study Division
4	Mr. Susumu Yuzurio	First Development Study Department, Social Development Study Division
5	Ms. Rinko Jogo	First Development Study Department, Social Development Study Division
<b>JICA Vietnam</b>		
1	Mr. Morimasa Kanamaru	Representative, JICA Vietnam Office
2	Mr. Masato Togawa	Deputy representative, JICA Vietnam Office
3	Mr. Kazuhiko Kikuchi	JICA Vietnam Office
4	Mr. Kuniaki Amatsu	JICA Vietnam Office
5	Mr. Hiroyuki Kobatashi	JICA Vietnam Office

# 1. Introduction

## 1.1 Study Objectives

The Central Region of Vietnam has developed less than the South and North Regions. The difference of this development level has not changed yet even though Vietnam had experienced high economic development in the 1990s.

The reason of such a difference comes from their natural conditions. The South and North have the Mekong Delta and Red River Delta respectively where they can promote agricultural and industrial development. On the other hand, the Central Region has difficulty in promoting agricultural and industrial development because mountains lie down near the coast, and rivers overflow every year.

Otherwise, the Central Region prospered as a key junction of trade between the South and North traditionally, and has abundant historical ruins. That is the reason that the region has three world heritages, Imperial Palace in Hue, Old Town in Hoi An, and Champa Ruins in My Son. It is obvious to use such historical resources in order to promote economic development through tourism industry in the Central Region. However, tourism in the Central Region has also developed less than the South and North in terms of quality and quantity of facilities and services.

This Study aims to accelerate economic development and reduce the difference of economic level among the three regions by promoting tourism development in the Study Area.

## 1.2 Study Area

### 1.2.1 Provinces in the Study Area

The Study area is the Central Region of Vietnam, namely Quang Binh, Quang Tri, Thua Thien Hue, Da Nang, Quang Nam, Quang Ngai, Binh Dinh, Phu Yen, Khanh Hoa, Ninh Thuan and Binh Thuan. In this report, Tourism Regions and Tourism Zones are set as listed in Table 1.1 by JICA Study Team. The Study area is C1 North Coast, C2 Central Coast, and C3 South Coast in the table.

**Table 1.1 Definition of Tourism Regions and Tourism Zones**

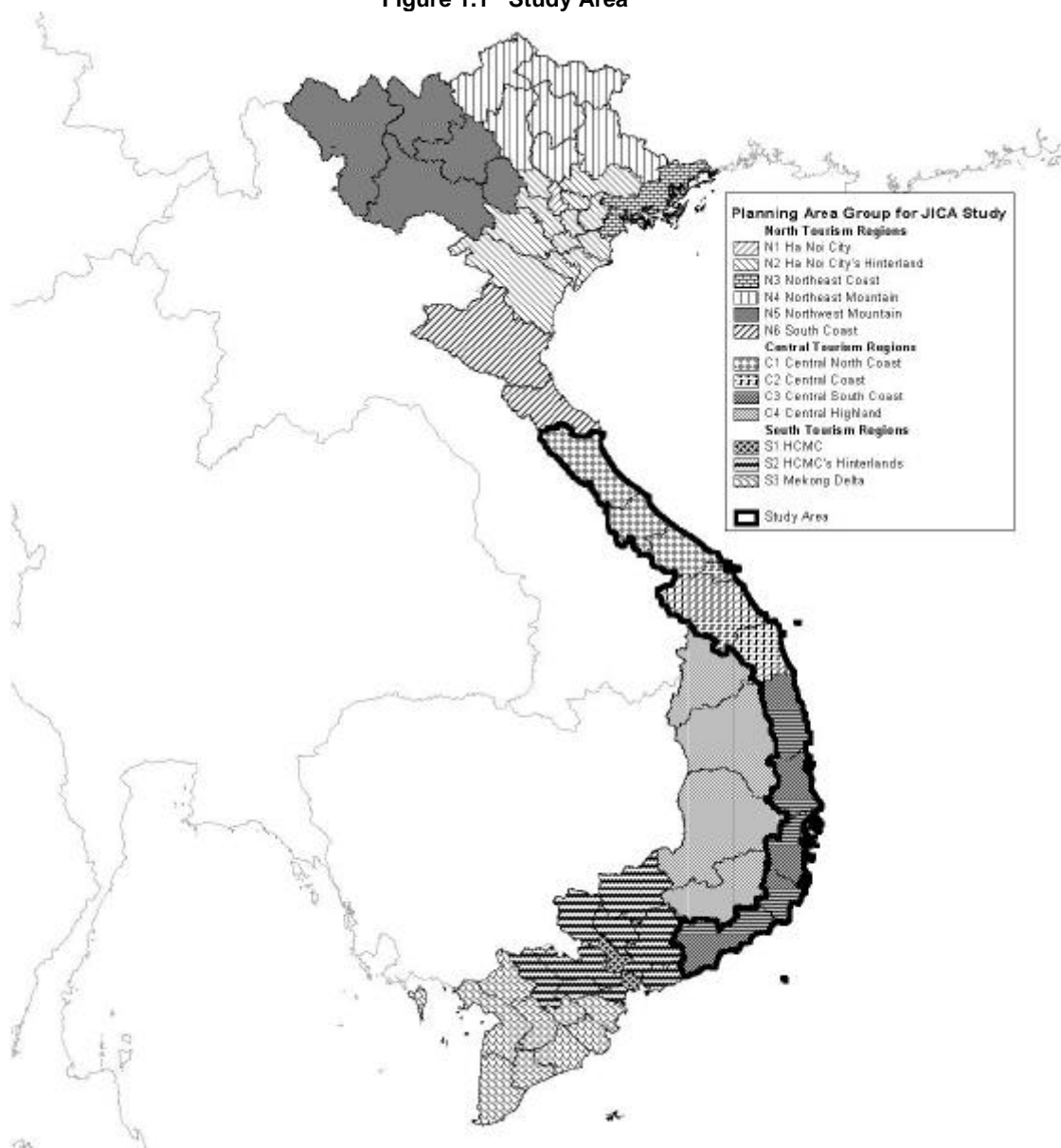
Master Plan by VNAT			Study area	JICA Study Team				
Tourist Zones	Tourist zones	Sub		Tourist Micro zones	Tourism Regions	Tourism Zones		
1	Northern		1.1	Central	1	North	N1	Ha Noi City
			1.2	Northern Littoral			N2	Ha Noi City's Hinterlands
			1.3	North-Eastern Mountain			N3	North Coast
			1.4	North-Western Mountain			N4	North-Eastern Mountain
			1.5	South Northern			N5	North-Western Mountain
2	North Central	2.1	Northern Side	N6			South Coast	
2	North Central		2.2	Southern Side	2	Central	C1	North Coast
			3	South Central and Southern			3.1	South Central
3.1.1	Littoral	C3	South Coast					
3.1.2	Highlands	3	South	C4	Highlands			
3.2	Southern			S1	Ho Chi Minh City			
3.2.1	East Southern			S2	HCMC's Hinterlands			
3.2.2	West Southern	S3	Me Kong Delta					

Source: JICA Study Team

## 1.2.2 Climate

Due to its long stretch along the coast with the East Sea, the Central Region has a remarkably diverse climate. Two kinds of monsoons influence this region's climate.

Figure 1.1 Study Area



Source: JICA Study Team

The winter monsoon comes from northeast between October and March bringing wet winters to all provinces of north of Khanh Hoa province (Nha Trang), but dry and warm temperatures to the south. On the other hand, the southwestern monsoon brings warm, humid weather to the all provinces from April to October.

The northern part of the Study Area experiences heavy rainfall that sometimes brings severe flash flooding owing to nation wide climate changes and

geographical conditions with steep mountains. The Study Area also suffers severe, violent and unpredictable typhoons from June to October-November, especially in the northern part of the region such as Quang Binh, Quang Tri province.

The climate conditions and constraints are indicated in the Table 1.2.

**Table 1.2 Monthly Climate Constraints of Major Provinces**

Meteorological Condition	Province	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Frequency of Typhoon *1	TT Hue												
	Da Nang												
	Binh Dinh												
	Khanh Hoa												
Average sunny days per a month *2	TT Hue												
	Da Nang												
	Binh Dinh												
	Khanh Hoa												
Average rainfall per a month*3	TT Hue												
	Da Nang												
	Binh Dinh												
	Khanh Hoa												

Note: \* Frequency of Typhoon from 1954-1991  
 \*\* Average sunny days per month  
 \*\*\* Average rainfall per month

	Rarely		Sometimes		Frequently
	Under 5 days		5-10 days		More than 10 days
	Under 50mm		50 - 300mm		More than 300mm

Source: Environmental Conditions Compendium of Vietnam 2000, Strategy and Action Plan for Mitigating Water Disasters in Vietnam 1994 by MOWR, UNDP and UNDHA

Due to the monsoon climate, tourism activity is limited during the rainy season. Generally, Khanh Hoa, Ninh Thuan and Binh Thuan are suitable for beach oriented resort type tourism development.

**1.2.3 Tourism Resources in the Study Area**

Based on the tourism resources inventory, the potential tourism resources are identified as shown in Figure 1.2.

**1.2.4 History**

Figure 1.3 shows historical background of the Study Area.

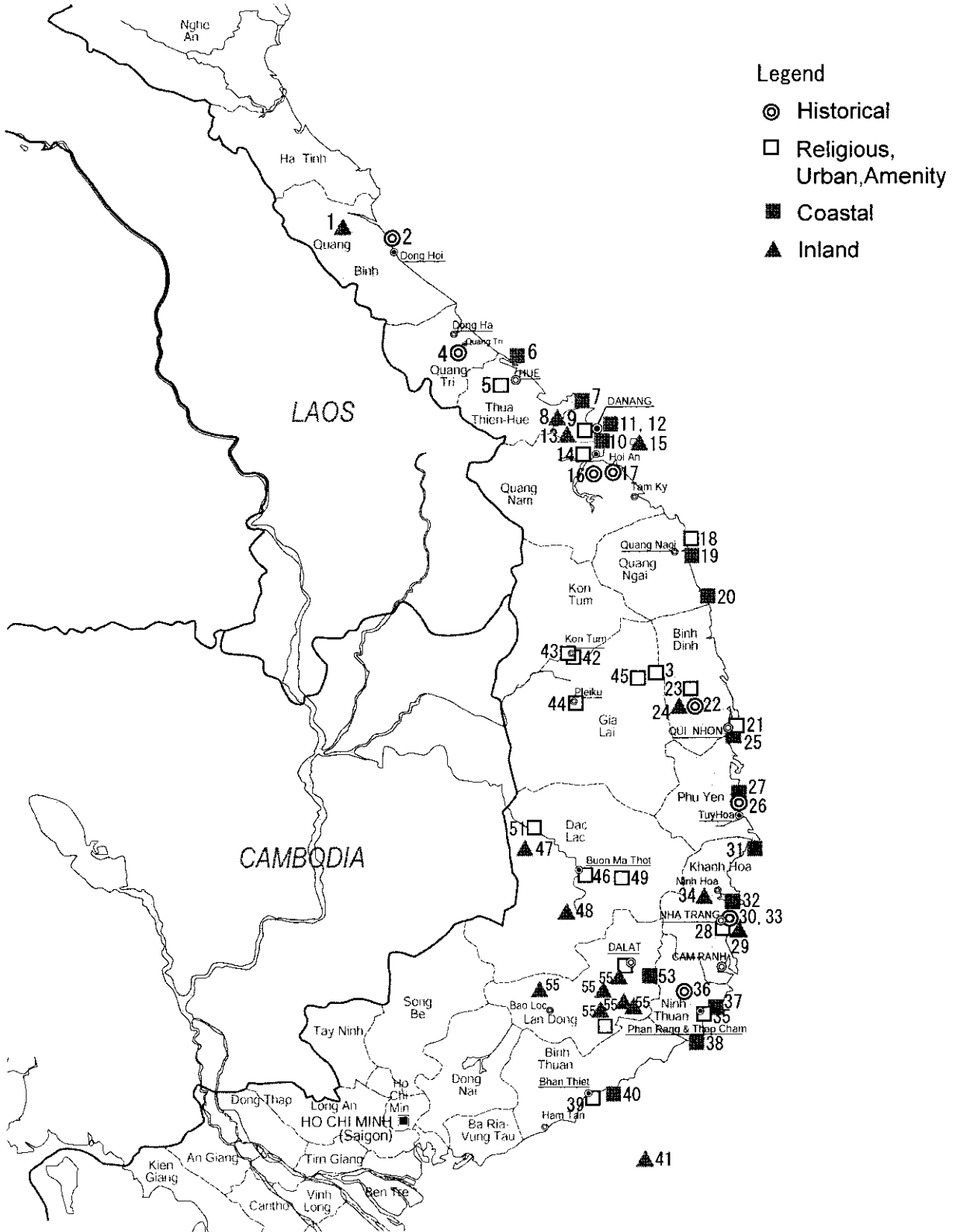
The study area has long history and culture with many ethnic groups including the Champa. Especially, the Champa had rich cultural and economic activities from the second to twelfth century.

Because of long history, the study area has rich cultural and historical assets, which are its main tourism resources. There are three world heritages in the area as follows:

- Complex of Hue Monument,
- My Son Sanctuary, and
- Ancient town of Hoi An.



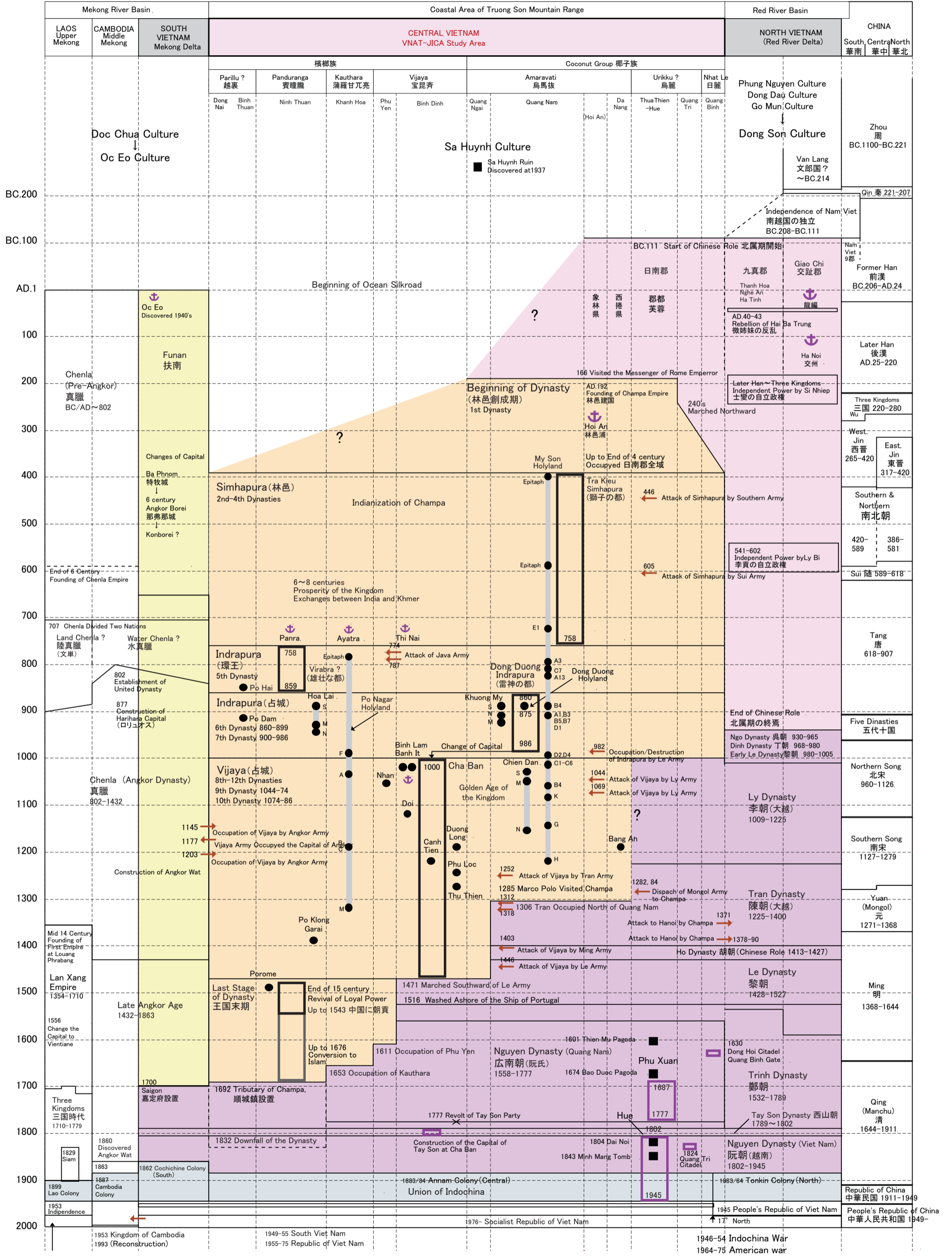
Figure 1.2 Potential Tourism Resources in the Study Area



# Chronology: Kingdom of Champa and Surrounding Historical Background of The Study Area

Figure 1.3 Historical Background of the Study Area

- Kingdom of Champa
- Chinese Role 北属期
- Dynasties of Independent Vietnam
- Capital of Champa Dynasties 都城
- Port City (Champapura) 港市
- Champa Monument 遺跡
- Military Action 軍事行動



### 1.3 Tourism in Greater Mekong Sub-region

#### 1.3.1 Tourism Market in Greater Mekong Sub-region

Greater Mekong Sub-region (GMS) consists of Cambodia, Yunnan Province of People's Republic of China, Lao People's Democratic Republic, Myanmar, Thailand and Vietnam. The region is expected high economic development and elimination of poverty after long-time wartime.

Since 1992 the GMS economic cooperation program has been conducted with the support of the Asian Development Bank (ADB). In order to ensure effective implementation of the projects and programs, six countries set up working group and forums. Tourism is positioned one of the engine of the growth of economic development in the GMS, and the Working Group on Tourism is also established and supported by ADB and Economic and Social Commission for Asia and the Pacific (ESCAP) and Pacific Asia Travel Association (PATA).

Table 1.3 shows the international tourist arrivals by years estimated by JICA Study Team. As shown in the table, the international tourist arrivals in the GMS, excluding Yunnan Province, were 9 million in 1995. In 2020 it will be expected to record 55 million, more than 6 times, according to WTO. The share in the world market will increase from 1.6% in 1995 to 3.5%, and the share in Asia Pacific market will also increase from 11.1% in 1995 to 13.9% in 2020.

**Table 1.3 Forecast of International Tourist Arrivals in GMS**

	Units	1995	2000	2010	2020
International tourist arrivals in GMS	mill persons	9	13	27	55
Share in the world market	Percent	1.6	1.9	2.7	3.5
Share in the Asia Pacific market	Percent	11.1	13.9	13.7	13.9

Note: Italic figures are estimated by JICA Study Team  
Source: Tourism 2020 vision by WTO 1999

#### 1.3.2 Cooperation and Competition in GMS

Tourism development in GMS will partly support tourism development in Vietnam and make the competition among the GMS countries intense. Because some countries have already succeeded in tourism development, some tourism resources such as beach resort and ethnic minority in Vietnam will be competitive for other countries in GMS.

The following section comes from interviews with government organizations and tour companies in Thailand about the cooperation and competition among the GMS countries.

##### (1) Tourism development of Thailand

Tourism in Thailand, which accepts 77 percent of international tourists in GMS, is formulating the north-south network through Bangkok, Ayuthaya, Sukhothai, Chiang Mai, and Chiang Rai, and will extend to Yunnan, and Myanmar. Bangkok has already worked as a gateway of Yunnan and Myanmar.

(2) Weakness of tourism in Vietnam

In Vietnam most beaches have rainy season from October to March when the European market is in the high season. The number of hotels, in which international tourists can stay, is very limited, especially in the Study Area.

Fifty percent of long haul international tourists who visit Vietnam go through all over of the country from the north to south or from the south to north, and stay there at least for one week. People who visit both Vietnam and other countries are very limited.

(3) East-West Corridor as a tour product

Development of the East-West Corridor is the most visible regional cooperation in GMS to date. Development and improvement of roads and bridges is going on, and regional development will start from now. VNAT is interested in tourism development in the East West Corridor, but tourism development for international market is difficult due to the following matters.

The first one is limited tourist resource in the northeast part of Thailand and central part of Lao PDR. The second one is the issuance of VISA and the limitation of passport control point.

Basically, the East-West Corridor will be used as a trade of goods, materials, etc. Therefore, trading of commodities and materials will be active in the East-West Corridor in accordance with the improvement of a road network and the regional development. Tourism activity for such trading business has potential.

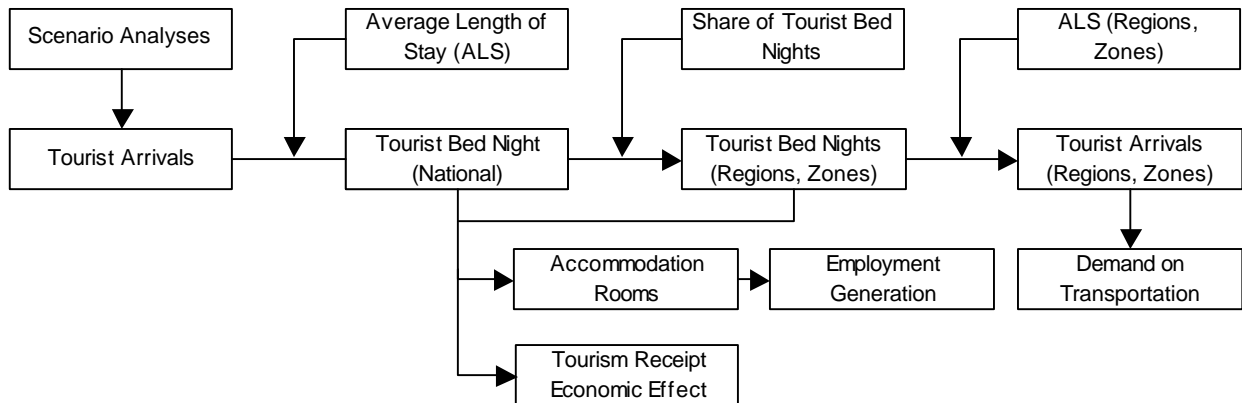
The other potential in the East-West Corridor is tourism for people in the GMS. The East-West Corridor will connect nations of Vietnam, Lao Republic, Thailand and Myanmar. Vietnam has already arranged a non-visa agreement with Thailand. Expansion of such agreement with other countries and easy passport control in control points are necessary if the GMS countries wish tourism development for the GMS by themselves. Exchanges of personnel and opinions at the local government level are also necessary. Agreement of sister cities/towns will be the first step of such exchanges.

## 2. Frameworks for Tourism Development

### 2.1 Methodology

The tourism development framework for both Vietnam and the Study Area has to be established. The JICA Study Team has utilized the methodology shown in Figure 2.1

**Figure 2.1 Process of Frameworks Formation**



Source: JICA Study Team

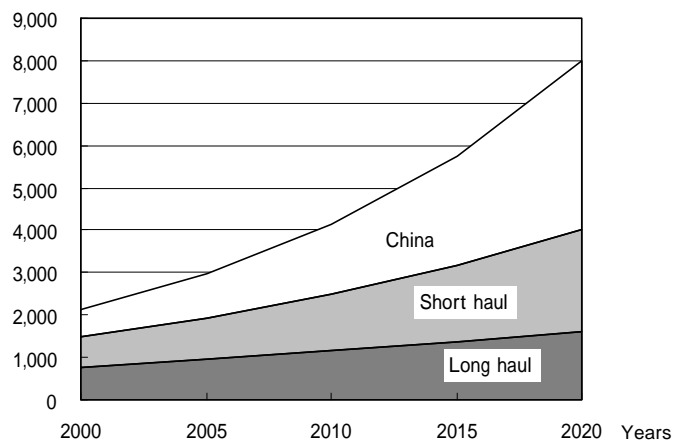
### 2.2 Development Framework in the National Level

#### 2.2.1 International Tourist Arrivals

Figure 2.2 and Table 2.1 show the forecast for international tourist arrivals. International tourists will total at 4.2 million persons in 2010 and 8.0 million in 2020. The volume will increase twice in ten years and four times in 20 years.

**Figure 2.2 International Tourist Arrivals in Vietnam**

International tourist arrivals  
(thou persons)



Source: JICA Study Team

**Table 2.1 International Tourist Arrivals to Vietnam until 2020**

(Unit: percent)

	2000	2005	2010	2020
International tourist arrivals (thousand persons)	2,140	2,980	4,150	8,000
Share in the world	0.3	0.4	0.4	0.5
Share in East Asia and the Pacific	2.3	2.2	2.1	2.0

Source: JICA Study Team

Table 2.1 shows that the share of international tourist arrivals to Vietnam in the world will increase from 0.3 percent in 2000 to 0.5 percent in 2020.

## 2.2.2 Domestic Tourist Generation

The JICA Study Team estimates that domestic tourist generations are about 10 million in 2000 based on statistics of Vietnam National Administration of Tourism (VNAT) and General Statistical Office (GSO)<sup>1</sup>, and this will increase to 50 million in 2020 with an annual average growth ratio of 8.4 percent.

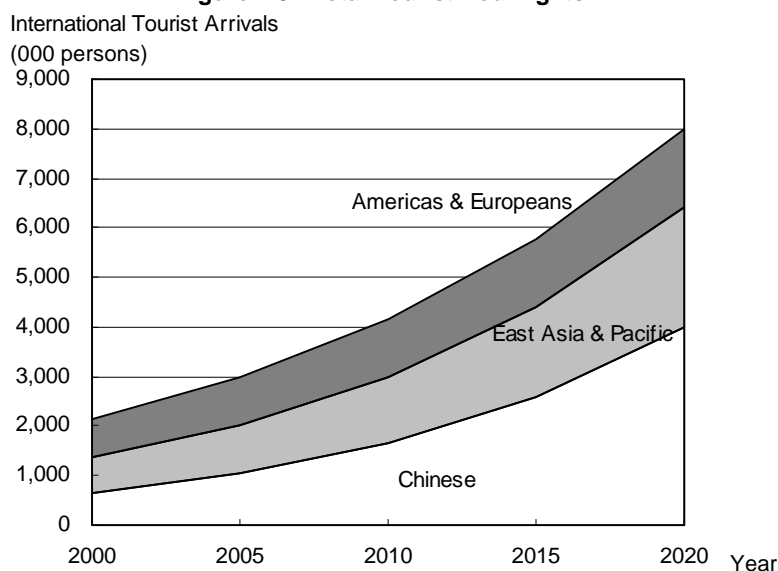
**Table 2.2 Domestic Tourist Generations in Vietnam**

	2000	2005	2010	2020
Domestic tourist generations (thou persons)	10,000	15,000	22,000	50,000
Proportion to total population (%)	13.0	18.3	25.5	52.2

Source: JICA Study Team

## 2.2.3 Total Tourist Bed Nights

Figure 2.3 shows the total of bed nights. It is estimated to be 28 million in 2000, and it will increase more than four times to 120 million in 2020.

**Figure 2.3 Total Tourist Bed Nights**

Source: JICA Study Team

<sup>1</sup> According to VNAT statistics, domestic tourist generation is 11.2 million in 2000. GSO statistics shows that the total number of Vietnamese hotel guests is only 7 million.

## 2.2.4 Tourism Receipt and Contribution to GDP

The third row of Table 2.3 is the sum of tourism receipts from international and domestic tourists. This will be also doubled in 10 years from VND 21 trillion to VND 43 trillion.

**Table 2.3 Tourism Receipt and Value Added Generated by Tourism**

	Unit	2000	2005	2010
Tourism Receipt from international tourists	US\$ mill	803	1,150	1,647
Tourism Receipt from domestic tourists	VND bill	8,925	13,388	18,480
Total Tourism Receipt	VND bill	20,963	30,634	43,185
Economic effects generated from tourism activities*	VND bill	48,214	70,458	99,326
Share of economic effects in GDP*	%	10.9	11.1	11.2
Tax revenue from tourism activities	VND bill	7,232	10,569	14,899

Note: Forecast of GDP follows "Socio-economic development strategy until 2010"

Economic effects from tourism activities include direct & indirect effect.

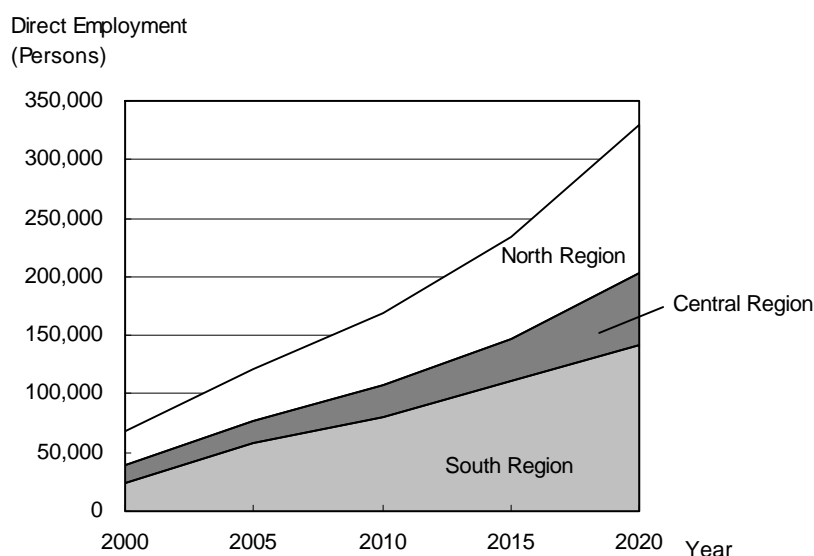
Source: JICA Study Team

## 2.2.5 Employment Generation

Figure 2.4 shows direct<sup>2</sup> employment generated by tourism activity until 2020. Total national employment will be 330 thousand in 2020. Direct employment in the Central Region consisting of the Study Area and Central Highland will be 60 thousand at that time.

Direct and indirect employment, which includes tour companies, tourism facilities and international level restaurant, will be 800 thousand in the nation in 2020. Direct and indirect employment in the Central Region will be 150 thousand.

**Figure 2.4 Direct and Indirect Employment in Vietnam**



Source: JICA Study Team

<sup>2</sup> Direct employment means employment in accommodations.

## 2.3 Development Framework in the Study Area

### 2.3.1 Tourist Arrivals, Tourist Bed Nights, Tourism Receipt and Economic Effect

Tourism development framework is shown in Table 2.4. The economic effects from tourism activities will increase from 11.0% in 2000 to 15.4% in 2020 in the Study Area.

**Table 2.4 Development Framework in the Study Area**

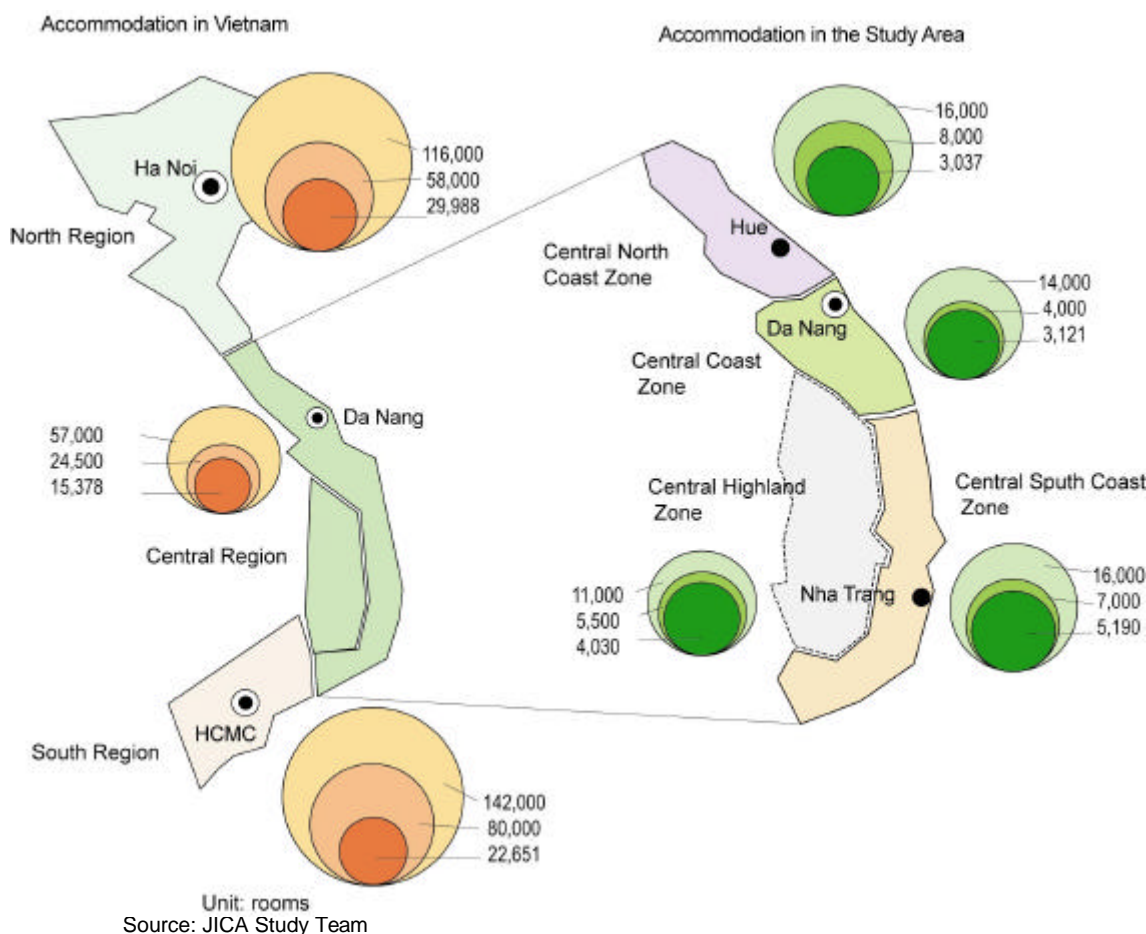
	Unit	2000	2005	2010	2020
International Tourist Arrivals	000 persons	531	1,010	1,399	3,210
Domestic Tourist Arrivals	000 persons	807	1,438	2,276	6,191
Total Tourist Arrivals	000 persons	1,337	2,448	3,676	9,401
Total Bed Nights	000 BN	2,424	4,468	6,774	17,781
Total Tourism Receipt	VND bill	1,911	3,588	5,361	-
Economic effects from tourism activities	VND bill	4,396	8,253	12,329	-
Share of economic effects in GRDP	%	11.0	14.4	15.4	-
Tax revenue from tourism activities	VND bill	521	988	1,465	-

Source: JICA Study Team

### 2.3.2 Accommodation Development Framework

The accommodation development framework for the national level and the Study Area is introduced from Tourist Bed Nights. Figure 2.5 shows the accommodation development framework until 2020.

**Figure 2.5 Accommodation Distribution Framework in 2020**





### 2.3.3 Employment in the Study Area

Table 2.5 shows direct and indirect employment in the Study Area until 2020.

**Table 2.5 Employment in the Study Area**

(Unit: 000 persons)

	2000	2005	2010	2020
Direct Employment	12	15	21	50
Indirect Employment	17	22	29	70
Total Employment	30	37	49	120

Source: JICA Study Team

### 2.3.4 Products Development and Spatial Setting

#### (1) Product development orientation

Generally, tourism products are recognized as tour packages. The tourism products or tour packages basically include transportation, accommodation and tourist services, including dining and wining as well as shopping and entertainment.

Table 2.6 shows the product development orientation together with the potential in the Study area. Climate and tourism resources as well as the three elements mentioned above are included for the examination of the orientation.

In the Study Area, cultural and historical tours are most significant, and some alternative tours come next. The limited location in C3 is suitable for resort stay type tourism for international tourists.

**Table 2.6 Tourism Product Development Orientation**

Tourism Zone	Provinces	Climate (rainfall)	Tourism Resources		Access	Service	Tourist Base (Accommodation) Development Scale and Orientation
			Natural	Cultural	Airport	City/Town	
C1	Quang Binh	-	■	-	-	-	Local market oriented tourists base and product development
	Quang Tri	-	-	□	-	-	
	T.T.Hue	-	□	■	■	■	
C2	Da Nang	□	□	□	■	■	International tourist base and product development
	Quang Nam	□	-	■	-	□	
	Quang Ngai	□	-	□	-	-	
C3	Binh Dinh	□	-	■	-	□	Local market oriented tourists base and product development
	Phu Yen	□	-	□	-	-	
	Khanh Hoa	■	□	□	□	□	International tourist base development (Marine Resort development)
	Ninh Thuan	■	□	□	-	-	
	Binh Thuan	■	■	□	-	-	

Source: JICA Study Team

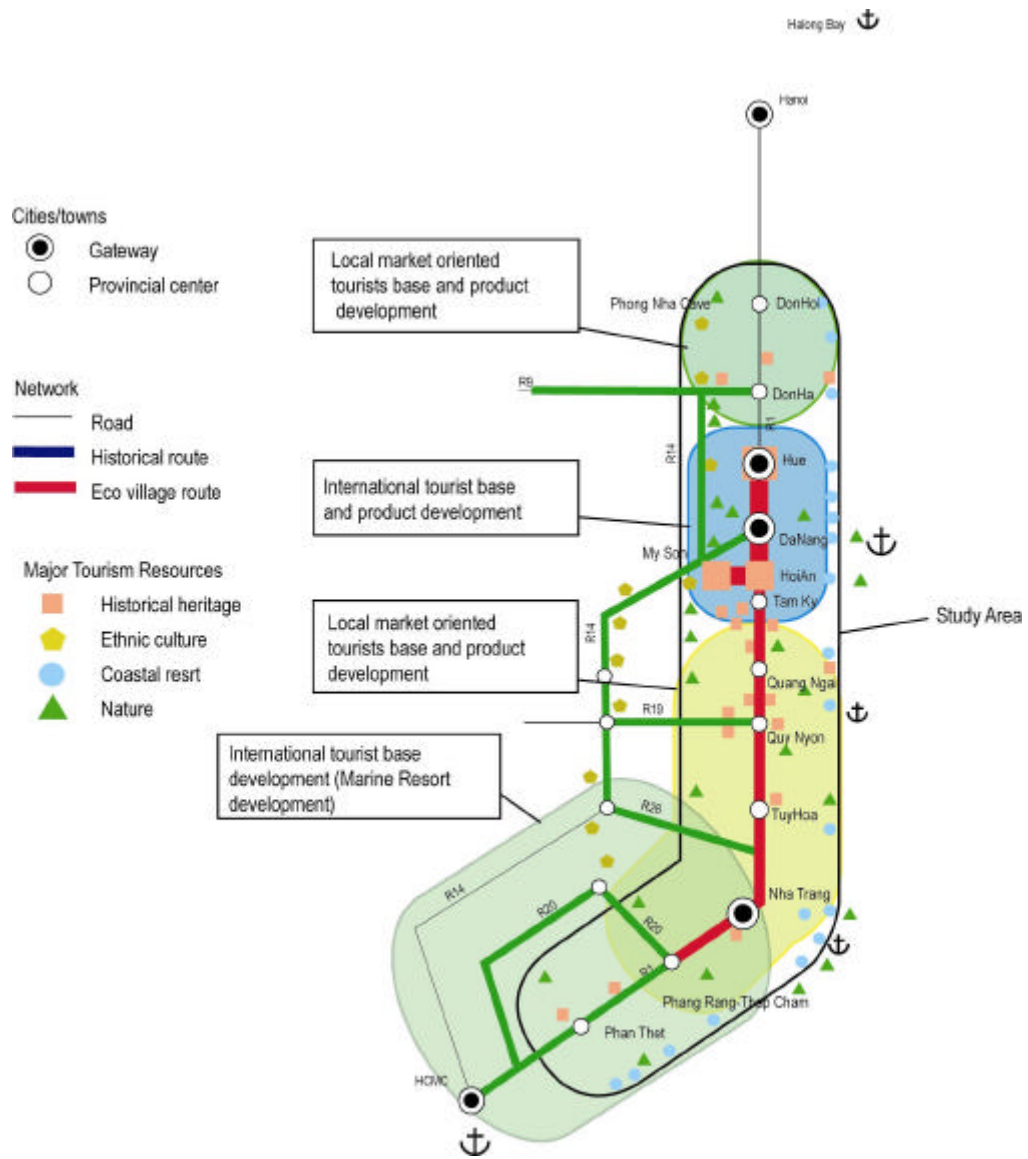
For the tourism product development, utilization of tourism resources as well as conservation and restoration are required. Well-coordinated and integrated development among related agencies are indispensable.

#### (2) Spatial setting

Spatial setting has been examined in accordance with the orientation of the tourism product development. Spatial setting shows the role of city centers in provinces, setting of networks, orientation of tourism product development and tourism base development.

Figure 2.6 illustrates conceptual spatial setting of the Study Area in 2020.

**Figure 2.6 Conceptual Spatial Setting of the Study Area**



Source: JICA Study Team

### **3. Issues**

Tourism development issues are examined from the following points of (1) Institutional development, (2) Human Resource Development, (3) Facilities development and (4) Resource management.

#### **3.1 Institutional Development**

Major issues for institutional development significant for tourism development in both Vietnam and the Study Area are market promotion and advertisement in conjunction with tourist information dissemination and coordination and integration between the central government and local governments for tourism development

##### **3.1.1 Market Promotion and Advertisement**

VNAT is responsible for marketing and promoting Vietnam as a tourist destination in source markets in its capacity as a central government agency. However, its marketing and promotional undertaking is currently minimal, and its main focus is on tourism-related administration. The main issues are:

- Constraints on VNAT's marketing and promotional activities,
- Lack of VNAT branch offices in key source markets, and
- Lack of VNAT tourist information centers (TIC).

##### **3.1.2 Coordination and Integration of Tourism Administration**

It should be considered that adequate development bodies will depend on the character of location to be developed; whether urban, rural or remote area, and historical areas, and the character of projects in terms of capability of the central government, local governments, and private.

According to Tourism Ordinance, provinces (or cities) are taken in position with administrative tasks as follows.

- To decide implementation of tourism development,
- To manage tourism resources, and
- To supervise tourism activities including business and social impact.

Therefore, implementing agencies could be provinces, principally including cases of joint bodies with private sector. On the other hand, Ministries (not only VNAT) should play the role of supervisors. They should establish criteria of establishment, operation and inspection to conserve national and international properties in order to achieve sustainable tourism development.

#### **3.2 Human Resource Development**

The issues that need to be solved for the human resource (HR) system, which will meet the requirements of the tourism industry, are as follows:

- Improved administration and system monitoring to enable all businesses to access information on training availability and training development

- Improved training system operation (The training market can support on-the-job training provision only if the training providers clearly understand the type of training that industry requires)
- Occupational standards and training accreditation are urgent requirements for a national system for classification of skill level for all tourism occupations.
- Increase in training capacity is required, particularly to meet the needs of the Study Area.
- Training on small and medium sized enterprises (SME) needs to be offered in a pattern that reflects the circumstances of small business operators.
- Links between the tourism sector and the general education system are required to achieve national tourism resource protection and promotion objectives.

### **3.3 Facility Development**

Tourism product development and facilities development are related each other.

Diversification and improvement of tourism products are required to attract international tourists to the Study Area. In order to increase the number of long haul tourists, it is necessary to develop new and attractive tourism products using the tourism resources in the Study Area. To attract more-short haul and Chinese tourists, it is necessary to expand capacity and improve the quality of tourism products.

It is important to expand and upgrade all components in order to diversify and improve tourism products. The following are requirements:

- Transport improvement for effective use of existing and potential tourism resources,
- Development and improvement of accommodation of high quality for international tourists, and
- Improvement and development of service facilities to meet the tourist demand and provision of safe and comfortable travel.

#### **3.3.1 Transportation**

The following are issues to be improved:

- Regional access improvement, especially air access to the gateway town(s)
- Local access improvement and integration, including visitor convenience facilities along the roadway.

#### **3.3.2 Accommodation**

The following are major issues to be addressed to close the gap between the Study Area and big two cities, Hanoi and HCMC.

- Prioritize the increase in supply of middle and high standard accommodation.
- Improvement of existing stock of non-classified hotels.

- Increase the supply of the public accommodation to promote youth or family tourism for domestic tourists.
- Standardization of all accommodation facilities (Star/classification).
- Diversification of accommodation types (urban, coast, rural, mountain, and recreational camp).
- Improvement of hospitality services with certain standard for trained staff.
- Continuous marketing efforts and stable procurement system.
- Human resources development to upgrade hotel service.
- Utilization of advanced information technology for operations management.

### **3.3.3 Service Facilities**

The following are required to improve tourist facilities:

- Tourist information services development
- Supporting facilities to increase tourism resource attractiveness and tourism product upgrading
- New tourism product development such as marinas and museums
- Improved variety of choice for international restaurants
- Development of facilities for historical tourism site interpretation
- Recreational facilities and services development for alternative tourism

### **3.4 Resource Management**

Tourism resource management involves (1) Natural resource conservation and management, (2) Cultural and historical resource conservation and management, (3) Rural development (village tourism or eco-tourism) and social environment conservation, and (4) Urban amenity improvement and environment protection.

Environmental conservation and protection from degradation is the key for sustainable development not only for tourism development but also for all kind of socioeconomic development.

Tourism resources managed by each responsible sector such as National Park by MARD, Archeological sites by MOCI (Culture and Information) should be coordinated to promote tourism development.

#### **3.4.1 Natural Resource Conservation and Management**

Natural environmental conservation is an indispensable base for tourism development from the following viewpoints:

- (1) Natural conditions are a base for tourism development.

The existing natural condition determines the floods in the rainy season, drought in dry season, forest degradation, and soil erosion.

- (2) Environmental impact of tourism development

Tourism developments including infrastructure projects have a possibility not

only to affect the environment, but also to decrease the value of tourism resources. Facilities development in the study area should consider adequate visitor management for National Parks and coastal environment management.

(3) Other issues

Global warming and biodiversity should be considered in tourism development.

### **3.4.2 Cultural and Historical Resource Conservation and Management**

Conservation and restoration of cultural and historical resources as well as utilization for tourism will provide the places of attraction for tourists.

(1) Historical Heritage Protection and Visitor Management

There are three world heritages and other historical areas in the Study Area. They should be protected from disorderly development and over utilization by tourists. Control and guiding of tourist's flow is required. Education and fostering the awareness of people is also needed.

(2) Heritage utilization and cooperation with MOCI

MOCI (Culture and Information) should be coordinated to promote tourism development on utilization of historical cultural resources for tourism. Construction of a museum should be implemented by MOCI or local People's Committee under the close cooperation with MOCI.

(3) Coordination with urban development

Because urban development will directly influence the cultural and historical value in the historical town of Hue and Hoi An, close coordination on planning and design of facilities is required, as well as urban management and cultural historical resource conservation.

### **3.4.3 Rural Development and Social Environment Conservation**

Based on the positive and negative impacts of tourism development on local people identified by the social survey, the following countermeasures are considered as priority issues.

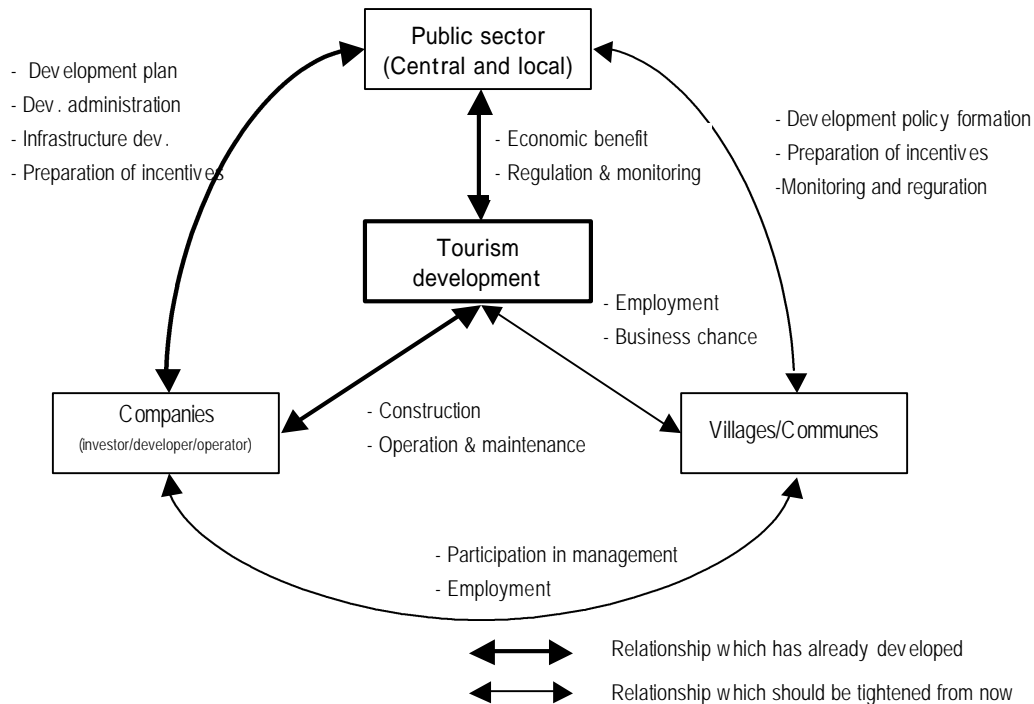
(1) Establishment of systems to coordinate activities among all stakeholders

Based on the social survey and observation by the JICA Study Team, lack of the coordination and information channels between government-village/commune and investor/developer-village/commune is shown in the figure below. These channels should be created and reinforced. Development should be with proper planning, investment and community participation addressing the issues below.

- Development plans should be communicated to the local people.
- Relevant information should be disclosed and explained including advantages and disadvantages of tourism development.
- Opportunities should be provided, so that the local people can consider their participation and involvement.

- The structure and culture of the existing community should not be destroyed.

**Figure 3.1 Relationship among Concerned Groups in Tourism Development**



Source: JICA Study Team

(2) Formulation of plans, strategies and guidelines for tourism development with an emphasis on social environment

Currently, tourism development is governed by policies at the national and local levels, but they have been implemented haphazardly without any institutional coordination. To increase institutional coordination, the necessary activities are;

- Financial and technical support from international NGOs and donor countries to define concepts of tourism development in a Vietnamese context.
- All existing socio-economic development plans and strategies, rural development plans, poverty alleviation and traditional culture/arts and history preservation and environment conservation should be inter-linked and should incorporate tourism development.
- Increase in awareness of the importance of tourism for socio-economic development among the government and local people.
- Socio-economic and social impact surveys to comprehend local conditions should be conducted. The cases in other countries should be also studied and applied.
- Cooperation and coordination systems among related agencies for implementation of plans and strategies should be established.

#### **3.4.4 Urban Amenity Improvement and Environment Protection**

The cities are the tourism base for accommodation and tourist attractions. These tourist centers/ towns should be clean, comfortable and safe place for the visitors.

Urbanization will cause pollution, especially water pollution, solid waste problems, and impact on aesthetic. The following issues are identified in the study area.

- Establishment of urban development guidelines for maintaining good environment, especially for the area important for tourists as well as resident of the cities, such as coastal area in Da Nang, river bank area in Hue, river side of Hoi An town, etc.
- Provision of recreational management in coastal areas for safe and comfortable services.
- Control of facilities development to preserve views of coast lines and hill-side terraces.
- Urban environment improvement by provision of sufficient waste management and drainage.



## 4. Development Strategies

### 4.1 Tourism Administration and Market Promotion

#### 4.1.1 Role of Government and Full Integration and Coordination for Development

It is necessary to coordinate many public and private organizations to carry out sustainable tourism development. In the tourism development in the Study Area, implementing agencies could be principally provinces including cases of joint bodies with private sector. Ministries (not only VNAT) should play the role of supervision. Ministries should establish criteria and guidelines for establishment, operation and inspection to conserve national and international facilities in order to achieve sustainable tourism development.

**Table 4.1 Government Role for Tourism Development**

Implementation Body	Responsibilities
VNAT	Market promotion: make policies and guidelines, supervise promotion organization Human resource development: make policy and conduct HRD Tourism activities: prepare for regulations, supervise tourism business by private
Ministries	Infrastructure development: invest transportation and urban infrastructure for tourism Tourism development: Prepare for development guidelines and regulations, support financially
Provinces	Infrastructure development: invest transportation and urban infrastructure for tourism Tourism development: Prepare for development guidelines and regulations, support financially Tourism activities: prepare for regulations, supervise and cooperate with tourism business by private
Private sector	Tourism activity: Participation in profitable projects

Source: JICA Study team

In some cases, projects and programs cover several provinces such as network developments and nature resources, for example national parks. In order to implement widespread projects smoothly and efficiently, it is recommended to formulate an organizational system, in which several agencies will be involved in management of several activities.

#### 4.1.2 Promotional Strategies

VNAT shall endeavor to develop promotional strategies required for Vietnam to be fully accepted as a tourist destination in the major source markets of the world. The strategies are:

- Promote Vietnam as an attractive tourist destination by using country identity, Vietnamese way of life, nature, culture, revolutionary heritage, friendliness, peacefulness, etc.
- Make Vietnam competitive as a tourist destination in the major source markets for long and short haul visitors.
- Promote more visitors to come to Vietnam and have them travel extensively within the country and stay longer with higher levels of daily

expenditure, while considering the receiving capability and characteristics of individual destinations.

- Establish an agency, namely Vietnam Tourism Promotion Board (VTPB), under the direction of VNAT, which undertakes promotion and advertisement at the professional level.
- Establish overseas branches of the agency in key source markets to carry out specific and verified promotional activities in their responsible territories.
- Establish Tourist Information Centers (TIC), under the agency, in the three gateway cities and other popular tourist cities to increase the tourism-friendliness of the destinations.

#### **4.2 Human Resource Development (HRD)**

The following are the strategies required for the human resource improvement plan in the tourism sector.

- (1) Development of a HRD system to improve effectiveness of a tourism education and training system

The operation of the institutions within the HRD system and the structures of the system needs to meet the increasing demands of industry.

- Improvement of coordination and management of tourism HRD and a training system
- Development and improvement of industry linkages to a training system
- Development of occupational standards to reflect professional skill requirements for each occupation
- Development of professional certification for each level of occupation
- Development of accreditation of training based on occupational standards
- Development of system of private financing

- (2) Improvement of training provision to improve quality and quantity of labor force

Improvement of the provided training is required, in terms of range, quantity and quality, to ensure that it meets the needs of industry. The sub-components are:

- Increased focus on those in direct contact with tourism customers
- Increase in training capacity
- Development of a tourism training network to ensure that students can enter different courses at different schools and have their qualifications recognized.
- Upgrading of tourism training school management to enable the efficient management of training schools as well as development of research into industry training requirements
- Improvement and development of curriculum
- Improvement of teaching staff to an industry accepted standard
- Use of training provision to achieve development objectives in employment creation

### **4.3 Facilities Development**

#### **4.3.1 Infrastructure**

Development of tourism facilities and infrastructure plays a key role in not only improving and developing tourism products but also offering basic services to tourists. The following directions of development and improvement for each tourism facility and infrastructure are recommended.

- Transport facilities, especially air access, seaport facility for cruising passengers and railway improvement at Hue-Da Nang section
- Sanitation facilities for environmental protection, particularly in urban area
- Visitor facilities such as information center, rest places, public toilet and parks for safe and convenient travel in not only urban area but also major tourist spots.

#### **4.3.2 Accommodation**

Accommodation development should basically follow the market demand.

Coastal zones in the study area are one of the best locations for accommodation development although urban areas and some specific locations in the rural area are also suitable locations.

### **4.4 Tourism Resource Management**

#### **4.4.1 Natural Environmental Conservation**

In accordance with facilities development and management strategies for tourism development, the followings are required for natural environmental conservation.

(1) Protection and improvement of natural conditions

For the protection and improvement of natural conditions, which are the base for tourism development, measures on flood control, water resource development and forest management are required.

(2) Protection and mitigation of environmental impact by tourism development

For the protection and mitigation of environmental impact of tourism development, the following measures are required:

- Establishment of the capability in strategic environmental assessment for tourism planning
- Improvement and upgrading of environmental impact assessment systems
- Establishment of environmental monitoring systems

(3) Measures for global issues and human resource development

For the measures for global issues and human resource development, the followings are required:

- Coastal management
- Protected area management

- Capacity building for government staff on tourism development issues
- Upgrading of environmental awareness of government staff, private companies, and residents
- Environmental education of students

#### **4.4.2 Cultural and Historical Resource Conservation and Management**

The following key measures are proposed for resources management.

- Introduction of a management zoning system for conservation and utilization of tourism resources both in urban area and rural area.
- Control vehicle access in accordance with above mentioned zoning system
- Establishment of guidelines for facilities development in the designated zones and areas
- Provision of information on cultural and historical assets and products not only for tourists but also all people in Vietnam. Visitor facilities such as small scale museums at the each historical site for tourist information and public awareness, handicraft center for demonstration of production process, visitor center for control and guiding the tourists.

#### **4.4.3 Rural Development and Social Environment Conservation**

Taking into consideration of the issues presented in the previous chapter, strategies required can be proposed as follows.

(1) Formulation and utilization of village tourism guideline

In order to facilitate culturally, environmentally and economically sustainable village tourism, guidelines are necessary based on the actual conditions.

The guidelines should include:

- Characteristics of tourism development
- Advantages and disadvantages of tourism development for rural development in Vietnam
- Aims of guidelines
- Scope of application of guidelines
- General definition of tourism (necessary conditions for sustainable tourism)
- Roles and responsibilities of the different stakeholders in tourism development
- Process to prepare village tourism

(2) Preparation and implementation of evaluation list for tourism development by type

Tourism in the Study Area can be categorized mainly into (1) historical and cultural tour, (2) beach resort, and (3) eco-village tour. Each needs to contribute to the area and to benefit the local people, and an evaluation list can be helpful to appraise and review development and guide appropriate development.

(3) Preparation of regulations and rules to protect the social environment

In order to avoid negative impact, regulations/rules related to tourism business and tourist activities are necessary. Especially, the following items are considered.

- To control street vendors and shops
- To control price, charges and quality of services
- To control routes for trekking and walking (To control the number of visitors in some places)
- To control tour guides in the area
- To control behaviors of the tourists and local people
- To control public security

(4) Implementation of pilot projects to meet the actual condition

In order to prepare for development guideline of village tourism/eco-tourism, the local governments should conduct pilot projects. The following points should be clarified through the pilot projects.

Infrastructure development:

- Toilets and shower rooms in accommodation, resting places and restaurants should be developed with appropriate wastewater treatment systems.
- Accessibility should be improved such as a road network, parking and appropriate transportation.

Provision of government support and information:

- Tourism development plans should be formulated and developed with involvement of the local people. Also, plans should be clearly explained to the local people to provide an effective guideline.
- Government should provide technical and financial support for the households involved in tourism.
- The coordination system among stakeholders such as tourist companies, government and local people should be improved.

Community involvement and training:

- The local people should be trained as tour guides and for accommodation service and management including language classes.

Environment protection:

- Systems and rules for the villages and tour agencies/guides should be considered to conserve natural and social environment.

#### **4.4.4 Protection and Improvement of Urban Conditions**

Protection and improvement of urban conditions are the bases of tourism development. The following are required to develop.

- Water pollution control in Da Nang, Hue, Hoi An and Nha Trang
- Solid waste management in Da Nang, Hoi An and Hue

For the protection and mitigation of environmental impact by tourism development, the following measures are required:

- Establish urban management system in conjunction with urban development administration and cultural, historical, and natural environment conservation, especially in Hue and Hoi An,
- Urban land use control at coast area in Da Nang and Nha Trang to maintain good environment and atmosphere of the beach along the city and water quality, and
- Provide tourist center or places where tourists get information, meet people, as well as take a rest and transportation terminal to change transportation mode, for example from a bus to a boat. This kind of places should be convenient and provide amenity for tourists.

## 5. Priority Projects and Programs

### 5.1 Projects and Programs

In accordance with the recommended development strategies, priority projects and programs are identified and listed in Tables 5.2 and 5.3. These projects/programs are selected by the following criteria: (1) Maximizing benefits for the Study Area and the nation, (2) Minimizing the negative impact on social and natural environment, (3) Preparation of projects/programs. For example, implementation body and financial source are clarified. If a project/program does not have potentials in (3) but has potential in (1) and (2), the JICA Study Team recommends conducting a pilot project at first.

Locations of priority projects and programs together with tourism development potential areas by province are shown in Figure 5.1 through Figure 5.11 from page 30.

### 5.2 Economic Impact Analysis

Table 5.1 shows the total of project/program cost and increases of Value Added in compared with the amount in 2000. Increases of Value Added from tourism activity will be US\$4,625 million; on the other hand, project costs including operation & maintenance cost will be US\$875 million. The ratio of increases of Value Added to project costs is 5.4.

**Table 5.1 Project Cost and Increase of Value Added**

(Unit US\$ thousand 2000 price)

		2003-2010	Remarks
Benefit	Increases of Value Added	4,625	Compared with Value Added in 2000
Cost	Project/program costs	856	Including O&M cost Exclude residual value
B/C ratio		5.4	

Source: JICA Study Team

### 5.3 Initial Environmental Assessment

Twenty-six (26) projects/ programs are proposed in the Study. These projects/programs are categorized into three (3) types.

- Type A: Projects/programs which have no environmental impact,
- Type B: Projects/programs which will be required to discuss with DOSTE, and
- Type C: Projects/programs which will be required to carry out EIA.

Type C projects/programs have the possibility to affect the environment. All projects/programs are required the preparation of EIA in accordance with Vietnamese EIA regulations.

SUMMARY

**Table 5.2 Projects/Programs (1)**

Code	Name of Project/programs	Location	Period			Implementing Body
			-05	-10	11-	
<b>Institutional Development</b>						
ID1	Vietnam Tourism Promotion Board (VTPB)	Hanoi City, 10 overseas cities	■			VNAT, P's Cs and companies
ID2	Tourist Information Center (TIC)	3 Airports, Visitor Centers, Roadside Stations	■	■		VNAT, CAAV and P's Cs of 11 provinces
<b>Human Resource Development</b>						
HR1	Tourism Institute of Vietnam	Da Nang City	■			VNAT/P's C of Da Nang
HR2	Nha Trang Tourism College	Nha Trang City	□	■		VNAT/P's C of Khanh Hoa
<b>Facility Development: Transportation</b>						
FT1	Airport Improvement Program	Da Nang, Hue, Nha Trang	■	■		CAAV
FT2	Cruise Ship Passenger Terminal	Tien Sa Port	■			VINALINES
FT3	Roadside Station Development	11 provinces	■	■		P's C of 11 provinces
<b>Facility Development: Accommodation</b>						
FA1	Lang Co Tourism Base	Lang Co	■	■		P's C of TT Hue
FA2	Khe Ga Cape Tourism Base	Ham Thuan Nam	□	■	■	P's C of Binh Thuan
<b>Facility Development: Service Facilities</b>						
FS1	Traditional Handicraft Improvement	Hue City, Ninh Thuan Province	■	■		P's C of TT Hue & Ninh Thuan
FS2	Phong Nha Cave Nature Park	Phong Nha	■			P's C of Quang Binh
FS3	Cultural Museum Information Network	11 provinces	■	■		MOCI/11 P's Cs
FS4	Visitor Center Development	Hue City, Hoi An, Nha Tran	□	■		P's C of TT Hue, Quang Nam and Khanh Hoa
FS5	Hue-Danang Tourism Train Operation	Hue & Da Nang	□	■		VR (and company)
FS6	Nha Trang Marina	Nha Trang City	□	■		P's C of Khanh Hoa
FS7	Coastal Cycling Road Network	7 Provinces	□	■	■	7 P's Cs
<b>Resources Management</b>						
RM1	Forbidden Purple City Monuments Restoration	Forbidden Purple City in Hue Citadel	□	■		MOCI/ P's C of TT Hue
RM2	Village Tourism Supporting Program	One village each in 10 Provinces	□	■	■	MARD/Local P's Cs
RM2 (A)	My Khe Coastal Village Tourism	Quang Ngai Province	□	■		P's C Quang Ngai
RM3	My Son Archeological Park	My Son	■			P's C of Quang Nam
RM4	Hue Urban Management (TOR)	Hue Citadel/Royal Tomb	■			P's C of Hue City
RM5	Hoi An Urban Management (TOR)	Hoi An Town	■			P's C of Hoi An
RM6	My Khe - Non Nuoc Coastal Area Development	Da Nang City	■	■		P's C of Da Nang
RM7	Nha Trang Coastal Management Center	Nha Trang City	■			MOSTE/P's C Khanh Hoa
RM8	Champa Parks and Site Museums Program	11 provinces	□	■		P's Cs of 11 provinces
RM9	Hoi An Flood Hazard Mitigation (TOR)	Thu Bon River	■			MOWR/P's C Quang Nam

Note: □ = Preparation, ■ = Implementation of Project  
Source: JICA Study Team



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**Table 5.1 Projects/Programs (2)**

		Classification for IEE	Quang Binh	Quang Tri	TT Hue	Da Nang	Quang Nam	Quang Ngai	Binh Dinh	Phu Yen	Khanh Hoa	Ninh Thuanh	Binh Thuan	Others
Code	Name of Project/programs													
<b>Institutional Development</b>														
ID1	Vietnam Tourism Promotion Board (VTPB)	A												■
ID2	Tourist Information Center (TIC)	A	■	■	■	■	■	■	■	■	■	■	■	■
<b>Human Resource Development</b>														
HR1	Tourism Institute of Vietnam	B				■								
HR2	Nha Trang Tourism Collage	B									■			
<b>Facility Development: Transportation</b>														
FT1	Airport Improvement Program	C			■	■					■			
FT2	Cruise ship passenger terminal	C				■								
FT3	Roadside Station Development	B	■	■	■	■	■	■	■	■	■	■	■	
<b>Facility Development: Accommodation</b>														
FA1	Lang Co Tourism Base	C			■									
FA2	Ke Ga Cape Area Tourism Base	C											■	
<b>Facility Development: Service Facilities</b>														
FS1	Traditional Handicraft Improvement	A			■								■	
FS2	Phong Nha Cave Nature Park	C	■											
FS3	Museum Information Network	A	■	■	■	■	■	■	■	■	■	■	■	■
FS4	Visitor Center Development	B			■		■				■			
FS5	Hue - Da Nang Tourism Train Operation	C			■	■								
FS6	Nha Trang Marina development	C									■			
FS7	Coastal Cycling Road Network	B			■	■	■	■	■		■		■	
<b>Resources Management</b>														
RM1	Forbidden Purple City Monuments Restoration	B			■									
RM2	Village Tourism Supporting Program	A	■	■	■		■	■	■	■	■	■	■	■
RM2(A)	My Khe Coastal Village Tourism	A					■							
RM3	My Son Archeological Park Improvement	B					■							
RM4	Hue Urban Management (TOR)	C			■									
RM5	Hoi An Urban Management (TOR)	C					■							
RM6	My Khe - Non Nuoc Coastal Area Development	C				■								
RM7	Nha Trang Coastal Management Center	B									■			
RM8	Champa Parks and Site Museums Program	B	■	■	■	■	■	■	■	■	■	■	■	
RM9	Hoi An Flood Hazard Mitigation (TOR)	C					■							

Source: JICA Study Team

Figure 5.1 Quang Binh Province

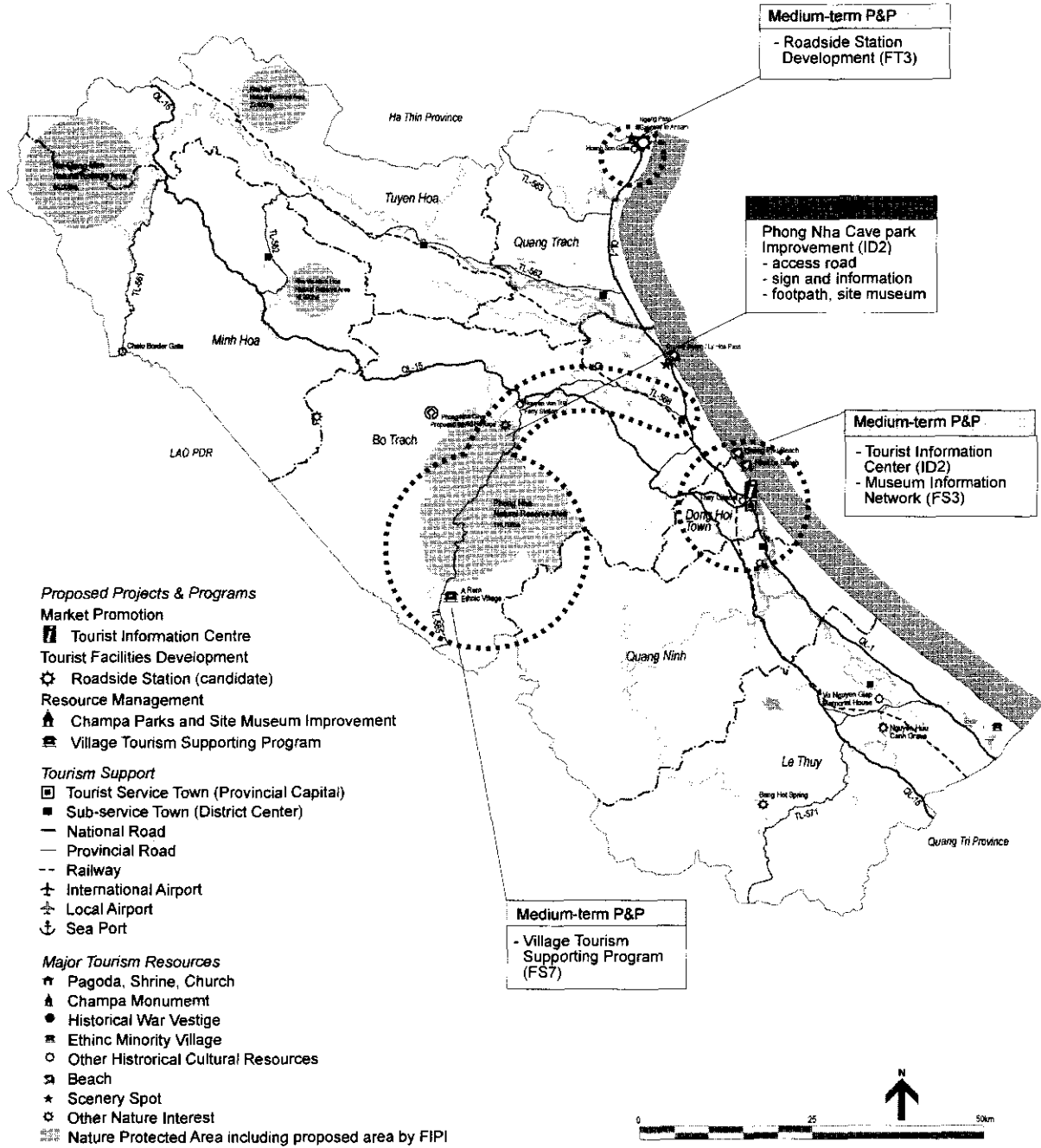


Figure 5.2 Quang Tri Province

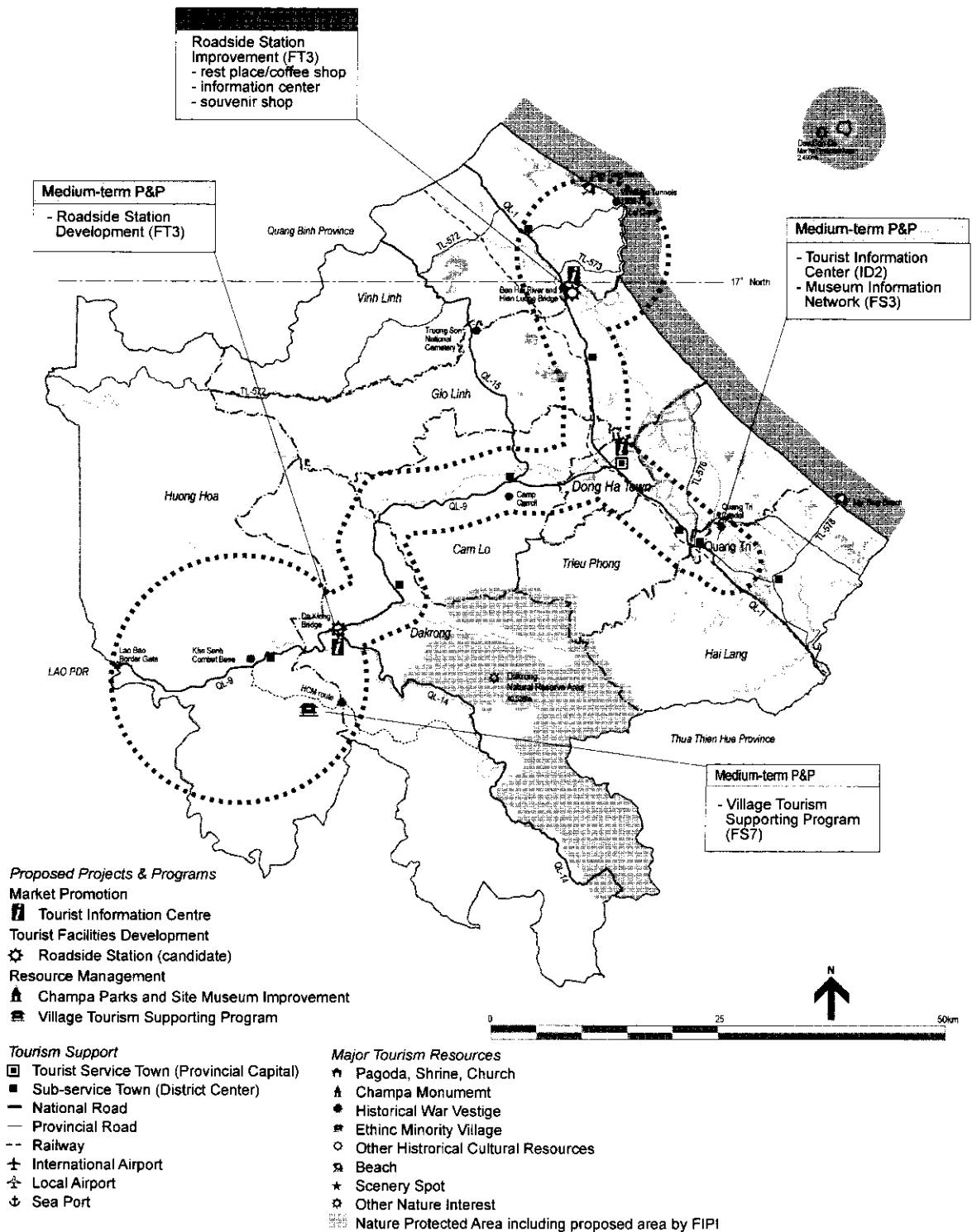
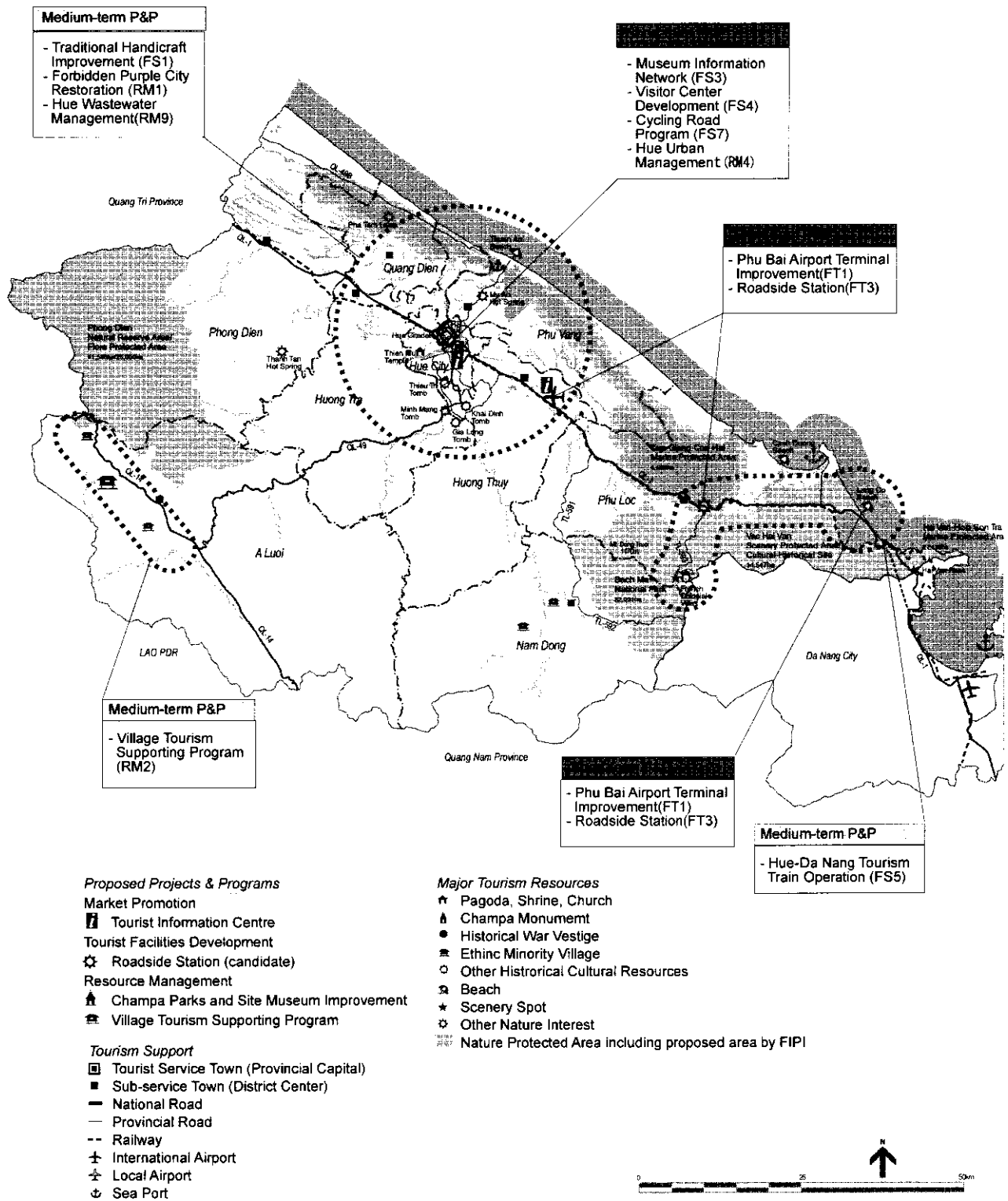


Figure 5.3 Thua Thien-Hue Province



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Figure 5.4 Da Nang City

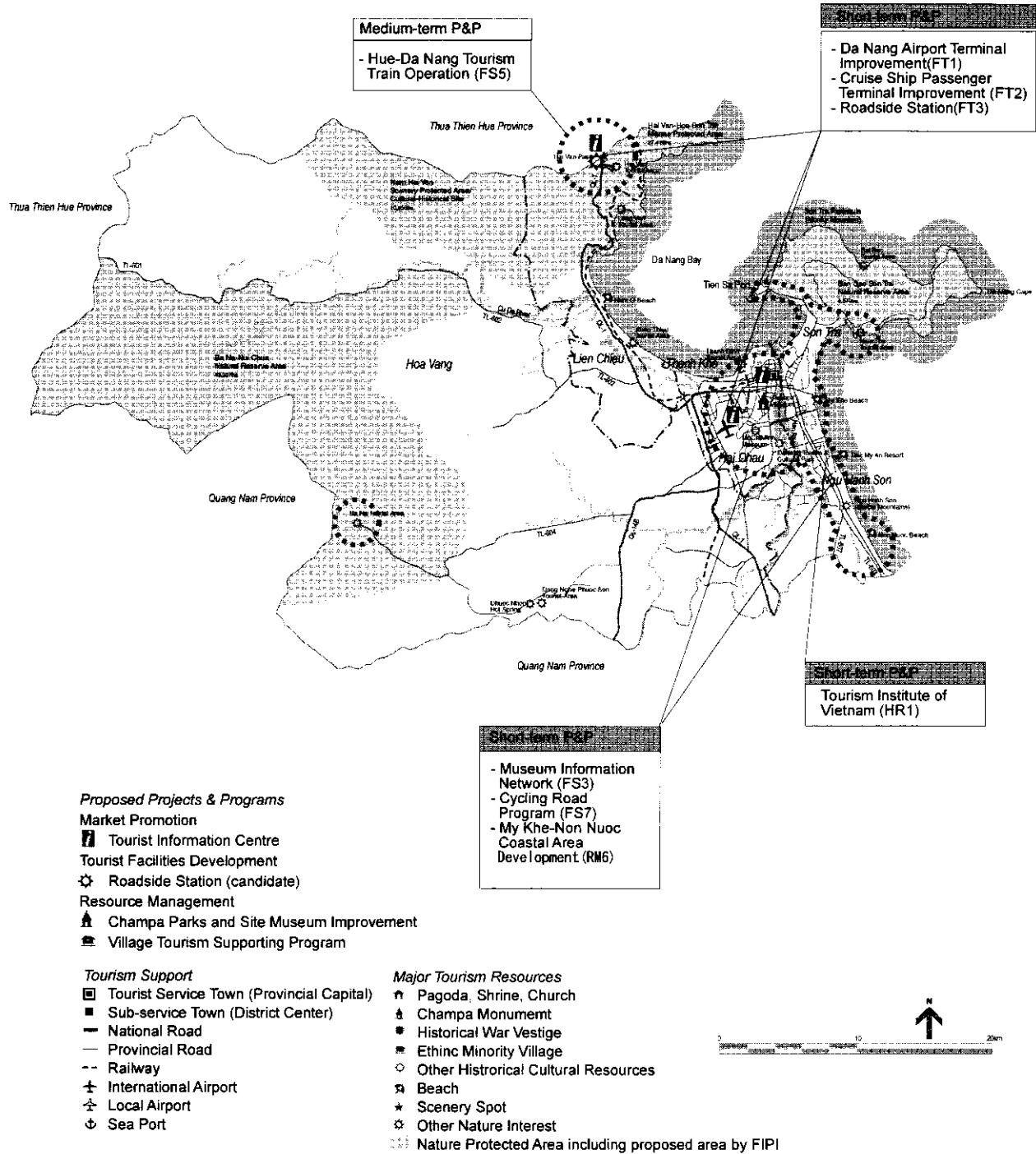
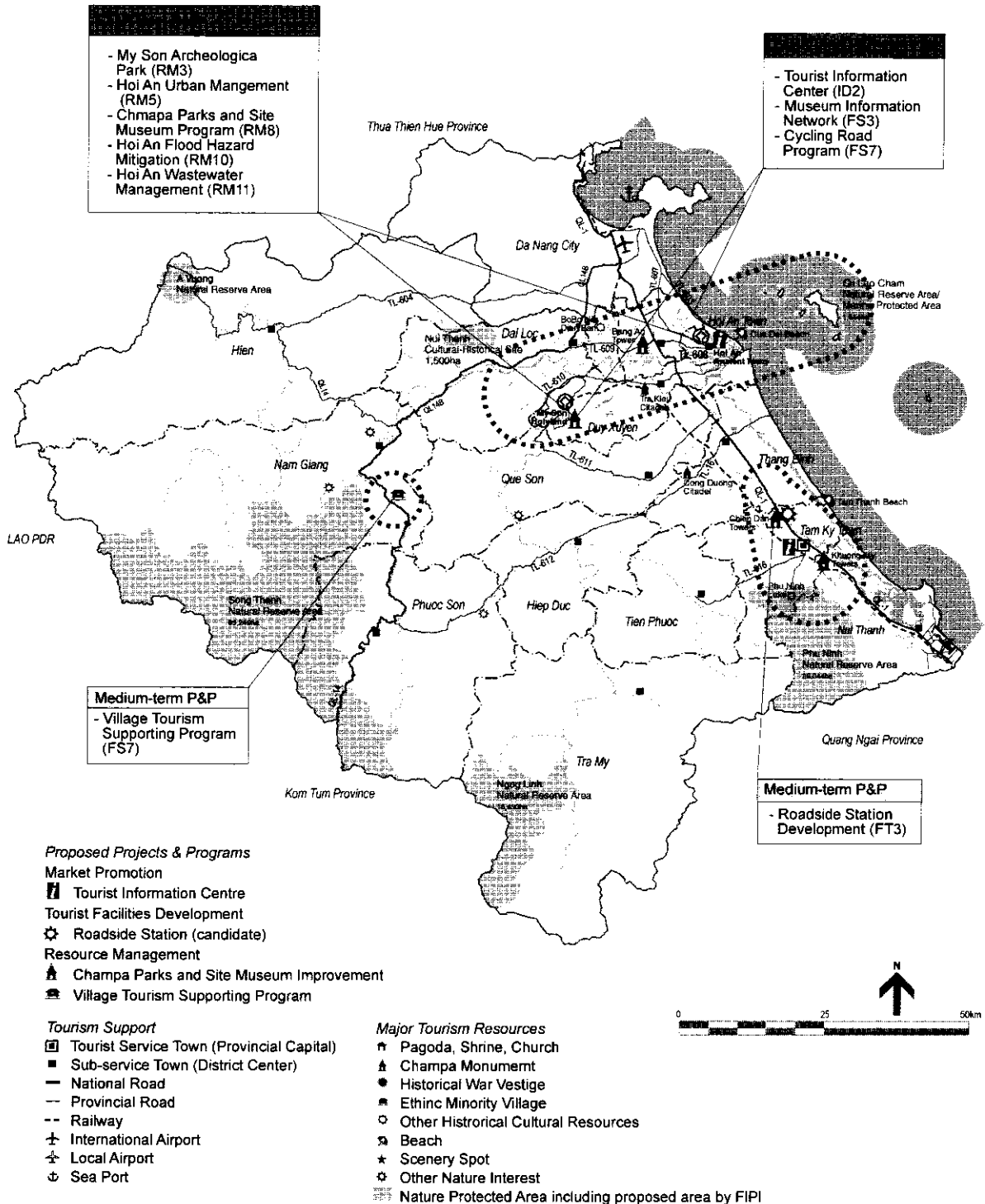


Figure 5.5 Quang Nam Province



COMPREHENSIVE STUDY ON TOURISM DEVELOPMENT  
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Figure 5.6 Quang Ngai Province

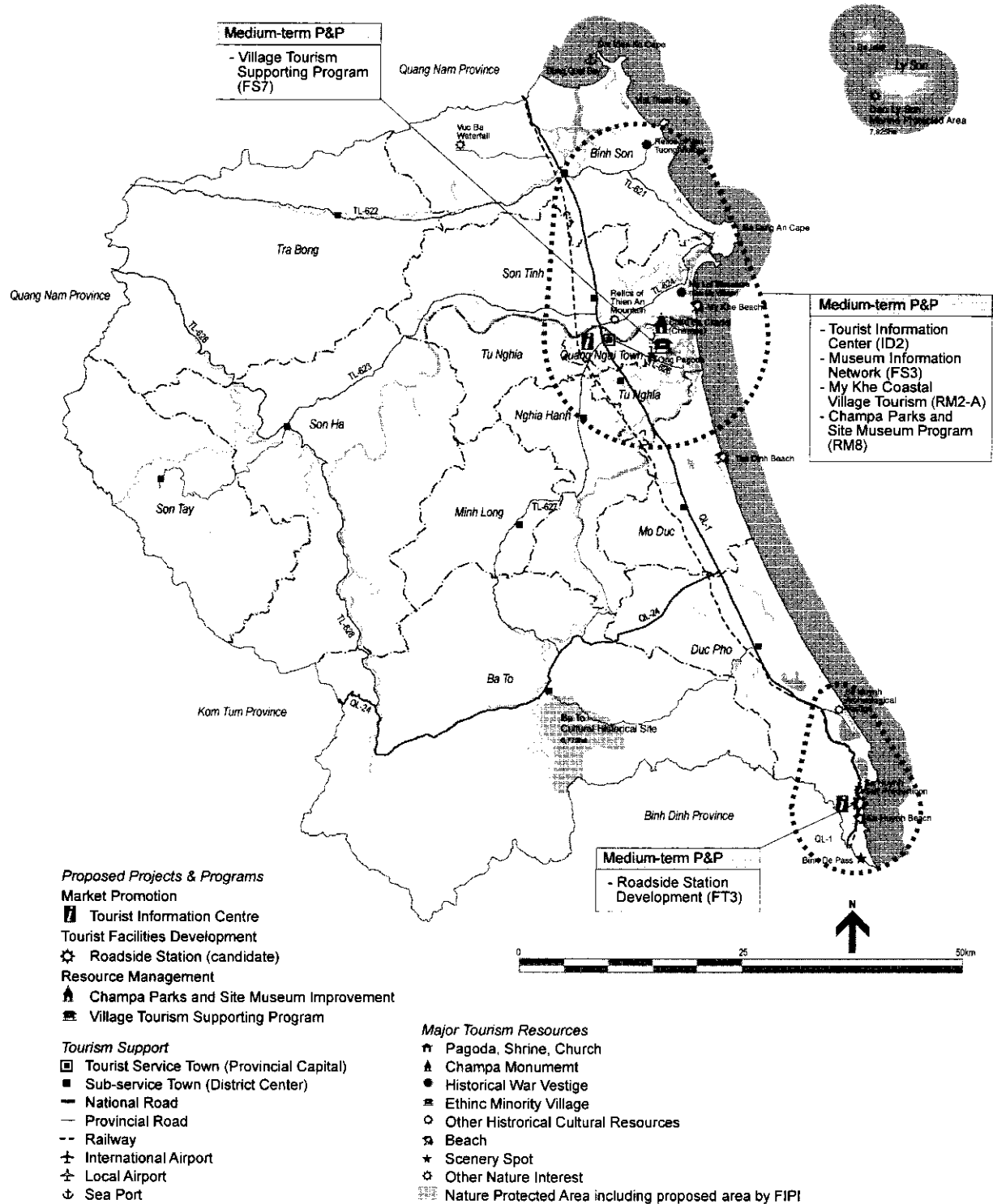


Figure 5.7 Binh Dinh Province

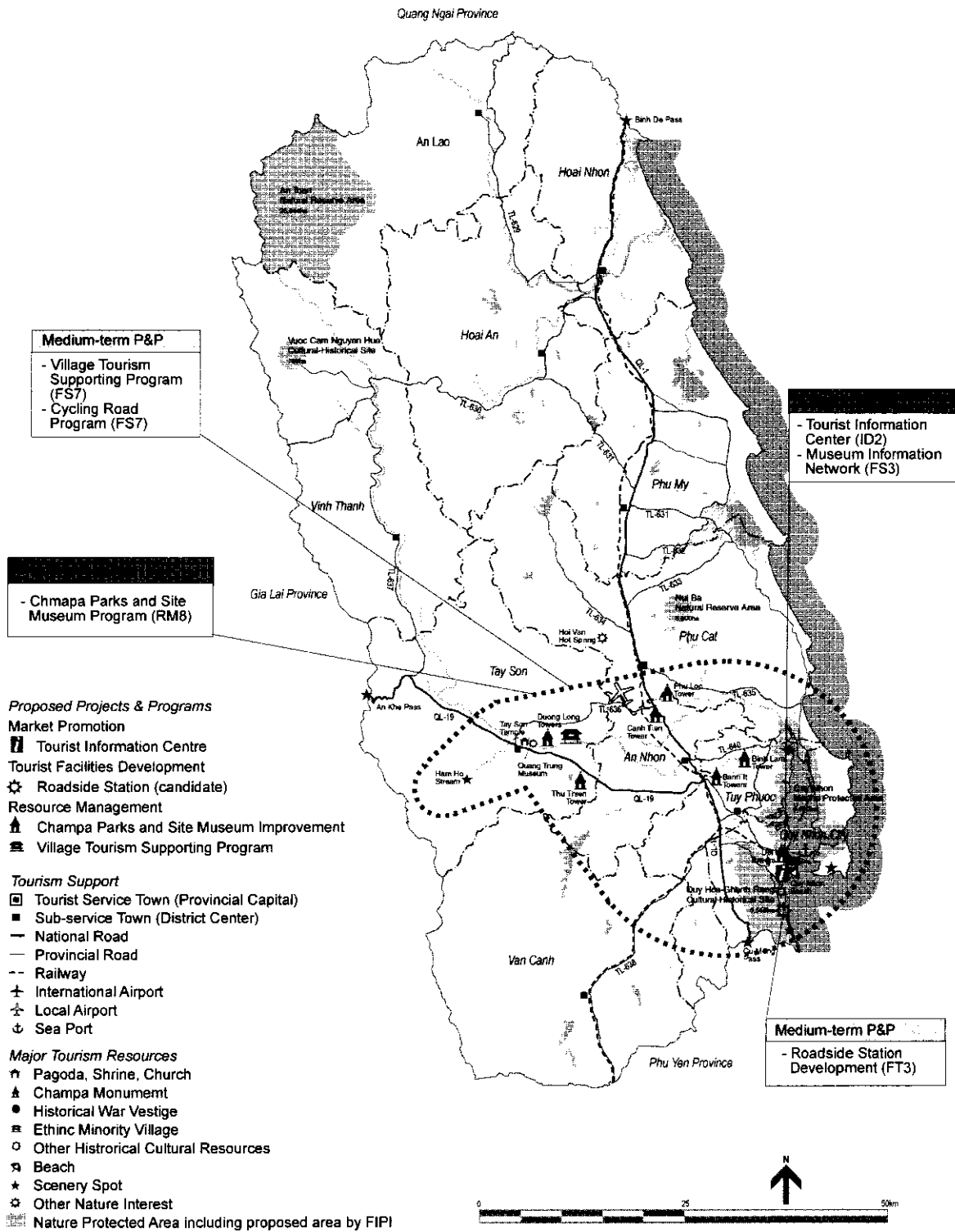




Figure 5.8 Phu Yen Province

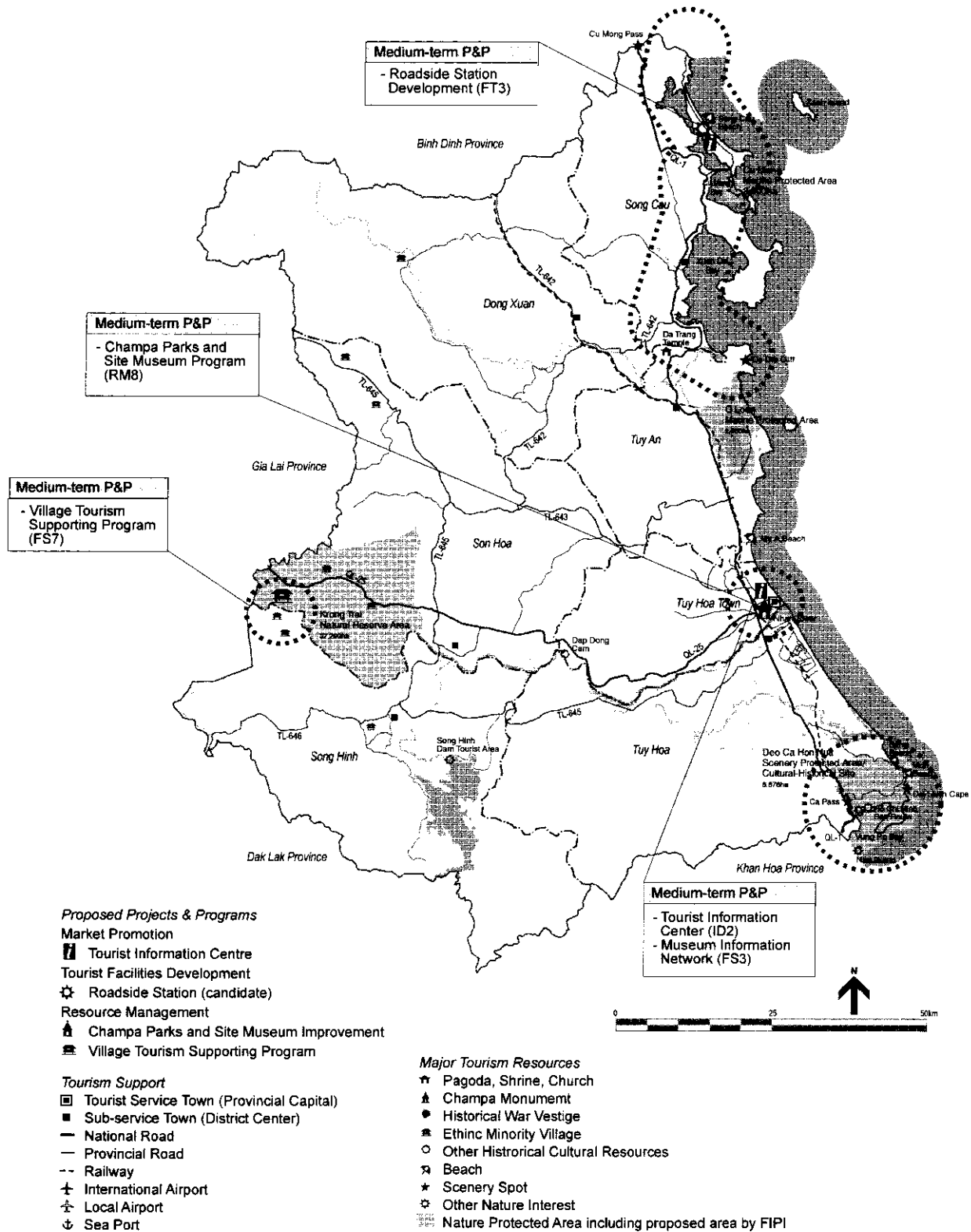


Figure 5.9 Khanh Hoa Province

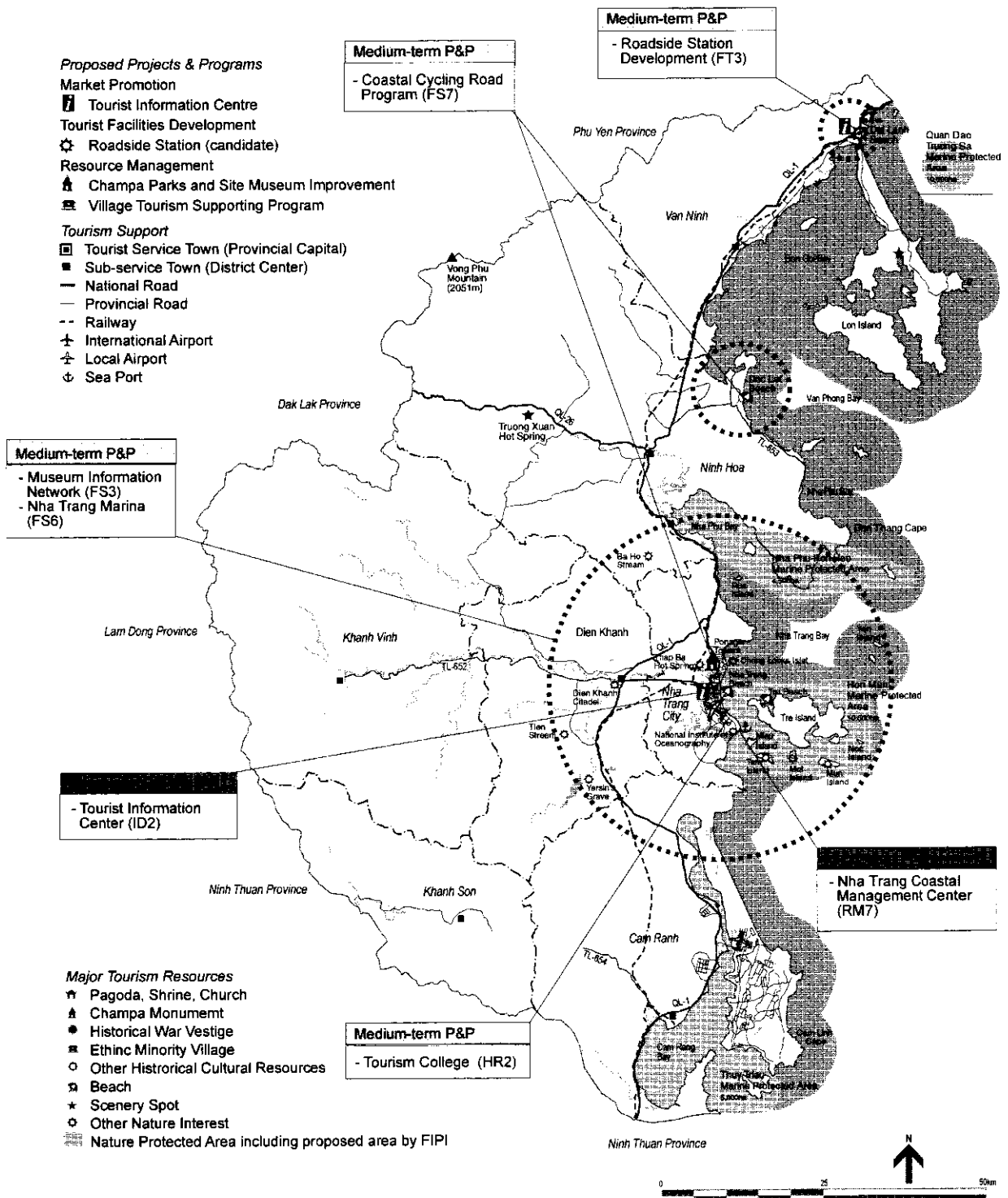


Figure 5.10 Ninh Thuan Province

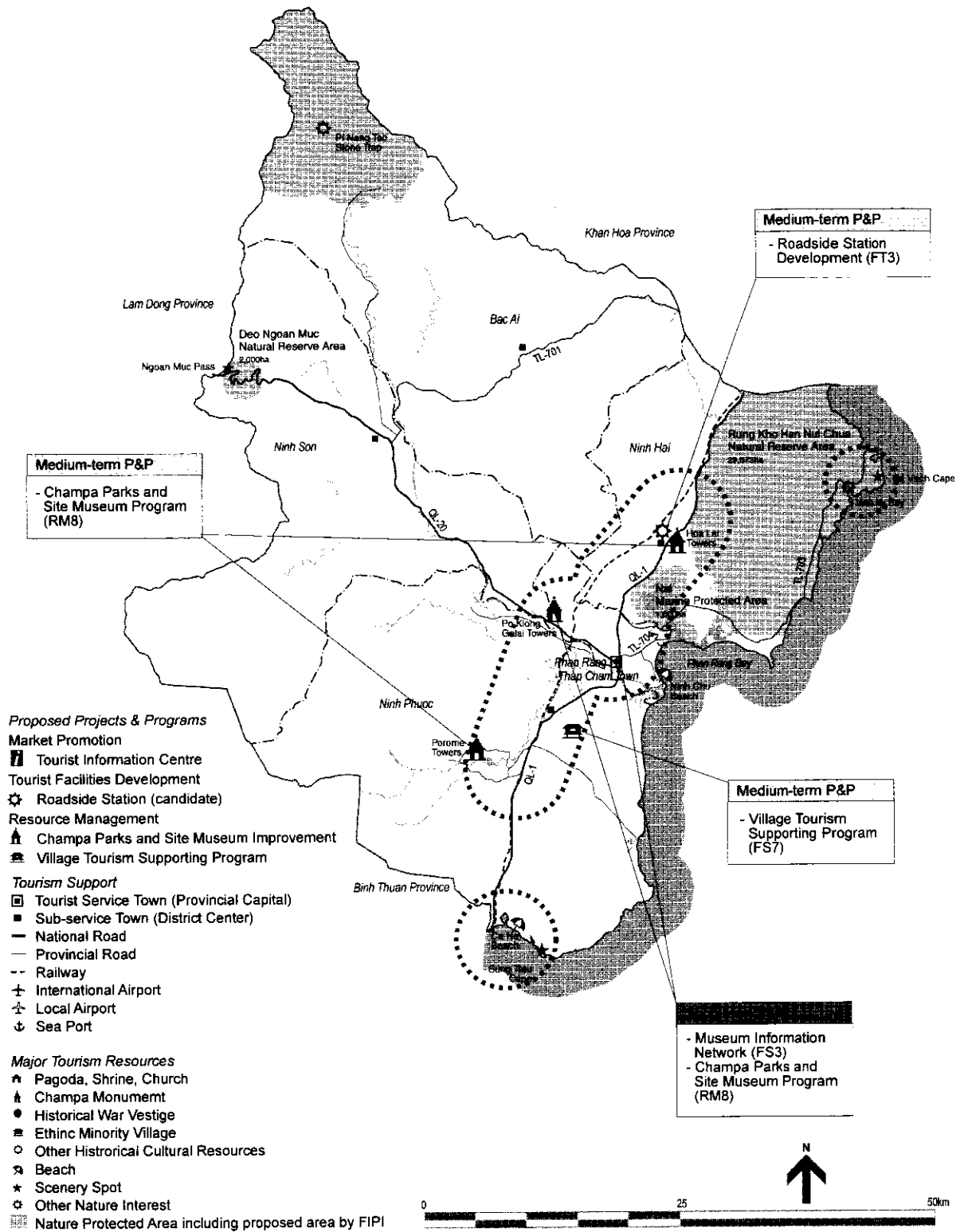
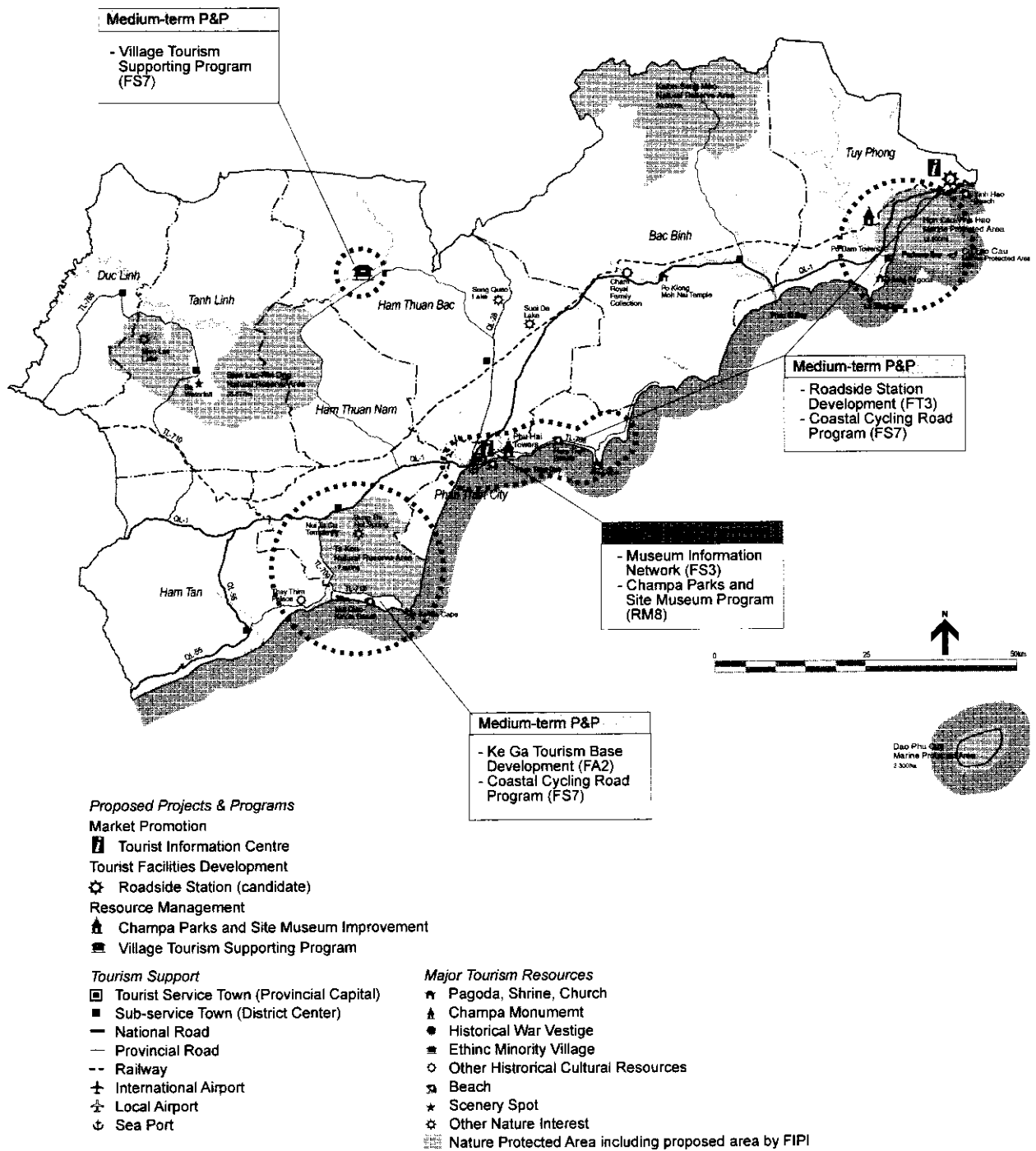


Figure 5.11 Binh Thuan Province



## 6. Conclusions and Recommendations

International tourists to Vietnam will total up to 4.2 million persons in 2010 and 8.0 million in 2020. The volume will increase twice in ten years and four times in 20 years. On the other hand, it is estimated that domestic tourist generations are about 10 million in 2000, and this will increase to 50 million in 2020 with an annual average growth ratio of 8.4 percent. Tourist bed nights, including both international and domestic tourists, are estimated to be 28 million in 2000, and it will increase more than four times to 120 million in 2020. As a result, tourism receipts from international and domestic tourists will be also doubled in 10 years from VND 21 trillion to VND 43 trillion.

In the study area tourist arrivals from both international and domestic will be 3.7 million, and total bed-nights will be 6.8 million. Direct and indirect employment in the study area in 2010 will be 50 thousand employees and 120 thousand in 2020.

The spatial framework for the study area is formulated as follows.

- The northern part of the study area, including Hue, Hoi An and My Son, should be consolidated as historical cultural tourism destination with some resort complementarily, and
- The southern part represented by Khan Hoa and Phan Thiet should be enhanced as coastal resort destination with good accessibility and weather condition.

Major issues for institutional development significant for tourism development in Vietnam and the study area are market promotion and advertisement in conjunction with tourist information dissemination and coordination and integration among various government agencies for tourism development. It is recommended to:

- Promote more visitors to come to Vietnam and have them travel extensively within the country.
- Establish an agency, namely Vietnam Tourism Promotion Board (VTPB) under the direction of VNAT, which undertakes promotion and advertisement at the professional level.
- Establish overseas branches of the agency in key source markets to carry out specific and verified promotional activities in their responsible territories.
- Establish Tourist Information Centers (TIC), under the agency, in the three gateway cities and other popular tourist destinations.

The human resource development in the tourism sector is required to improve effectiveness of tourism education and training system and improve quality and quantity of labor force. In order to ensure that training system meets the needs of industry, it is recommended to upgrade tourism training school management to enable the efficient management of training schools as well as development of research into industry training requirements. Establishment of Tourism Institute of Vietnam in Da Nang and Nha Trang Tourism Collage is proposed.

Facilities development to support tourism development is one of the keys for future tourism product development and tourism promotion.

The transportation facilities, particularly air access, should be urgently improved. It is also recommended to improve a passenger terminal of seaport for international cruise and operate the tourism train between Hue and Da Nang in terms of product development.

Sanitary facilities in urban areas of major destinations should be also improved urgently. Tourist service facilities such as Tourist Information Center, rest facilities, public toilets and public place for tourists are recommended to develop in every major destination.

Accommodation should be fit to a suitable type to location condition and product image. It is recommended to develop the coastal area in principle, taking account of demand and market trend.

Environmental conservation and protection from degradation of tourism resources is the key for their sustainable tourism development. Flood mitigation and reforestation for water resource development is necessary for tourism resource management.

Environmental Assessment System should be enforced and improved effectively to mitigate negative impacts of tourism development.

Visitor facilities are proposed to encourage historical and cultural tourism, not only for tourists but also for all visitors of Vietnamese. Site museum in archeological site, visitor center, and handicraft center are proposed to develop as visitor facilities.

Village tourism and rural development become one of the key development strategies in Vietnam. The following measures should be taken to mitigate social impacts.

- Establishment of systems to coordinate activities among all stakeholders
- Formulation and utilization of village tourism
- Preparation and implementation of evaluation list for tourism development
- Preparation of regulations and rules to protect the social environment

Prevention from water contamination for Da Nang, Hue, Hoi An, Nha Trang cities, and solid waste disposal system for Da Nang, Hue, Hoi An are identified as an urgent action to be taken to prevent negative impact of tourism development. Establishment of an urban management system in Hue and Hoi An Town, land use control for coastal areas in Da Nang and Nha Trang and preparation for visitor center or places at the major tourist towns are proposed.

Twenty-six (26) priority projects and programs are identified. Especially, establishment of VTPB for national tourism promotion, Tourist Information Center and development of Tourism Institute of Vietnam are closely related to the jurisdiction of VNAT.

The total investment cost required for tourism development in the study area until 2010 is estimated US\$1,3 billion. This cost includes implementation of the proposed projects and programs in the master plan plus investment cost for the

accommodation development. On the other hand, amount of economic effects generated by tourism activities is US\$4.6 billion. The ratio of the increase of Value Added to project cost is 5.4. Investment for the tourism development will contribute to the economic development of the Study Area.

Guidelines for tourism development such as Village Tourism and other tourist facilities development are also proposed.