

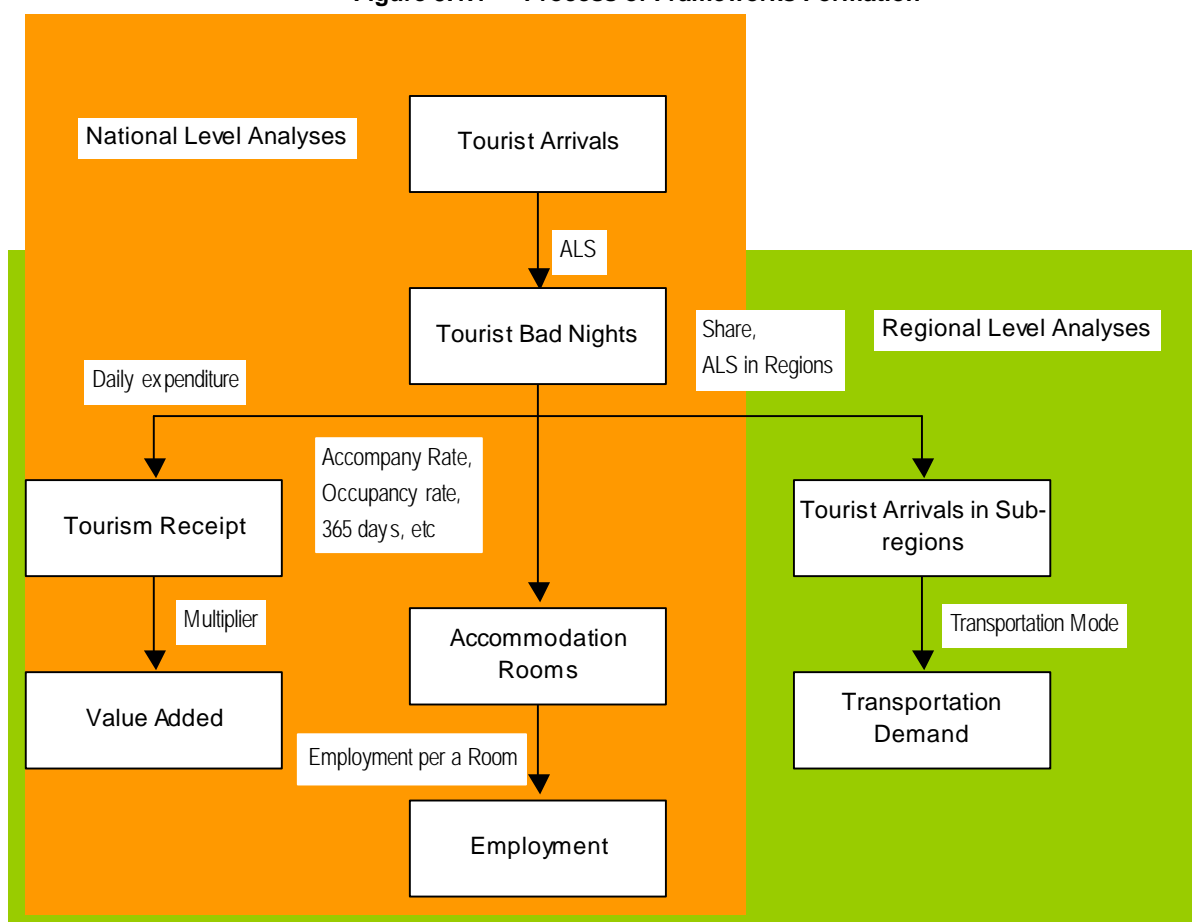
5. Frameworks for Tourism Development

5.1 Development Framework

A workflow to introduce the tourism development framework for the Study Area until 2020 is shown in Figure 5.1.1. In order to introduce a key figure for tourism development, such as number of accommodation rooms, tourist arrivals and value added from tourism activities, the framework at the national level has to be clarified. Therefore, the JICA Study Team starts from the forecast of tourist arrivals to Vietnam, both of international and domestic tourists.

The JICA Study Team prepares figures of international and domestic tourist arrivals, accommodation rooms in regions, value added from tourism activities, and employment generation in the national level analysis. The Study Team also prepares figures of accommodation rooms in sub-regions, value added from tourism activities, employment generations tourist arrivals in sub-regions in the regional analysis. Some key figures in the Study Area are compared with those in Vietnam, and the role of tourism in the Study Area shall be revealed.

Figure 5.1.1 Process of Frameworks Formation



Source: JICA Study Team

5.1.1 Tourists

International tourist arrivals

The JICA Study Team forecasts international tourist arrivals until 2020 after the analysis of some scenarios, in which the following aspects are considered.

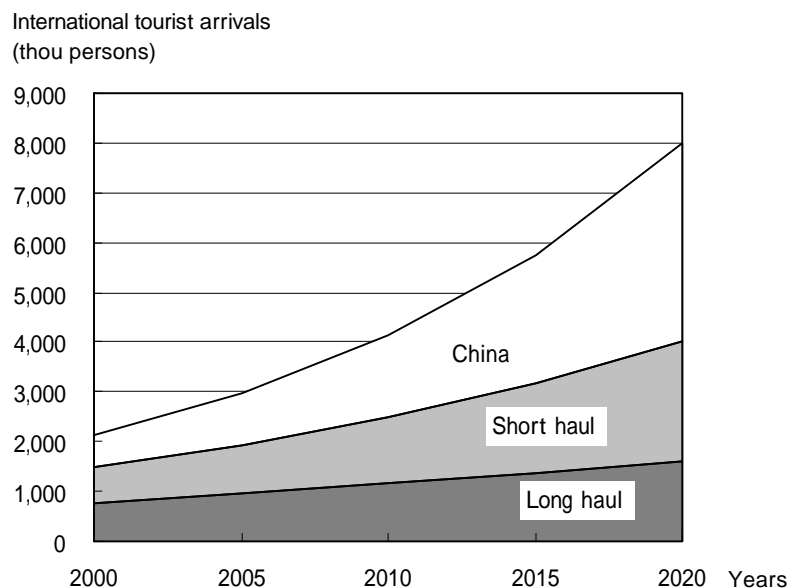
- Shares in the world market and Asia Pacific market, etc.,
- Growth rate of international tourist arrivals to Vietnam in recent years,
- Proportion of Tourism Receipt from international tourists to Gross Domestic Products (GDP), and
- Development experience of Thailand, which is the biggest destination in the Southeast Asia and has many similarities with Vietnam.

Detailed figures by years and characteristics of each scenario are described in the Appendix.

Figure 5.1.2 and Table 5.1.1 shows the forecast of international tourist arrivals. International tourist arrivals are estimated to be 4.2 million persons in 2010 and 8.0 million in 2020. The volume will increase twice in ten years and four times in twenty years.

The volume of Chinese tourists will increase from 30 percent in 2000 to 50 percent in 2020. The share of short haul tourists, which are from Asia Pacific countries, will be 30 percent. The share of long haul tourists, which come from Americas and European countries, will be 20 percent in 2020.

Figure 5.1.2 International Tourist Arrivals in Vietnam



Source: JICA Study Team

Table 5.1.1 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

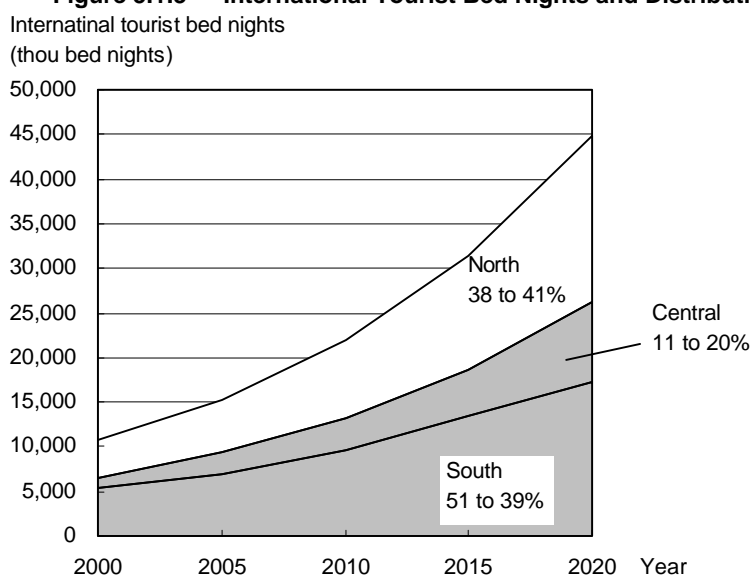
Source: JICA Study Team

Table 5.1.1 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. On the other hand, the share in East Asia and the Pacific¹ will decrease slightly from 2.3 percent in 2000 to 2.0 percent in 2020.

International tourist bed nights

The JICA Study Team estimates that Average Length of Stay (ALS) of international tourists is 5.0 nights in 2000 and forecasts that it will increase to 5.6 in 2020 gradually. In this assumption, international tourist bed nights are shown in Figure 5.1.3. In the year of 2020, international tourist bed nights will be 44.8 million. It is four times larger than the figure in 2000.

Figure 5.1.3 International Tourist Bed Nights and Distributions



The figure also shows the distribution of international tourist bed nights by regions. The distribution is done with considerations of the following aspects. Introduction process is shown in the Appendix.

- Changes of market share (Mainland China market, short haul market such as Japan and Taiwan, and long haul market such as France, US and

¹ Eastern Asia the Pacific consists of 35 countries and economies such as Hong Kong, Taiwan, and Guam. It is defined by WTO

UK), and

- Changes of tour route by market. For example, Japanese tourists who visit around the South Region will stay in Vietnam more and visit the Central and the North Regions.

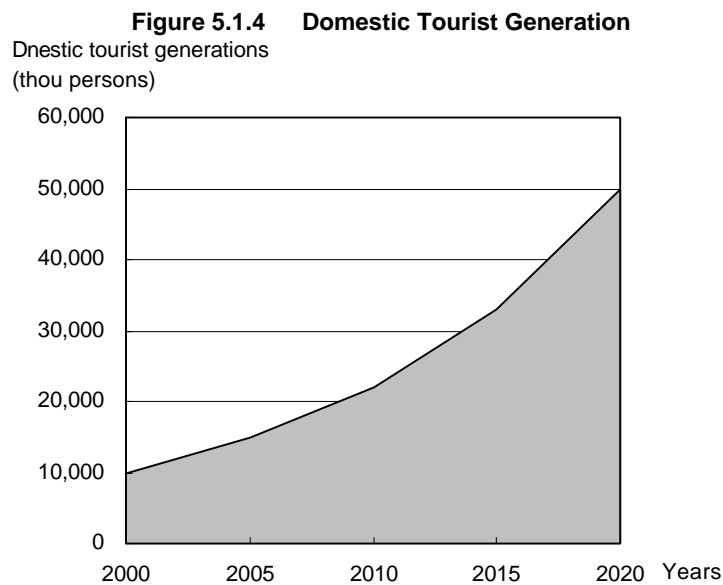
Figure 5.1.3 also shows that international tourist bed nights will increase a lot from 11 percent in 2000 to 20 percent in 2020. More than 50 percent of international tourist bed nights are generated in the South now, but the share will gradually decrease to 39 percent in 2020. On the other hand, the shares of the North and the Central Regions will increase. In the North, the share will increase to 41 percent in 2020.

The reason for the change in the share from the South to North is the rapid growth of Chinese tourists. The number of Chinese tourists has increased 10 times in last five years. Economic development of China and free foreign tours will promote international tourism from now on.

Domestic tourist generations

Domestic tourist generations are forecasted by use of the following scenario analysis. Detailed figures by years and the characteristics in each scenario are written in the Appendix. Figure 5.1.4 and Table 5.1.2 show the forecast of domestic tourist generation until 2020.

- Trend growth of domestic tourist generation,
- The growth of Gross Domestic Products (GDP) per capita,
- The growth of Population, and
- The combination of the growth of GDP per capita and population.



The JICA Study Team estimates that domestic tourist generations are about 10 million in 2000 from statistics of Vietnam National Administration of Tourism (VNAT) and General Statistical Office (GSO).² It will increase to 50 million by 2020 with an annual average growth ratio of 8.4 percent.

The proportion of domestic tourist generation to the total population will increase from 13.0 percent to 52.5 percent. That means the half of the total population will go on an overnight trip on average in 2020.

Table 5.1.2 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

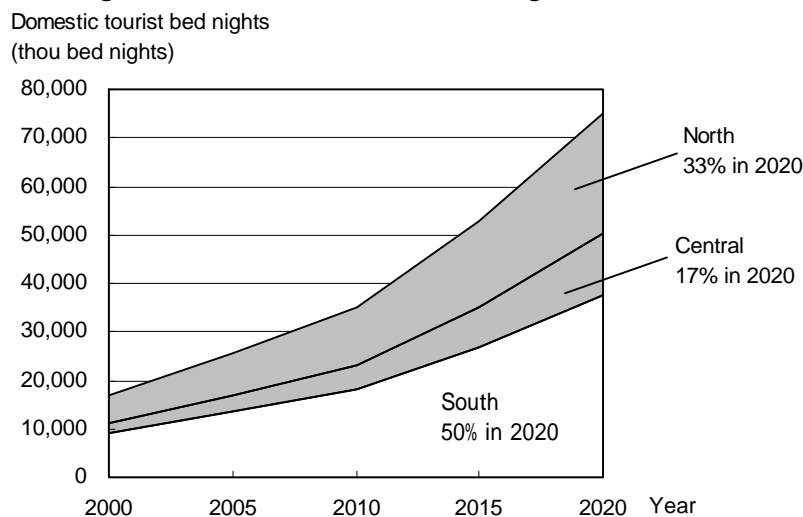
Domestic tourist bed nights

Figure 5.1.5 shows the domestic tourist bed nights by regions. It will increase more than four times from 17 million in 2000 to 75 million in 2020 even though ALS of domestic tourists will decrease from 1.7 to 1.5 nights.

The share of the North and South will slightly decrease. On the other hand, the share of the Central will increase from 11 percent in 2000 to 17 percent in 2020.

The first reason for the increase is attributable to expansions of tourist destinations from the North and the South. Increase in income in the North and South enables people to go out of each region. The second one is beach resort development and rich historical tourism resource in the Central.

Figure 5.1.5 Domestic Tourist Bed Nights in Vietnam



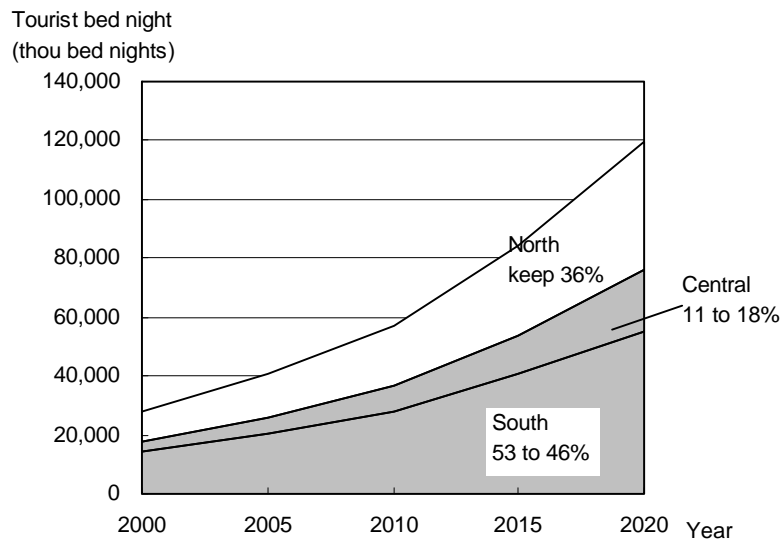
Source: JICA Study Team

² According to statistics of VNAT, domestic tourist generation is 11.2 million in 2000. Otherwise Statistics of GSO shows that the total number of Vietnamese hotel guest is only 7 million.

Total tourist bed nights

Figure 5.1.6 shows the sum of bed nights. It is estimated about 28 million in 2000, and it will increase more than four times to 120 million in 2020. The share of the North will be constant at 36 percent. On the other hand, the share of the South will decrease from 53 percent in 2000 to 46 percent in 2020. The share of the Central will increase from 11 percent in 2000 to 18 percent in 2020. Such consistent increase in the Central comes from stable increase in international tourist bed nights and domestic tourist bed nights in both regions.

Figure 5.1.6 Total Tourist Bed Nights



Source: JICA Study Team

5.1.2 Accommodation Development in Vietnam

Based on the target bed-nights set in the visitor's framework aforementioned, the national accommodation development framework is set, according to the following key indicators.

Target indicators for accommodation development

Average occupancy rate: The target occupancy rate based on the assumption of both accommodation types as classified hotels and others by current condition are set to achieve adequate target rates gradually. Otherwise, enormous capacity will be required, or tough competition will be forced on accommodation management.

Hotel guest share between international and domestic guests: Because of lack of data, the demand of utilization by international and Vietnamese guests can be counterbalanced between the classified hotels and other hotels share. (For example, the share of international guest in classified hotel is 80%, and the share of international guest in others is 20%. On the other hand, the share of Vietnamese guests in classified hotel is 20%, and the share of others is 80%). Therefore, the target demand is assumed that classified hotels will correspond to meet international demand and others to meet domestic demand.

Hotel guest per room: The difference between guests per room of international and domestic hotel guests is shown in the table below. These figures are considered with current conditions that would not be changed in the future.

Table 5.1.3 Indicators for Accommodation Development

Term	Category	2000	2010	2020
Average occupancy rate	Classified Hotel (%)	55	55	60
	Others (%)	45	50	50
Share of hotel guest	Classified Hotel Guest share	International Guest Demand		
	Others	Domestic Guest Demand		
Guests per room	International Hotel Guest	1.6	1.6	1.6
	Domestic Hotel Guest	2.0	2.0	2.0

Source: JICA Study Team

Preference rate of hotel stay

According to the current statistics showing the number of visitors to Vietnam, some visitors such as “Visiting Friend & Relatives” and others preferring to stay at non-accommodation facilities have recorded around 18-20% of the total visitors to Vietnam. Taking into account of the high volume of existing stock of apartments and rent-houses in both Hanoi and HCM cities for international visitors and very few facilities in the Central Tourism Region, the following condition of a hotel stay ratio is assumed based on the interview survey; most domestic tourists are assumed to stay at hotels in all regions.

Table 5.1.4 Preference of hotel stay by Each Tourism Region

Nationality	North	Central	South
International	0.80	1.00	0.80
Domestic	1.00	1.00	1.00

Source: JICA Study Team

Target number of bed-nights, and required accommodation

According to the target indicators mentioned previously, the target number of bed-nights and required rooms by classified hotels and others (such as guest-house, mini-hotels and others) are estimated in the following table. The target framework figures include the necessity of improvement of existing stock accommodations. Therefore, cumulative target numbers should be concerned by new accommodation development and existing stock renewal and improvement target.

Table 5.1.5 Target Number of Bed-nights in Vietnam
(Unit: million bed-nights)

Tourism Region		2010	2020
North Region	International	7.1	14.9
	Domestic	12.0	24.8
	Total	19.1	39.7
Central Region	International	3.0	7.8
	Domestic	4.9	12.8
	Total	7.9	20.6
Study Area	International	2.6	6.5
	Domestic	3.8	10.1
	Sub-total	6.4	16.6
Highland	International	0.5	1.3
	Domestic	1.2	2.6
	Sub-total	1.6	3.9
South Region	International	7.8	13.8
	Domestic	18.3	37.5
	total	26.1	51.3
Total	International	18.0	36.5
	Domestic	35.2	75.0
	Grand total	53.2	111.5

Source: JICA Study Team

Table 5.1.6 Required Rooms in Vietnam

(Unit: rooms)

Tourism Region		Existing 2000	Target		Requirement	
			2010	2020	2010	2020
North Region	CLH	6,423	22,000	48,000	15,600	26,000
	Others	23,565	36,000	68,000	12,400	32,000
	Total	29,988	58,000	116,000	28,000	58,000
Central Region	CLH	5,252	9,500	23,000	4,200	13,500
	Others	10,126	15,000	34,000	4,900	19,000
	Total	15,378	24,500	57,000	9,100	32,500
Study Area	CLH	4,195	8,000	19,000	3,800	11,000
	Others	7,153	11,000	27,000	3,800	16,000
	Sub-total	11,348	19,000	46,000	7,600	27,000
Highland C4	CLH	1,057	1,500	4,000	400	2,500
	Others	2,973	4,000	7,000	1,000	3,000
	Sub-total	4,030	5,500	11,000	1,400	5,500
South Region	CLH	7,840	24,000	39,000	16,200	15,000
	Others	14,811	56,000	103,000	41,200	47,000
	Total	22,651	80,000	142,000	57,400	62,000
Total	CLH	19,515	55,500	110,000	36,000	54,500
	Others	48,502	107,000	205,000	58,500	98,000
	Grand total	68,017	162,500	315,000	94,500	152,500

Source: JICA Study Team

5.1.3 Tourism Receipt and Contribution to GDP

It is possible to forecast Tourism Receipts and the sum of value added which is

generated by tourism activity from the forecast of bed nights. The JICA Study Team assumed that the level of real³ daily expense, paid by international tourists, and domestic tourists, would be constant. Therefore, international tourists will pay US\$75 per day, and domestic tourists will pay VND525,000 per day until 2020. Because the share of Chinese tourists who pay less than other international tourists will increase to 50 percent in 2020, and payment for tourism by Vietnamese has already reached the high level in their income.

The first row of Table 5.1.7 shows tourism receipt from international tourists. It will increase more than twice until 2010 and reach US\$1.6 billion in 2010. The figures also mean the foreign currency earnings, and the figure in 2000 is larger than the export of coffee. Tourism Receipt from international tourists will continue keeping an important role for earning of foreign currency earnings.

The third row of Table 5.1.7 shows the sum of Tourism Receipt from international and domestic tourists. It will be also doubled in 10 years from VND21 trillion to VND43 trillion.

Table 5.1.7 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	13,37	18,480
Total of Tourism Receipt	VND bill	20,963	30,634	43,185
Value added from tourism	VND bill	48,214	70,458	99,326
Share in GDP*	%	10.9	11.1	11.2
Tax revenue from tourism	VND bill	7,232	10,569	14,899

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

Source: JICA Study Team

By use of Tourism Receipt, it is possible to forecast the generation of value added and calculate the contribution to Gross Domestic Products (GDP). The JICA Study Team estimates that the multiplier to generate value added in Vietnam is 2.3 in 1999⁴. The figure changes in accordance with the changes of propensity to consume and propensity to import, etc. The figure will be assumed to be constant here.

The fourth row of Table 5.1.7 shows value added generated by tourism. The fifth row shows the share in GDP. Value added will increase from VND48 trillion to VND99 trillion. The share of value added in the GDP will increase gradually from 10.9 percent to 11.2 percent.

Tax revenue accounts for 15 percent of GDP in Vietnam in 1999. If the proportion will be constant, tax revenue will almost double to VND15 trillions in 2010.

³ "real daily expense" means that the increase of payment by inflation is not considered.

⁴ The method to introduce it is written in the Appendix.

5.1.4 Employment in Tourism

As same as the analyses of tourism receipt and value added in the previous section, the employment generation can be forecasted by use of tourist bed nights. In this section, employment generation of Direct Employment, which means hotel industry, and Direct & Indirect Employment, which consists of hotels, tour companies, and restaurants for international tourists, are considered.

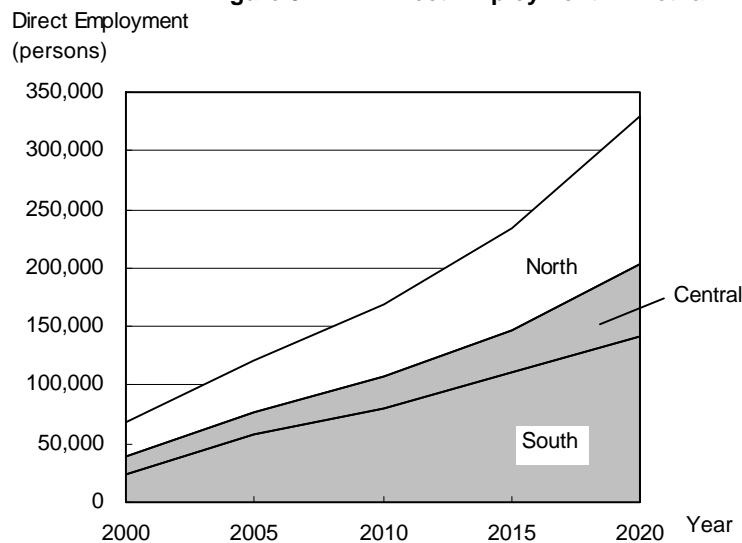
Direct Employment is forecasted from the following assumptions;

- Employment of classified hotel will be 1.5, the same level in 2000, per room, and
- Employment of unclassified hotel will be 0.8, the same level in 2000, per room.

Figure 5.1.7 shows Direct Employment until 2020. It will increase five times, from 68 thousand to 329 thousand. Direct Employment in the Central Region will increase four times, from 16 thousand to 62 thousand.

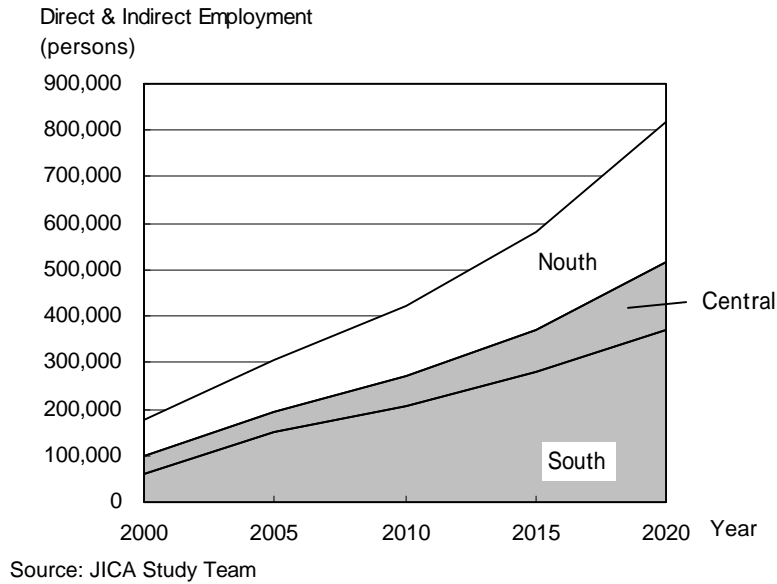
Figure 5.1.8 shows Direct & Indirect Employment until 2020. It will reach 800 thousand in 2020. Direct & Indirect Employment in the Central will be 150 thousand at that time. The share in population of work ages, which is population from 15 to 59 years old, will increase from 0.4 percent to 13 percent.

Figure 5.1.7 Direct Employment in Vietnam



Source: JICA Study Team

Figure 5.1.8 Direct & Indirect Employment in Vietnam



5.2 Tourism Development Framework in the Study Area

5.2.1 Tourists

International tourist arrivals in the study area

As shown in Figure 5.2.1, tourist arrivals in the Study Area will increase six times from 530 thousand to 3 million. The share of international tourist arrivals in C1 the North Central Coast will increase from 19 percent to 29 percent. The figures of international tourist arrivals are shown in Table 5.2.1. Even in C3, which will have the lowest share in 2020, international tourist arrivals will be about six times larger than in 2000.

Figure 5.2.1 International Tourist Arrivals in the Study Area

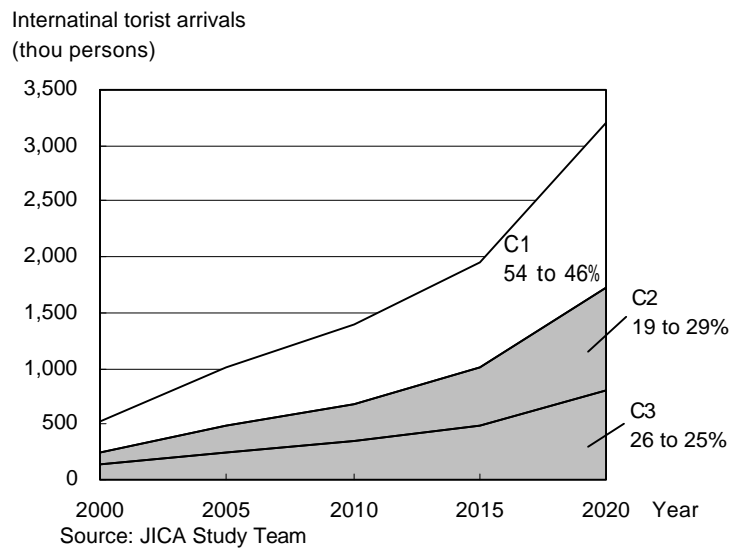


Table 5.2.1 International Tourist Arrivals in the Study Area

(Unit: thou persons)

	2000	2005	2010	2020
C1 Central North Coast	288	530	728	1,485
C2 Central Coast	103	234	332	922
C3 Central South Coast	139	246	340	803
Total	531	1,010	1,399	3,210

Source: JICA Study Team

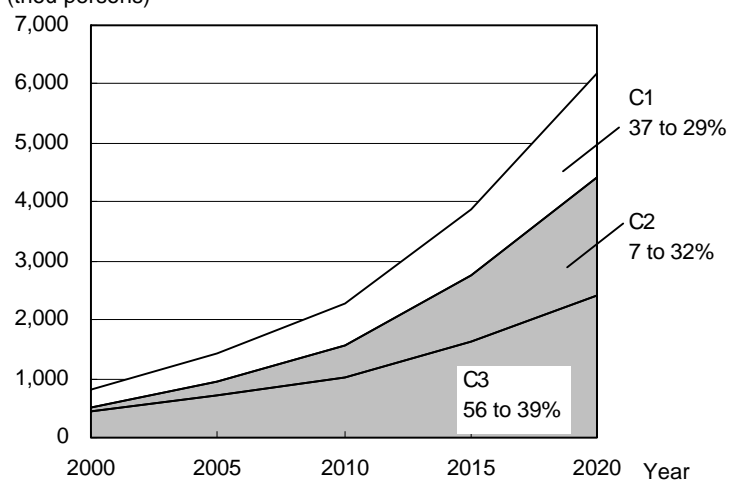
Domestic tourist arrivals in the Study Area

Figure 5.2.2 and Table 5.2.2 show domestic tourist arrivals in the Study Area. It will increase more than seven times from 0.8 million to six million. The share of C2 will increase from 57 thousand, seven percent in 2000, to 2 million, 32 percent in 2020. Even in C1, which will have lowest share in 2020, the increase of domestic tourist arrivals will be nearly six times.

Figure 5.2.2 Domestic Tourist Arrivals in the Study Area

Domestic tourist arrivals

(thou persons)



Source: JICA Study Team

Table 5.2.2 Domestic Tourist Arrivals in the Study Area

(Unit: thou persons)

	2000	2005	2010	2020
C1 Central North Coast	300	495	725	1,765
C2 Central Coast	57	238	516	2,000
C3 Central South Coast	450	705	1,035	2,426
Total	807	1,438	2,276	6,191

Source: JICA Study Team

Total of tourist arrivals

Figure 5.2.3 and Table 5.2.3 show the sum of international tourist arrivals and domestic tourist arrivals in the Study Area. Tourist arrivals will increase seven times in the Study Area, and the share in each area of the Study Area will be 1/3 in 2020. Although the share in C2 is only 12 percent in 2000, tourist arrivals will increase 18 times in 20 years.

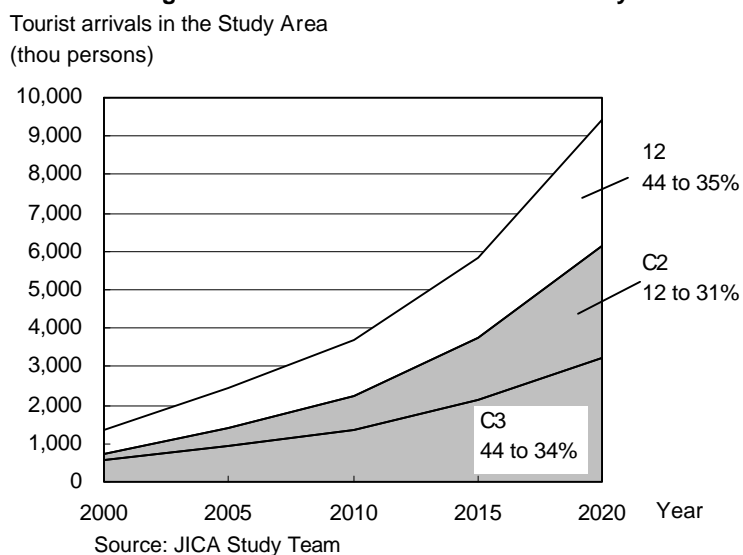
Table 5.2.3 Tourist Arrivals in the Study Area

(Unit: thou persons)

	2000	2005	2010	2020
C1 Central North Coast	588	1,025	1,452	3,250
C2 Central Coast	160	472	848	2,922
C3 Central South Coast	589	951	1,375	3,230
Total	1,337	2,448	3,676	9,401

Source: JICA Study Team

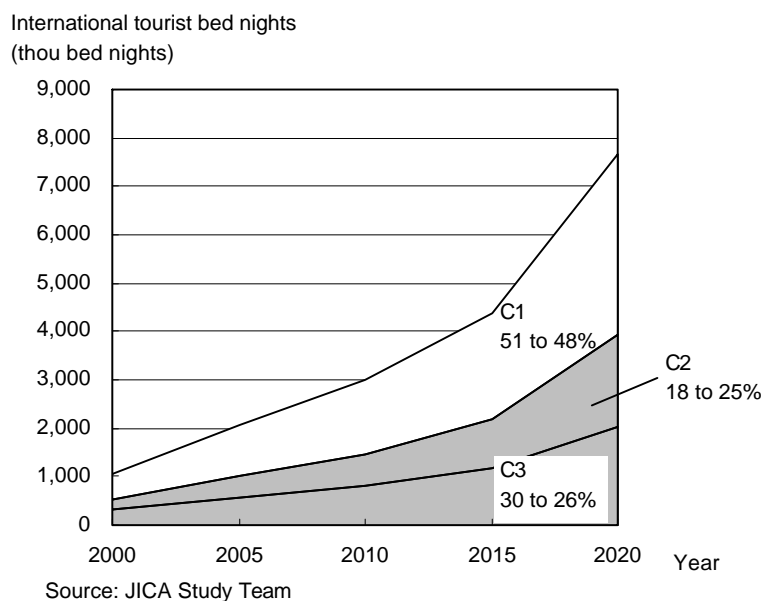
Figure 5.2.3 Tourist Arrivals in the Study Area



International tourist bed nights in the study area

Figure 5.2.4 shows international tourist bed nights in the Study Area. It will increase seven times in 20 years. The share of C1 will be almost the half during 20 years. The share of C2 will increase from 18 percent to 25 percent, and the figure will increase 10 times in 20 years.

Figure 5.2.4 International Tourist Bed Nights in the Study Area

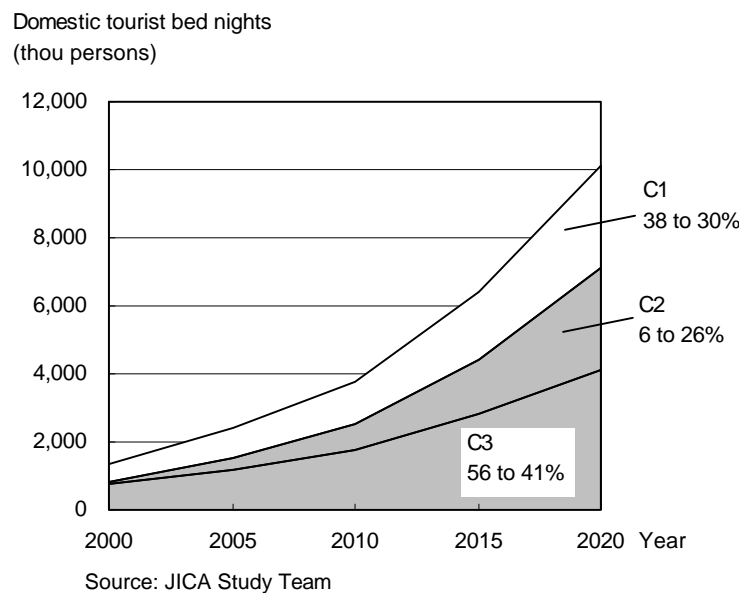


The Average Length of Stay (ALS) in the Study Area will gradually increase in every area. Especially, it will increase from 1.9 to 2.5 nights in 2020 in C1. This is the reason that C1 will be expected a big growth until 2020.

Domestic tourist bed nights in the Study Area

Figure 5.2.5 shows domestic tourist bed nights in the Study Area. It will increase seven times in 20 years, from 1.4 million to 10 million. C3 will have the biggest share until 2020, however it will decrease about 15 percent. Otherwise, the share in C2 will increase 20 percent.

Figure 5.2.5 Domestic Tourist Bed Nights in the Study Area



ALS of domestic tourists will stay at the 1999 levels because ALS of domestic tourists in the national level will slightly decrease in the national level from 1.7 nights in 2000 to 1.5 nights in 2020.

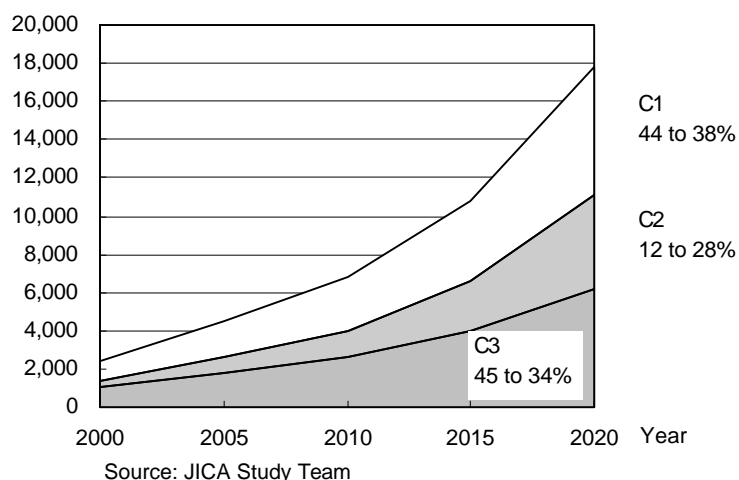
Total of tourist bed nights

Figure 5.2.6 shows total of international tourist bed nights and domestic tourist bed nights in the Study Area. It will increase seven times, from 2.5 million to 18million in 20 years. The share of the Study Area in Vietnam will increase from nine percent in 2000 to 15 percent in 2020.

The shares are 38 percent in C1, 28 percent in C2, and 34 percent in C3, respectively. C1, C2 and C3 will be able to achieve more equitable benefit from tourism development in the future.

Figure 5.2.6 Tourist Bed Nights in the Study Area

Tourist bed nights in the Study Area
(thou bed nights)



5.2.2 Accommodation Development in the Study Area

The regional accommodation framework for the study area by tourism zones is also set based on the bed-nights distribution framework by tourism zones aforementioned. For the provincial accommodation, according to the tourism zones accommodation framework, the following principles are considered to distribute rooms into provinces.

Distribution method

Existing major tourism destination of the Central Tourism Region such as Hue, Da Nang and Nha Trang will play one of the most important roles for Vietnam tourism. The following show key policies for the provincial distribution development framework.

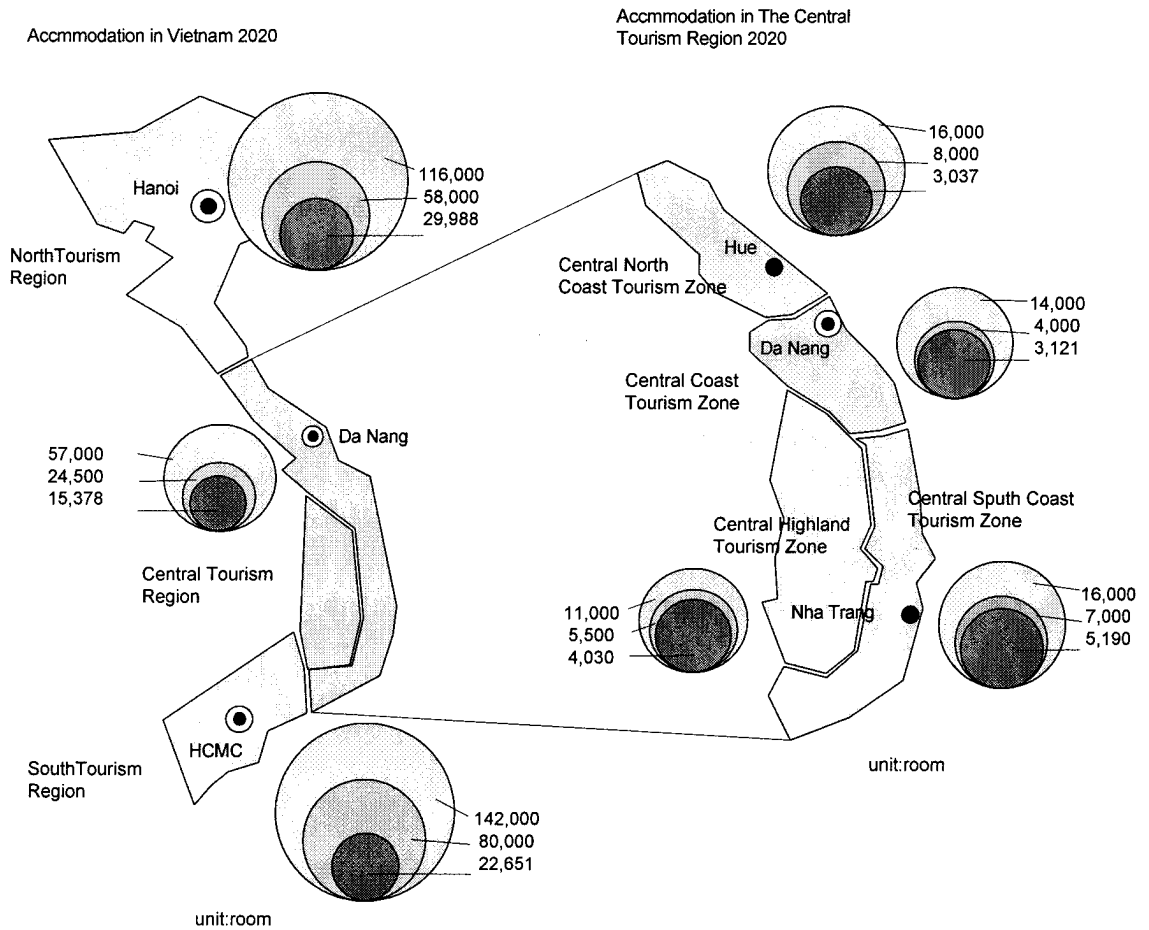
- To consolidate the accommodation function in Da Nang-Hue and Khanh Hoa provinces as a major tourist destination with the world heritages and other potential resources to meet the future market demand.
- To consider a potential tourist flow from HCMC to the Central South Coast Zone (C3) as a competitive coastal tourism base area in Vietnam
- To enhance other tourism provinces with regional balanced distribution in consideration with economic development potential, population and overland tour destination from major gateway cities and towns.
- To consider existing stock balance in combination with classified hotels and others in each province, of which volume of tourists has been reflected on market preference of international and domestic tourists.
- Consideration of existing tourism development plans and programs elaborated by the government in the Study Area.

Table 5.2.4 Provincial Accommodation Distribution in the Study Area
(Unit: rooms)

Tourism Zone	Type	Existing 2000	Target		Requirement	
			2010	2020	2010	2020
C1	Classified	1,003	4,000	8,000	3,000	4,000
	Non-classified	2,034	4,000	8,000	2,000	4,000
	Total	3,037	8,000	16,000	5,000	8,000
C2	Classified	1,444	2,000	6,000	600	4,000
	Non-classified	1,677	2,000	8,000	300	6,000
	Total	3,121	4,000	14,000	900	10,000
C3	Classified	1,748	2,000	5,000	300	3,000
	Non-classified	3,442	5,000	11,000	1,600	6,000
	Total	5,190	7,000	16,000	1,800	9,000
Total	Classified	4,195	8,000	19,000	3,800	11,000
	Non-classified	7,153	11,000	27,000	3,800	16,000
	Total	11,348	19,000	46,000	7,700	27,000

Source: JICA Study Team

Figure 5.2.7 Accommodation Distribution Framework in 2020



Source: JICA Study Team

The transportation demand by tourists can be introduced by tourist arrivals to each tourism zone. Under the assumptions in the following lines, the JICA Study Team sets the transportation demand by tourists in Table 5.2.5.

- Long-haul tourists and short-haul tourists to C1 and C2 zones are assumed to mostly use air transportation except main land Chinese tourists who tend to use land or sea transportation due to cost factor.
- To C3 (Nha Trang-Phan Thiet) long-haul tourists and short-haul tourists are assumed to use more land mode because of proximity to the HCMC international gateway.
- Domestic tourists are assumed to mostly use land transportation mode.

Table 5.2.5 Regional Tourist Flow Generated by Hotel Guests in the Study Area
(Unit: 000 tourists)

Tourism Zone	Mode	2000	2010	2020
C1 Zone	Airplane	289	630	1,119
	Ship	6	89	332
	Land transport	293	733	1,799
	Total	588	1,452	3,250
C2 Zone	Airplane	104	342	767
	Ship	2	45	304
	Land transport	54	461	1,851
	Total	160	848	2,922
C3 Zone	Airplane	156	302	500
	Ship	3	60	279
	Land transport	430	1,013	2,451
	Total	589	1,375	3,230

Note: Sea transportation does not include International Cruise Passengers because of Macro-frame of accommodation in land area.

Source: JICA Study team

5.2.4 Tourism Receipt and Contribution to GRDP

As same as the analysis at the national level, it is possible to forecast Tourism Receipt and Value Added, which are generated by tourism activities.

Table 5.2.6 Tourism Receipt and Value Added in the Study Area

	Unit	2000	2005	2010
Tourism Receipt by international tourists	US\$ mill	80	155	226
Tourism Receipt by domestic tourists	VND bill	714	1,258	1,977
Total of Tourism Receipt	VND bill	1,911	3,588	5,361
Value added by tourism	VND bill	4,396	8,253	12,329
Share in GRDP*	%	11.0	14.4	15.4
Share in VA in Vietnam	%	9.1	11.7	12.4
Tax revenue from tourism	VND bill	659	1,238	1,849

Note: * GRDP will be 9% of GDP, the same level in 1999.

Source: JICA Study Team

Table 5.2.6 shows Tourism Receipt and Value Added, which are generated by tourism as well as revenue from tourism. Tourism Receipt from international tourists and the total of Tourism Receipt will almost triple in ten years. Tourism Receipt from international tourists will reach US\$200 million, and the total of Tourism Receipt will be VND5 trillion in 2010.

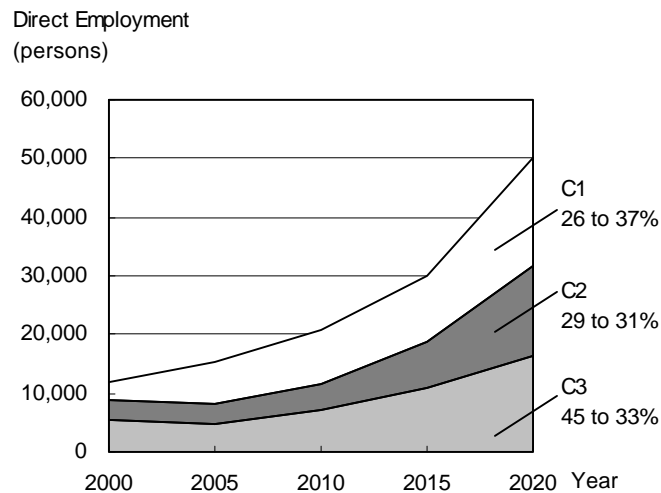
Value Added by tourism will also triple and be about VND12 trillion in 2010. The share in GRDP will increase from 11.0 percent to 15.4 percent. The figure is larger than it at the national level (11.2 percent in 2010), and tourism will play a more important role for the regional economy than it will play at the national level. The share in Value Added by tourism in Vietnam will increase from 9.1 percent to 12.4 percent. Tax revenue will reach about VND5 billion in 2010.

5.2.5 Employment

Employment generated by tourism activities can be forecasted by the same analysis of the national level.

Figure 5.2.7 shows Direct Employment in the Study Area until 2020. It will increase four times, from 12 thousand to 50 thousand. The share of C1, C2 and C3 will be almost the same level in 2020. The decrease of the share of C2 comes from the mismatch of tourist bed nights and number of hotel rooms in 2000.

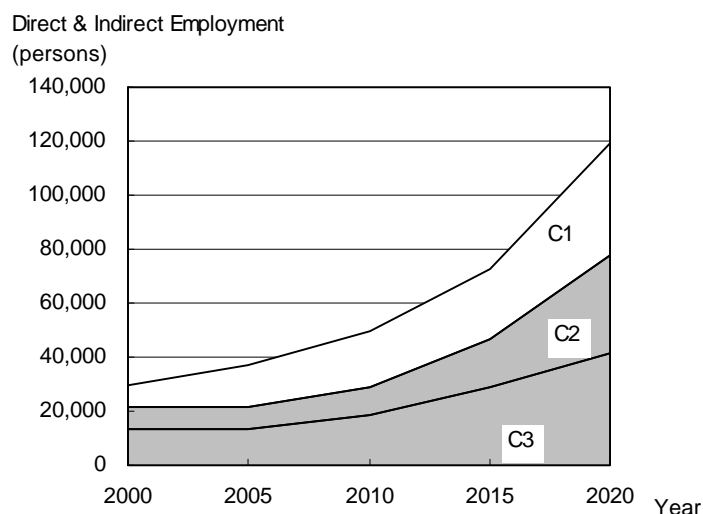
Figure 5.2.8 Direct Employment in the Study Area



Source: JICA Study Team

Figure 5.2.8 shows Direct & Indirect Employment in the Study Area. It will increase from 30 thousand to 120 thousand. The share in populating of work ages, which is population from 15 to 59 years old, in the Study Area will increase from 0.5 percent to 1.4 percent.

Figure 5.2.9 Direct & Indirect Employment in the Study Area



Source: JICA Study Team

Table 5.2.7 Employment of Tour Guide by Market

(Unit: persons)

	2000	2005	2010	2020
Chinese	10	18	33	98
Short haul	38	88	134	400
Long haul	66	131	163	320
Total	114	237	330	818

Source: JICA Study Team

Table 5.2.7 shows employment of tour guides by source market. The figures are calculated from tourist bed nights in C1 and C2, which have historical tour resources and need guide services. In 2000 the number of tour guides are estimated to be about 114 persons, and it will increase seven times to about 800 persons. The share of guides for short haul market, which includes Japan, Taiwan and Korea, will occupy almost half of the total guides.

5.3 Products Development and Spatial Setting

5.3.1 Product Development

Product type and tourists

The culture-based tourism is the most important factor for the tourism development in the Central Region at present and in the future. Therefore, the precious and historical as well as cultural heritages in the region must be preserved, restored and maintained properly. The major purpose of all tourists, whichever their country is, visiting the Central Region is for pleasure and holiday, and its specific purpose is for the culture. According to the visitor survey carried out by the study team, it is evident that the longer distance they travel, the more cultural-based tourism sites of their interest they can visit. Then, those who prefer to visit the culture-based tourism sites tend to intend to enjoy various alternative tourisms, such as village tourism and adventure

tourism. In the case of European tourists, they add the beach-holiday on top of the alternative tourism. Although the average length of stay of the long-haul tourists is generally longer than that of the short-haul tourists, the effective transportation system connecting various sites of various type of tourism is to be properly developed and provided. The tourism product preferred by each major source country is summarized in the following Table 5.3.1.

Table 5.3.1 Preferred Tourism Product by Source Country in the Central Region

	Culture Tourism	Beach Holiday	Nature Tourism	Village Tourism	Adventure Tourism	City Tourism	Special Interest	Remarks
USA	■						■	DMZ
France	■		□	■				
UK	■			■	■			
Germany	■	■	□	■	■			
Other Europe	■	■		□				
Japan	■					□	■	Shopping
Taiwan	■					□		
Australia	■		□	□			■	Shopping
China	■					■		

Legend: ■ Major interest, □ Second Interest

Source: JICA Study Team

Product Development Orientation

Generally, tourism products are recognized in share of tour packages. Tour packages are varied from half-day sightseeing to few weeks or much longer excursion and resort stay typed tours. Each tour includes at least one tourism attraction. The tourism products or tour packages basically include transportation, accommodation and tourist services, including dining and wining as well as shopping and entertainment.

For the tourism product development, these three elements should meet the demand of tourists. It is needless to say that attractive tourism attraction should be included in the tour packages. In the Central Region, cultural and historical tours are most significant, and some alternative tours come next. Limited location is suitable for resort stay typed tourism for international tourists.

The following table shows the product development potential in the Study area. Climate and tourism resources as well as the three elements mentioned above are included for the examination of the potentiality.

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

Table 5.3.2 Tourism Product Development Potential

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	-	□	■	■	■	International tourist base and product development
C2	Da Nang	□	□	□	■	■	Local market oriented tourists base and product development
	Quang Nam	□	-	■	-	□	
	Quang Ngai	□	-	□	-	-	
C3	Binh Dinh	□	-	■	-	□	International tourist base development (Marine Resort development)
	Phu Yen	□	-	□	-	-	
	Khanh Hoa	■	□	-	□	□	
	Ninh Thuan	■	□	□	-	-	
	Binh Thuan	■	■	□	-	-	

Legend: ■ Very good (good for international tourism product development)
□ Good (Have potential for international tourism product development)
- Average (domestic tourism and few of international tourists)

Source: JICA Study Team

5.3.2 Spatial Setting

In accordance with the orientation of tourism product development, spatial setting has been examined. Service towns and functions, tourism network and tourism area formulation were examined.

Service towns and functions

The roles and functions of each provincial capital city and town in the study area are based on the tourist activities and travel patterns. The hierarchical function of tourism service town should be applied in order to establish a rational and efficient tourism structure. Desirable functions and roles are summarized in Table 5.3.3.

Table 5.3.3 Functions and Roles of Provincial Capitals

Category	Location	Covered Tourism Zone	Tour Circuit Formulation	Urban Function and Role
Major Gateway	Da Nang	For C1, C2 , C3, and C4 Zone	Indochina multi-destination tour destination or station Vietnam grand circuit and 2-3 excursion trip base or destination One day trip excursion base or destination International Cruise excursion base	Regional commercial and industrial center Logistics base (International airport, Train station, Bus and Taxi terminals, Seaport) Basic urban service center (security, hospital, convention, etc.) Urban amenity center
Sub-Gateway	Hue Nha Trang Da Lat	Hue for C1/C2 Nha Trang for C3 and C4 Zone	Vietnam grand circuit and 2-3 excursion trip base or destination One day trip excursion base or destination International Cruise excursion base (Nha Trang)	Commercial center Logistics base (Domestic airport, Train station, Bus and Taxi terminals) Basic urban service center (security, hospital, convention, etc.) Urban amenity center
Tourist Town	Don Hoi Don Ha Qui Nhon Tuy Hoa Phan Rang Phan Thiet Pleik Buon-Ma -Thuout	Each province belonging under each Tourism Zone	Vietnam grand circuit and 6-8 excursion transit or destination One day trip excursion base or destination International Cruise excursion sub-base (Qui Nhon)	Commodity center Logistics base (Domestic airport, Train station, Bus and Taxi terminals) Basic urban service center (security, hospital, etc.)

Source: JICA Study Team

Transportation network

Taking into account of expansion of transportation capacity and diversification of mode of transportation, the study area needs to improve not only present infrastructure such as airports and a road network, but also transportation services as attractive tourism products in order to diversify tourist attraction. In this context, multi-mode transportation network formulation will be required to enhance tourism products. The following actions should be taken.

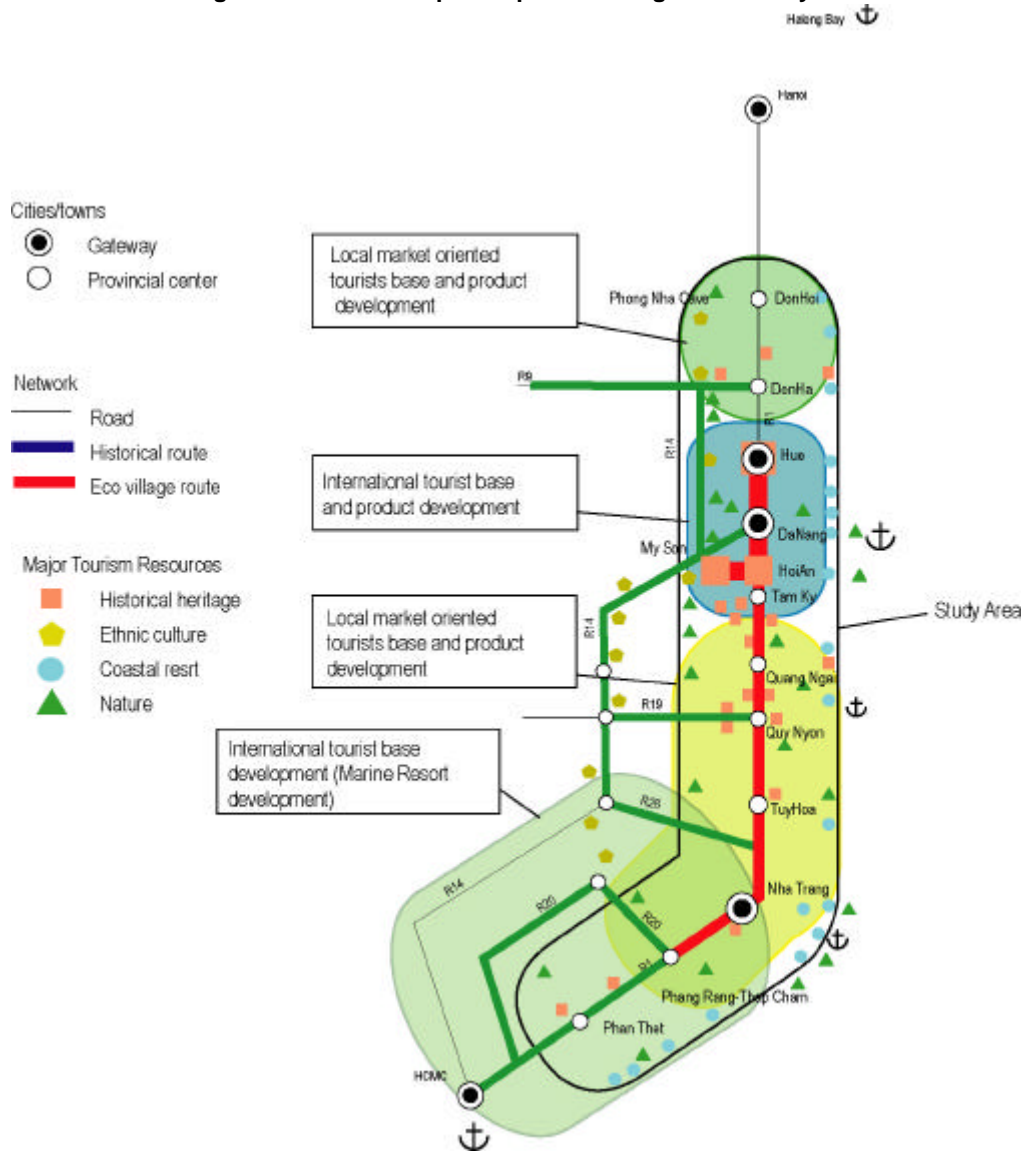
- Improvement of Da Nang International and local airports and seaports for international cruise ships to enhance their tourism gateway function for the study area
- Improvement of major access roads with safety traffic control and attractive stopover (rest place, observatory place) and local access roads to major tourism resources such as Champa ruins and natural attraction areas
- Improvement of railway facilities for train tourism product
- Improvement of water transportation for river cruise products
- Enriching sports recreation network by developing cycling route

Special Setting

In accordance with the orientation of tourism product development, spatial setting has been examined. Service towns and functions, tourism area formulation and networking were examined.

Figure 5.3.2 illustrates conceptual spatial setting of the Study Area in 2020.

Figure 5.3.1 Conceptual Spatial Setting of the Study Area



Source: JICA Study Team

6. Development Issues

6.1 Strength and Weakness of Tourism of Vietnam

The study team collected the profile and the visitor-impressions of travelers from source markets to Vietnam by the interview survey at departing lobby of airport terminal in Hanoi, Da Nang and Ho Chi Minh City. The results of both the profile and the visitor-impression are to be utilized to formulate appropriate marketing strategies. From the profile, the preference of travelers by source countries is verified. From the visitor-impressions, positive and negative factors become obvious.

Table 6.1.1 The Profile of Travelers from the Source Markets

Travelers-originated country	Japan	Taiwan	China	France	UK	USA	AUS & NZ	O-Viet
Average Age	33.2	39.6	33.6	46.5	41.2	49.5	40.2	39.4
Ave. Length of Stay (Day)	6.4	6.4	5.0	13.1	12.9	10.3	16.3	27.1
Ave. Direct Expenditure per day \$	\$97	\$93	\$65	\$50	\$75	\$107	\$73	\$27
Type of Travel Arrangement (%)								
Package	32	44	61	63	26	26	22	28
Own	68	56	39	37	74	74	78	72
Purpose of Travel (%)								
Pleasure	73	39	70	77	69	63	69	41
Business	19	18	5	7	23	17	14	15
Specific Purpose of Travel (%)								
Culture	25	29	46	52	45	45	39	25
Nature	17	36	40	6	5	7	9	25
Shopping	25	8	1	4	9	7	12	13
Wining and Dining	19	8	2	4	3	2	6	3
Reason for Selecting Vietnam (%)								
Historic Sites	14	31	31	41	29	23	18	13
Nature	9	10	27	14	7	6	6	15
Recommended	10	10	8	6	17	13	15	0
Previous Visit	3	8	1	3	4	7	4	9

Source: JICA Study Team

Table 6.1.2 Positive Impressions

Factor	Asia	Europe	Australia	No. America	Total	Visitor's Remarks
Place and/or country	33.7	40.5	30.3	34.9	36.5	Fantastic, interesting, beautiful nature and scenery, many things to see; so wish to revisit; nice climate
People	21.7	26.6	27.4	30.2	26.1	Friendly and hospitable people
Culture	13.4	17.3	16.4	20.1	16.6	Nice cultural and historic world heritage sites, which are unique in comparison with own culture
Shopping	19.6	10.6	16.4	8.1	13.4	Enjoyable, lower priced, wish to shop more
Food	11.2	4.9	9.5	6.7	7.4	Tasty foods, varied menu
Tourism service	0.4	0.0	0.0	0.0	0.1	Good guide and good service

Source: JICA Study Team

Table 6.1.3 Negative Impressions

Factor	Asia	Europe	Australia	No. America	Total	Visitor's Remarks
Shopping and private service	21.3	19.9	16.1	24.4	20.3	Different prices for locals and foreigners, too many street vendors, cheating by cyclo drivers, High cost of communication, etc.
Transport infrastructure and system	15.6	21.4	24.5	18.3	20.0	Bad road conditions, insufficient airport terminal bldg., poor train service, inadequate public transport, delayed domestic flights, etc.
Tourism Service & Information	16.9	19.6	26.5	18.3	19.6	Poor tourism services, low foreign language ability of guides, inadequate tourist information and information center locally and in origin countries
Environment & sanitation	14.3	11.5	16.8	15.3	13.3	Dirty streets and public toilets, unsanitary condition in general, noisy car horns, air pollution, etc.
Customs & Immigration	19.1	11.0	10.3	12.2	12.3	Insufficient airport terminal facilities, slow and unfriendly immigration and customs process, etc.
Security	6.7	2.6	1.3	5.3	3.8	Many thieves and pickpockets, lack of security in hotels, no emergency medical care available, etc.

Source: JICA Study Team – Interview Survey Report (February 2001)

VNAT shall do their best to enhance their strength further in source markets and change their weakness for the better by undertaking proper institutional, marketing and promotional measures, suggested in Chapter 7. Meanwhile strengthening overseas marketing and promotion, domestically VNAT shall improve tourism service and information system and coordinate with relevant authority to improve efficiency and friendliness of customs and immigration.

Other specified negative factors such as infrastructure and environment related-obstacles shall be improved by applicable strategies, projects and programs, which are recommended in Chapter 8.

Tourism development issues are examined from the following three points of views of (1) Institutional aspects, (2) Tourism products and facilities development and (3) Resource Management.

Institutional aspects

The Major issues for the institutional aspects significant for the tourism development in Vietnam and the Central Region are:

- Market promotion and advertisement in conjunction with tourist information dissemination, and
- Human resource development for the tourism service improvement.

Tourism products and facilities development

Tourism products are usually organized by utilizing combination of various transportation means, accommodation, and tourism resources such as services

and entertainment, including foods, shopping, sports, and so on. Product development involves various facilities and infrastructure development together with good service to satisfy tourists. The two subjects mentioned below are discussed in the following section.

- Diversification and improvement of tourism products, and
- Facilities development and infrastructure improvement.

Resource management

Resource management is one of the most significant issues to secure the sustainable tourism development. Natural, cultural, and historical resources should be properly conserved and maintained. Utilization of resources should consider the sustainability and conservation of valuable resources for the future generation.

The following two issues are discussed herewith.

- Tourism resource management
- Natural and social environment conservation

Development strategies and required projects and programs are formulated based on the issues described in this chapter and shown in the next chapter.

6.2 Market Promotion and Advertisement

VNAT as a central government agency is responsible for marketing and promoting Vietnam as a tourist destination in source markets. However, its marketing and promotional undertaking is minimal at present, meanwhile its main work rather concentrates on tourism-related administration.

Restraints on VNAT's marketing and promotional activities

VNAT lacks budget for marketing (promotion, advertisement, etc.) (0.3 million US dollars vs. the total budget of one million US dollars in 2000 year). Tourist information brochures issued by VNAT are not attractive. For example, they mostly introduce "country information in general." Tourists expect to get VNAT's helpful and convenient tourist information materials such as a Vietnam tourist map for free-of-charge, but they hardly can get such materials. They know that they can find a thick Vietnam tourist guidebook by VNAT on a bookstore shelf, which they must buy.

Restraints on Cross-sector Collaboration between VNAT and Commercial Tourism Sector

VNAT's collaboration with the commercial tourism sector is limited, largely due to the none-existence of the travel trade organizations, namely Vietnam Hotel Association and Vietnam Travel Company (ground handling) Association. VNAT and the commercial tourism sector share the same goal to develop and promote Vietnamese tourism to a competitive tourist destination in the world tourist generating markets. VNAT can carry out more dynamic and effective promotional activities jointly with both or either of the hotel trade or the ground-

handling trade association, once these are established.

None existence of VNAT branch office in key source market

None of Vietnam governmental tourism offices are located in key source markets such as Paris, France, Tokyo, Japan, and Los Angeles, U.S.A. Currently, Vietnam has no favorable opportunity in the competition to have more tourists from major source markets without any of the country's tourism promotional overseas offices there.

In 2000, 152,753 Japanese visited Vietnam. It seems that the market is doing well, but Vietnam (VNAT) could be said just a lucky fellow. Currently, Japanese magazines for young women are boosting Vietnam tours. Magazine editors of these are very quick to adapt new editorial resources, for which they always look – a new destination country for young, woman readers.

None existence of VNAT tourist information center (TIC)

At present there exists no TIC in the most needed locations such as Hanoi and Ho Chi Minh City (both at Airport Terminal and in the city center). On arrival at the gateway airport, tourists may need their first-hand information such as money exchange, transportation to the city, recommended hotel for their budget, etc. In the city, they may need tourist information on recommended walk tour, restaurants of various kinds of foods and budgets, for instance. For their walk tour, they may need a city map for free of charge.

To increase tourist-friendliness and improve the quality of receiving tourists, VNAT needs to establish TIC at least at an airport terminal and city-center of the international gateway cities.

6.3 Tourism Service Improvement and Human Resource Development

Training and human resource development are critical to the tourism industry, if the degree of the success of the tourism industry is measured not only by the industrial growth in terms of international arrivals, but also by an increasing focus on yield such as the average expenditure per tourist and the quality of products and service.

The following is a summary of the issues that need to be solved for the expansion and development of the human resource (HR) system in order to meet the requirement of the tourism industry.

Administration and system monitoring

VNAT Personnel and Training Department is required to establish the capacity and orientation to support the HR requirements of the private and public sector across all sub-sectors of the tourism industry. Currently, VNAT focuses on the needs of tourism State Owned Enterprises (SOE). A broad cross-section of industry should provide inputs for the VNAT HR planning and regulatory processes, which will ensure that the HR system meets the needs of all industries, both private and SOE.

There is currently an unclear role in the HR system for industry, both private and

SOE. The development of a government-industry-professional organization liaison mechanism is required. This is in part due to the lack of industry associations to provide inputs (e.g. Hotel Association) and professional associations (e.g. Tour Guides Association or Professional Chefs Association). The development of these associations will facilitate the VNAT role in the HR management.

A national training plan is required to plot the detail of the national system, which will enable all businesses to access information on training availability and training development.

Training system operation

The development of a training system will contribute to improve the quality of training for industry. Currently, many enterprises are reluctant to use public training schools due to concerns over their training quality. As the quality of training improves, there will be a greater take-up of training from the public providers, as well as opportunities for increased private training provision.

The overall development of a tourism training market will be gradual. Training offered by the private sector will increasingly develop under current Vietnamese regulations. In many countries, training by the private sector is the main form of tourism training. However, it is important for the skills and abilities required by enterprises to be clearly defined in order for an efficient and effective training market to develop.

The majority of training provided in tourism industry is on the job training (OJT) and informal to provide enterprises and location-specific skills. However, the training market can support OJT, only if the training providers clearly understand the type of training that industry requires.

Occupational standards and training accreditation

There is an urgent requirement for a national system of classification of skill levels for all tourism occupations. This will increase training effectiveness by encouraging enterprises to provide training that increases employee's skill level and productivity. Occupational skill standards can be identified by professional associations such as chefs or guides and employer groups.

Training qualifications will be increasingly used by industry as a measure of human resource quality. Hoteliers will require certain qualification in occupational skills and, food safety certification, and overseas tour operators will begin to request evidence that the human resource quality is of a sufficiently high level.

Training capacity

Training capacity needs to increase, particularly to meet the needs of the Central Region. The location of a new training school in the Central Region will meet the needs of the region in the future, as the current capacity is insufficient.

Public investment in upgrading of teacher skills is required as a matter of

urgency. Improvement and certification of a national training school-based program will significantly increase the quality of training. The determination of teacher accreditation may be taken by using Cities and Guilds accreditation or some other national based systems.

Teacher's remuneration is currently low, and is lagging behind wages and salaries earned in the tourism industry. Teacher's salaries need to be increased to preserve the stock of trained tourism teachers, otherwise the more competent of teachers will move into other industries in search of higher incomes and wider opportunities.

Small and medium sized enterprises (SME) training needs

There is an important role for SME as a large proportion of the future job growth is expected to be in small enterprises. The Enterprise Law creates an opportunity to promote employment, especially in regional areas, where there are lower levels of state investment. This is particularly for domestic tourism, restaurants, handicrafts and village tourism. (In Australia, 90-95% of tourism enterprises are SMEs). SMEs are often highly decentralized without any access to training providers. Training needs to be offered in a pattern that reflects the circumstances of small business operators. In particular, business start-up and planning, marketing and customer service are essential components of any training program that seeks to promote the SME growth.

General education

Links between the tourism sector and the general education system are necessary to achieve national tourism resource protection and promotion objectives. Education of the youth of the country is one of the most cost-effective ways to limit human impact on the natural resources.

The introduction of conservation education (environmental, cultural and national heritage protection) to primary and secondary school curriculum is required to foster awareness of the needs to conserve the environment for the future generations through improved anti-litter, recycling and public hygiene practices as well as improving attitudes to tourism and preservation amongst youth.

6.4 Facility Development

6.4.1 Tourism products and facilities development

Tourists from long haul market visit all of the North, Central and South of Vietnam in their itinerary and stay for 10 days to two weeks. However, tourists from China visit only the North, and most tourists from short haul markets visit only the South. These tourists stay in Vietnam for less than one week. In order to expand the tourist arrivals, it is necessary to take Chinese tourists and short haul tourists to the Central Region. According to the Airport Exit Survey, many of short haul tourists said that they want to visit Vietnam again, and they want to visit other than the South Region, such as Hanoi, Hue and Da Nang. The Central Region has the potential to take more short-haul tourists. However, there are many constraints to accept more international tourists to the Central

Region.

For long haul market, it is necessary to provide more diversified and specific products. Many of long haul tourists also mentioned that they want to come back to Vietnam again and see tourist attractions that they could not visit in the first trip to Vietnam. For example, some people said they want to visit Sapa, Phan Thiet, Mekong Delta, and so on. The tourism products for such demand should be provided for farther development.

To attract international tourists to the Central Region, “Diversification and Improvements are the key. In order to take short haul and Chinese tourists more, it is necessary to expand capacities and improve the quality of tourism products, for which key is matured combination of tourism facility, transportation, accommodation, tourism services, and so on. Furthermore, for long haul tourists, it is necessary to develop new and attractive tourism products by use of tourism resource in the Central Region.

It is important to expand and upgrade all components to diversify and improve tourism products. The followings are key issues.

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

6.4.2 Transportation

The study area, which has a long coastline with over 1,100 km, has a critical issue of accessibility to tourism sites in each province. The followings are issues to be improved in the future.

Regional access improvement

- Insufficient air access capacity and airport facilities of Da Nang airport and other local airports of Phu Bai (Hue) and Nha Trang should be improved to meet the future demand as a major international gateway of the Central Region.
- Inadequate long trips by car in terms of safety and efficiency due to narrow width of roads and lack of traffic controls should be improved.
- Necessity to develop and improve a seaport terminal for expansion of international cruise and intra-national cruise development
- Alternative North-South access such as HCMC routes in the highland areas would contribute to short-cut route formulation against the coastal route in the future.

Local access improvement

- Some tourism sites require improved and better local access by upgrading roads widened and paved as well as sufficient direction signs and information.

- Overland transportation such as a public bus or mini bus should be improved to secure safe and comfortable transport against old equipment and over-capacity utilization for domestic travelers.
- Inland waterway transportation should play an important role in formulating attractive tourism products such as river cruise boats in the Huong River in Hue city and water-transportation measures in the Thu Bon River in Hoi An town.

6.4.3 Accommodation Development

The number of rooms required by type is estimated in the previous chapter. To meet the future demand, strategic accommodation development and service improvement are indispensable. The following issues are identified.

Accommodation capacity expansion

- Increase in the supply of upper- and middle- class accommodations should get priority.
- Improvement of existing non-classified hotels is inevitable to meet the certain domestic demand.
- The supply of convenient public accommodation is preferable to promote youth or family tours in domestic tourism.

Service improvement

- Star system plus non-classified hotel ranking system is required to standardize all accommodation facilities.
- Diversification of accommodation type (urban, coast, rural, mountain, and recreational camp) is desirable to meet the needs of various hotel guests.
- Hospitality services and accommodation facilities with a certain level of trained staff are required.

Operation and management improvement

- Continuous marketing efforts and stable procurement system for food in local market with reasonable prices are required to sustain competitive hotel operation.
- Human resource development is also an inevitable element to upgrade hotel services (this is discussed in the other chapter).
- Advanced technology for management and operation by computer aided system such as electronic commerce or Internet booking system is also required.

6.4.4 Service facilities

Tourism service facilities are quite important, especially for the excursion typed cultural and historical tourism that is the most significant tourism in the Central Region, while resort stay typed tourism requires intensive tourist services in the hotel facilities. The following service improvements are required.

- Tourist information delivery services for international tourists as well as domestic tourists.
- Supporting facility development to enhance attractiveness of tourism resources and upgrade tourism products.
- Development of new tourism products such as marinas, museums, and visitor centers.
- More variety of choices for international food-catered restaurant.
- Supporting facilities for interpretation of historical tourism sites is indispensable.
- Development of recreational facilities and services for an alternative type of tourism.

6.5 Tourism Resource Management Issues

Tourism resource management involves the following activities.

- Conservation and management of natural resources,
- Conservation and management of cultural and historical resources,
- Rural development (village tourism or eco-tourism) and social environment conservation, and
- Improvement of urban amenity and environment protection.

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

Tourism resources managed by each responsible sector such as National Park by MARD and archeological sites by MOCI (Culture and Information) should be coordinated to promote tourism development. They should include the followings.

- Eco-tourism for National Parks and Nature Reserves
- Historical heritage tourism in cooperation with the Ministry of Culture and Information
- Cultural performance in cooperation with the Ministry of Culture and Information
- Handicraft improvement with the Ministry of Trade
- Resource management with MOSTE

6.5.1 Natural Resource Conservation and Management

Conservation of the natural environment is indispensable for the base of tourism development from the following viewpoints:

- Natural condition as a base of tourism development
- Environmental impacts of tourism development
- Other issues

(a) Natural condition as a base of tourism development

The existing natural condition in the Central Region is mainly characterized as follows:

- Relatively much rainfall in the rainy season including typhoon;
- Relatively little rainfall in the dry season; and
- Low forest cover ratio and relatively steep slope.

These conditions lead to the flood in the rainy season, drought in the dry season, forest degradation, and soil erosion.

(b) Environmental impacts of tourism development

Tourism development including infrastructure projects has a possibility not only to affect environment, but also to decrease the values of tourism resources. To avoid these impacts, the followings are required:

- environmental consideration at the early stage of planning
- environmental impact assessment at the planning stage
- checking of impacts at the operation stage

Tourism facility development in the study area should consider the following aspects.

- Adequate visitor management for National Parks that controls the number of visitors to enter the park area and designates activity areas.
- Careful facility development in consideration with conservation of natural environment
- Vulnerable coastal environment management (wetland, lagoon, river, etc.) should be enhanced for large-scale development such as aquaculture and beach resort development and others.

(c) Other issues

Environmental issues such as global warming and biodiversity should be considered when the tourism development is planned. The central government is responsible for these issues. The global environmental impacts may occur indirectly in the future. These issues should be considered at the stage of selecting the development site.

There are some development issues in the Central Region. For the consideration of these, the cooperation among concerned authorities is indispensable.

6.5.2 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.

Historical Heritage Protection and Visitor Management

There are three world heritages and other historical areas in the Central Region. They should be protected from disorderly development and over utilization by tourists. Control and guiding of tourist's flow is required. Fostering awareness of people for importance of these historical sites is also necessary.

Heritage utilization and cooperation with MOCI

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

Coordination with urban development

Because urban development in the historical towns of Hue and Hoi An will directly influence the cultural and historical value, close coordination on planning and design of facilities is required. In addition, urban management and conservation of cultural historical resources are indispensable.

6.5.3 Rural Development and Social Environment Conservation

Based on the results of the Social Impact Assessment Survey and observation by the JICA Study Team, it can be said that the following positive and negative aspects of social environment influenced by tourism activities exist in the Central Region. The detailed contents with difference among survey sites are available in the sector paper in the separate volume of the report.

(a) Positive Impact

Development of infrastructure and social services:

- Infrastructure, such as road, electricity network, water supply, sanitation and education system, has been developed, which can support not only tourism activity but also general socio-economic development.

Increase of job opportunities:

- Many jobs related to tourism, such as sales of local goods and food/beverage, hotel employees, transportation, entertainment, have been created.

Increase of household income:

- Income of the household has increased by offering or selling accommodation, handicrafts, performance of traditional dance and music, food/beverage, transportation, etc.

Increase of residents' awareness:

- As the number of visitors has increased, residents consciously clean their neighborhood.

Increase of local products:

- Production of some local products and food (e.g. handicrafts and seafood) has increased because of the increase of their demand by tourists.

Involvement of community:

- Women and minority groups are likely to be involved in the tourism activities, especially, in management of accommodation, production and sale of goods, and performance of traditional dances, etc.

(b) Negative Impact

Sanitation and water pollution:

- Since wastewater treatment and garbage disposal are not appropriate, water quality in rivers and streams has deteriorated.
- Inappropriate facilities and services by tourism households and accommodation, mostly toilets and shower rooms, make tourists unsatisfied and lose their willingness of longer stay in the area.

Lack of government support and information (see Appendix):

- Tourism households have tried to maintain and improve their business, buildings and atmosphere by following the government policy and instruction. However, due to a little financial and technical support from the local government, they feel difficulty in continue stable business and services.
- Local people cannot plan investment and activities for the future development because tourism development plan by the local government is not clearly informed to local people.
- Government revenues increase through tourism such as taxation and entrance fee of tourist spots and can be used for development of infrastructure and services of community and general socio-economic development. However, this mechanism cannot be informed and understood by local people.

Economic disparity:

- Disparity of income has become obvious between households with/without tourism activities, and even unequal benefit distribution from tourism among households with activities is noticeable, too.

Transportation and noise pollution:

- The number of vehicles for tourists has increased, and it causes traffic jam, lack of parking lots and noise and/or air pollution.

Lack of development plan and regulation for tourism:

- The number of street vendors has increased, and they follow tourists importunately for selling goods, which make troubles with tourists.
- The households having close relationship with tourist guides and agents from outside the village have a larger number of guests. Because of this, the balance of community participatory development may be lost.
- There is often a lack of appropriate promotion and a gap between tourism advertisement and actual condition of the spots. Also, not many tourist activities are organized. It makes tourists disappointed and bored. Furthermore, no regulations and rules are enacted for tourists and the local people to use facilities and areas, which may

gradually cause the damages to the areas.

- Lack of barriers and improper system of pricing and charging causes difficulty in communication and troubles between local people and international tourists.
- The more visitors have come to the area, the more public security has been lost. Additionally, lifestyle has been changed and tradition has been lost.

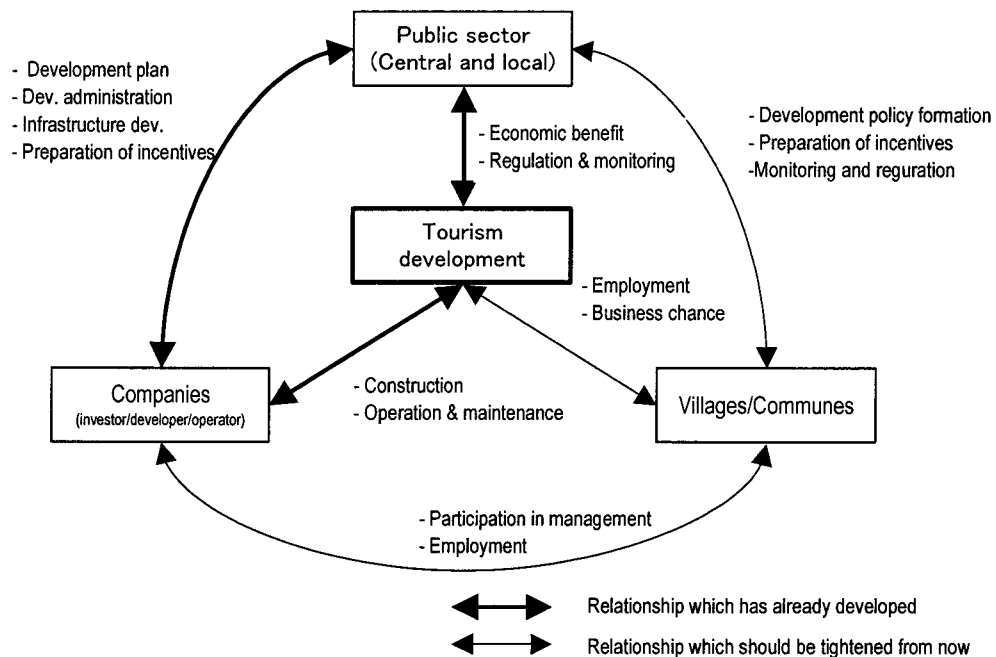
Establishment of systems to coordinate activities among all stakeholders

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 are recognized. The following figure shows interrelationship among concerned groups.

These channels should be created and reinforced. Development should be made along with proper planning, investment and community participation considering the issues below.

- Development plans should be informed to local people.
- Relevant information should be disclosed and explained, including advantages and disadvantages of tourism development.
- Opportunities should be provided, so that local people can consider their participation and involvement.
- The structure and culture of the existing community should not be destroyed.

Figure 6.5.1 Relationship among Concerned Groups



Source: JICA Study Team

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 it has been implemented haphazardly without any institutional coordination. To increase institutional coordination, the necessary measures 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 incorporated with tourism development.
- Increase the 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.

6.5.4 Urban Amenity Improvement and Environment Protection

The cities become the tourism base to offer 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. The following measures should be identified in the study area.

- Urban development guidelines for maintaining good environment, especially for the area considered to be important for tourists as well as residents of the cities, such as coastal area in Da Nang, river bank area in Hue, river side of Hoi An town, etc.
- Recreational management in coastal areas for safe and comfortable services
- Construction development controls to preserve views of coastlines or hill-side terraces from disordered facility development
- Improvement of the urban environment by providing adequate waste management and drainage.

7. Development Strategies

7.1 Tourism Administration and Market Promotion

7.1.1 Role of government and full integration and co-ordination 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 principally be provinces, including cases of joint bodies with the private sector. Ministries (not only VNAT) should play the role of supervision. Ministries should establish criteria and guidelines for establishment, operation and inspection to cultivate national and international facilities in order to achieve sustainable tourism development.

Table 7.1.1 Government Role for Tourism Development

Implementation Body	Role and Function	Responsibilities
VNAT	Promotion Human Resource Development Supervision	Development guidelines, regulations for tourism development
Ministries	Supervision	Development Guidelines, Regulations and financial support except direct investment in National Infrastructure
Provinces	Implementation	Provincial infrastructure and public facilities
Private sector	Implementation and O&M	Participation in profitable projects

Source: JICA Study team

In some cases, projects and programs cover several provinces in such as network developments or nature resources such as 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.

7.2 Promotional Strategies

VNAT shall endeavor to work out the promotional strategies to get Vietnam fully accepted as a tourist destination in the major source markets of the world. The strategies are:

- Promote Vietnam as an attractive tourist destination combined with 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 of both long and short haul.
- Promote to get more visitors come to Vietnam, and to have them travel extensively within the country, stay longer and spend more hard currency, while considering the receiving capability and characteristics of individual destinations.
- Establish a proper statutory agency, under the direction of VNAT, which undertakes ways and means of promotion and advertisement with professional competence.

-
- Establish overseas offices of the agency in key source markets to carry out specific and verified promotional activities in their territories of responsibility.
 - Establish Tourist Information Center (TIC), under the agency, in the three gateway cities and other tourist-popular cities to increase tourist friendliness.

7.2.1 Set-up of Vietnam Tourism Promotion Organization (VTPB) ¹

Vietnam Tourism Promotion Board (VTPB) is to be set up as an exclusive and a solid statutory agency to market and promote Vietnam as tourist destination in source markets in national capacity under VNAT, which main function shall be centered on national tourism policies and administration. Proposed transfer of VNAT's marketing and promotional function to VTPB is mentioned in APPENDICES "TOURISM PROMOTION AND MARKETING".

Being fully "market-oriented", "sales-oriented" and "tourism information-delivery oriented", VTPB is supposed to do various marketing and promotional activities to enhance Vietnam tourism image as a competitive and attractive tourist destination in key source markets of the world.

As the central core of the overall strategies for promotion of the country's tourism, establishment of VTPB is highly needed by year 2005 under VNAT.

7.2.2 Set-up of VTPB's Overseas Offices in Key Source Markets

Currently, no Vietnamese governmental tourism promotion office is located in major source markets such as Tokyo, Japan, Paris, France, etc. To be competitive in receiving more number of tourists from these source markets under the identified national marketing and promotional strategies, dependence on the country's diplomatic corps or Vietnam Airlines' overseas offices or Vietnamese commercial travel trade is limited.

VTPB's overseas offices are supposed to do exclusive efforts to increase Vietnam-bound tourists through their untiring marketing and promotional tactics and undertakings in their assigned source markets under the direction and support of VTPB Headquarters.

VTPB overseas offices are highly needed in the following locations to cover those major source markets. They should established as soon as possible.

Long-haul market:

Europe	Paris (France)
North America	Los Angeles (U.S.A.)

Short-haul market:

East Asia	Tokyo (Japan)
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¹ Tentatively named

Further set-up of VTPB overseas offices are recommended in the following additional locations to strengthen promotional activities in the source markets.

Short-haul Market:

East Asia: Guangzhou (China) and Bangkok (Thailand)

Oceania: Sydney

7.2.3 Set-up of Tourist Information Center (TIC)

To enhance Vietnamese tourist reception service and tourist-friendliness to the world standard, TIC is indispensable in major gateway cities such as Hanoi, Da Nang, HCMC, popular World Heritage Site such as Hue and Hoian and in other province capitals of the central region. TIC will deliver free of charge services to tourists. For instance, TIC gives information at their inquiry (e.g. recommended accommodation for the budget, restaurants, the sights or museums to visit, etc.), delivers a city map and other practical tourist information in prints, and help visitors with language problems.

By year 2005, set-up of TIC is highly necessary at:

- Hanoi Terminal building of Noi Bai Airport
- Da Nang Terminal building of Tan Da Nang Airport
- HCMC Terminal building of Tan Son Nihat Airport
- Hue City center (visitor center)
- Hoi An City center (visitor center)

By year 2010, additional set-up of TIC is made in roadside stations in the following 11 provinces/cities.

- Quang Binh Province
- Quang Tri
- TT Hue
- Da Nang
- Quang Nam
- Quang Ngai
- Binh Dinh
- Phu Yen
- Khanh Hoa
- Ninh Thuan
- Binh Thuan

7.3 Tourism Service Improvement and Human Resource Development

If the tourism industry is to meet growth projections, the human resource system needs to be improved in terms of efficiency and effectiveness. Improvements are required in two areas: firstly, improvements of the HR system to address effectiveness of the tourism education and training system, and secondly, improvements of training provision to upgrade the quality and quantity of the

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

7.3.1 Improvements to HR System to Improve Effectiveness of Tourism Education and Training System

The focus of the first objective is to improve the operation of the institutions within the HR system. The structures of the system will need to be able to meet the increasing demands of industry.

Improvement of coordination and management of tourism HR and training system

Improved government administration in tourism training and human resource development as a government is likely to remain the major source of educational funds. The government will continue to play a leading role in the planning of the training system and to be a major contributor of training activities, both from the government budget and through the various tourism SOE. However, VNAT will play the role of oversight rather than controlling all aspects of the HR system and involve other groups such as industry associations, professional/occupational groups and private training providers to facilitate the development of the human resource system.

Development and improvement of industry linkages to training system

The purpose for industry to involve in the training planning mechanism is to increase the responsiveness of the training sector to actual requirements on-the-job. This can be achieved by the formalization of private and public sector input into the training planning mechanism. Training in industry needs to be planned in a strategic manner through a broad consultative process coordinated by a recognized body.

The development of the necessary forums is required to involve all key stakeholders. The National Tourism Curriculum and Certification Board (NTCCB) provides a model for this development. There are plans for further development of the NTCCB, including the development of an assessment advisory committee and a curriculum advisory committee. The status of the NTCCB needs to change from a (Luxembourg) project activity to a nationally recognized organ of the tourism training system.

The development of industry associations and professional and occupational groups should be fostered by VNAT to assist with the development of the HR system.

The recognition of training by industry needs to be encouraged. This will occur as industry becomes sure that required standards are reached by training providers.

Development of occupational standards to reflect professional skill requirements for each occupation

Occupational and professional standard development can be developed by

working groups comprised of practitioners, industry representatives and teachers in the occupational area. Organizations of tourism training and government need to work together to ensure that formal training arrangements have an exact fit and linkage to licensing practices such as government regulations on safe food handling and licensing (e.g. business and tour guide licenses).

Development of professional certification for each level of occupation

The development of the minimum professional certification for the main levels of occupations should be determined. The skills required at each level in an occupation can be articulated and included in the relevant training courses. The training courses can be certified or accredited based on the skills contained in the training.

Development of accreditation of training based on occupational standards

The accreditation of training providers and training provision can be undertaken by a national tourism training organ. This works as a quality assurance mechanism to ensure that the training courses offered by the training providers meet the requirements of industry and are approved by VNAT. Employers and students can be sure that the approved training courses are relevance in industry.

Development of system of private financing

Vocational training is more expensive than general education. Increasing the proportion of course expenses payable by those who can pay will reduce the reliance on the government budget to finance skill development for the tourism industry. Improvements in the quality of provision will encourage enterprises to use the training offered more readily, which will also contribute to the costs of maintaining the tourism training system. However, access for poor students will need to be supported through scholarships or fee exemptions.

7.3.2 Improvements to Training Provision to Improve Quality and Quantity of Labor Force

The focus of the second objective is to improve the training provision in terms of range, quantity and quality as well as to ensure that it meets the needs of industry. The sub-components are:

Increased focus on those in direct contact with tourism customers; by

- Increasing the supply of trained new entrants and upgrading skills of existing employees
- Providing short-course training on out-reach and in-company basis
- Identification of training needs and provision of training within industry sub-sector currently unmet e.g. village tourism proprietors and operators
- Maintaining emphasis on particular level of basic education required – the basic level required in order for whole labor force to achieve minimum standards to facilitate flexibility and mobility
- Providing links between training providers and industry to assist with

OJT provision

Increase in training capacity

There is a requirement for increased training capacity at most levels in the Central Region. Although The Hue Tourism School was established in 2000, the total capacity for tourism training in the Central Region is only 7 percent of the training capacity of the nation. In consideration with the development framework and development potential in the study area, additional training school in the southern part of the Central Region is required. Nha Trang in Kan Hoa Province will be a candidate location. The school to be provided should be the same level as Hue school.

Increases in the participation in entry level training (in the Central region caused by the establishment of the Hue Tourism School) will need to be matched by an increase in supervisory level training to ensure that the full benefits of increased skills are experienced. As further training levels are developed, there needs to be a system of ensuring that the training courses at different levels have the necessary relation to each other in terms of complexity and career progression. At the moment, there is a requirement for increased training capacity at most levels, but the greatest needs are at the supervisor to middle management level and in language training.

Development of a Tourism training network to ensure that students can enter different courses at different schools and have their qualifications recognized.

Courses at different tourism training schools should articulate into each other. A basic level qualification from any tourism training school should be recognized by other schools as valid to enter the next level of training.

Upgrading of tourism training school management to enable the efficient management of training schools as well as development of research into industry training requirement.

Dissemination of new requirements for training and introduction of new courses, standards and teaching methods will be a major role for the current tourism training school management.

The VNAT schools have a particular responsibility to introduce new training methods due to their direct management by VNAT. The private schools and other tourism training schools under other authorities will benefit from the model of “best practice” established nationally by the VNAT schools.

Improvement and development of curriculum

Development of curriculum is required for most occupations beyond entry level. However, the quality of curriculum development needs to be closely monitored to ensure that there is an exact fit between the needs of industry and current government regulation.

Improvement of teaching staff to an industry accepted standard

One of the major mechanisms to ensure efficiency, quality and equity in training is improved teaching methods. Outdated teaching methodologies, lack of an adult-centered teaching practice, insufficient teaching plans and a reliance on the theoretical aspects of the course are the main failings of the teaching staff. This needs to be addressed in the short term through teacher training.

Use of training provision to achieve development objectives in employment creation

Provision of training opportunities for disadvantaged groups will increase their ability to be employed and to support themselves and their households. This is particularly so for members of ethnic minorities who are currently educationally disadvantaged. The Vietnamese government strategy of increasing education opportunities for these groups, through the application of subsidies and support measures, can be applied within the tourism sector. Ethnic minority households currently have enterprise creation opportunities in village tourism, eco-tourism and handicraft production and sale, as well as in the mainstream sectors of the industry. However, without business, language and occupational skills, these opportunities cannot be utilized. Development of training courses for these groups, which enables them to enter the mainstream courses through the development of recruitment, has priority, especially in the Central Region.

7.4 Tourism Products Development

Tourism Products and tourism facilities have close relationship to complement each other and make them synergy effects. For example, train tourism is obviously one of tourism products to be sold and promoted to tourists. At the same time, it is necessary to develop or improve supporting facilities of railway and train coach taking account of source markets preference and their needs.

Tourism products in the study area are still insufficient and inappropriate in terms of provision for various types of tourists, especially for international tourists. It is indispensable to improve and provide necessary facilities for the supply of attractive products in the Central Region.

7.4.1 Product Development Strategy

Travel pattern and product combination

Establishment of various tourism circuits based on each market preference will extend the length of stay of tourists. The following table shows the characteristics of the market segments.

Table 7.4.1 Travel Preference by Market Segment in the study area

Length of stay	Travel activities	International Market Source			Domestic market
		Short-haul	Chinese	Long-haul	
Single Destination (2-4 days)	One tourist base only			—	
Short excursion (4-6 days)	Inter-province trip				
Long excursion (1-2 weeks)	Intra-national				
Multi-destination (4-6 days)	Inter-regional (GMS)		—		—
Legend: = dominant = middle position = few market	— = very rare	ASEAN, Taiwan, Singapore, Japan, Korea, Australia, etc	Main Land China and Hong Kong	Europe, North / South America	Vietnamese Foreign Resident

Source: JICA Study Team

Taking account of a travel patter of each market source, the following directions should be enhanced to expand their length of stay.

- For short-haul market, from single destination to short excursion
- For Chinese market, expansion from northern destinations to southern destinations
- For long-haul market, encouragement of combination with short and long excursion
- For domestic market, expansion of opportunity of trip in short excursion

Table 7.4.2 shows the future travel pattern by major market sources

Table 7.4.2 Future Travel Pattern by Major Market Sources

Target Market Source	Travel Circuit Development by Tourism Region	Typical Product Development in the study area	Target Market Segment
Short-haul	<ul style="list-style-type: none"> • South Central out • South North out • South Central • North Central • South • Central • North 	<ul style="list-style-type: none"> • HCMC/Mekong + Historical tourism combination • Historical tourism + beach combination • Experience-oriented product development for repeater 	<ul style="list-style-type: none"> • Small-Medium size GT • Repeater • Small Size SIT • Small Size FIT
Chinese (Main land)	<ul style="list-style-type: none"> • North Central • North Central South • North Central South 	<ul style="list-style-type: none"> • Nature sightseeing + Historical tourism combination • Shopping/Urban Tourism • HCMC/Mekong + Historical tourism combination 	<ul style="list-style-type: none"> • Medium-Large size GT • Small Size SIT • Small Size FIT • Repeater
Long-haul	<ul style="list-style-type: none"> • South Central North • North Central South • South Central • North Central • South • North • North South 	<ul style="list-style-type: none"> • Champa tourism + beach combination for SIT/FIT • Ecotourism + beach combination for SIT • Experience-oriented product development • HCMC/Mekong + Historical Cultural tourism combination • Nostalgic tour development 	<ul style="list-style-type: none"> • Small Size SIT • Small-medium size GT • Small Size FIT • Repeater
Domestic	<ul style="list-style-type: none"> • South Central • North Central South • North Central North • South Central North • Central Central 	<ul style="list-style-type: none"> • Beach recreation • Natural + Historical sightseeing tourism combination • Urban Tourism • Experience-oriented product development 	<ul style="list-style-type: none"> • Small-Medium size GT • Repeater • Small Size SIT • Small Size FIT

Note: SIT = Special Interest Tour, FIT = Foreign Independent Tour, GT = Group Tour
Source: JICA Study Team

Product combination with international and domestic market

Vietnam tourism can be characterized as one of the countries that generate certain volume of domestic tourists beside international tourists visiting the country.

Domestic tourists are playing an important role for tourism development in Vietnam. Vietnamese people have much liking for travel for their leisure and recreational activities. Getting along with the national economic growth of Vietnam, domestic tourism will become more popular and people travel much further and longer.

Major tourism products have been consumed by market sources such as world heritages tourism, cultural tourism and beach recreation tourism. Product in combination with international and domestic market should be developed carefully in consideration with each market preference and their travel pattern with appropriate facilities development and services. The major directions are indicated as follows.

- Consideration of beach resort product

Many beaches in the study area have been developed mainly for domestic tourists sometime with noisy leisure facilities. On the contrary, international tourists prefer to stay in quiet and low dense beach resort areas, especially for upper market. Development of beach resort should consider the market segmentation, scale and location.

- **Development of cultural historical products**
Cultural and historical tourism products attract both markets of international and domestic tourists. Interesting information and sufficient service with bilingual explanation, performance and events are indispensable to enhance and enlighten visitors including tourists and students of schools and local residents.
- **Development of international tourist-led product**
Alternative tourism such as eco-tourism, village tourism, adventure tourism, participatory tourism will be led by international market demand. New products utilizing potential resources in the study area should be developed with sufficient services and deliberate programs and clear market target.
- **Development of domestic-led product**
Local performance and religious events or national historical places attract many domestic tourists. These tourism products will enhance and induce more international tourists when the products matured and became popular among domestic tourists.

Local product encouragement

The provinces in the study area have indigenous local products of foods (e.g. Dragon fruits in Phan Thiet, Grape Wine in Phan Rang) and handicrafts (e.g. bronze and other traditional handicrafts in Hue, traditional weavings by Champa ethnic peoples, etc). In terms of local economic development, those local products can be incorporated into tourism product development to promote characters and images of each Province. Handicrafts Center will be one of the attractive places where tourist can enjoy shopping, participating in harvesting local products, and self-experience typed of workshops for handicrafts.

7.5 Facilities Development

Tourism facilities and products development should meet future expansion of international visitor arrivals and domestic tourism in terms of facilities capacity increase and variety of products. The followings are considered to be significant factors to improve the tourism conditions in the study area.

- Increase in transport capacity
- Expansion of accommodation capacity
- Product development and diversification

Tourism service improvement is another significant factor to increase the visitor's satisfaction.

- Improvement of travel conditions for international tourists. Signing and guiding system with foreign languages for the major tourist town or area is one example.
- Improvement of local products with sufficient promotion and services to meet the international standard.
- Development of visitors facilities such as information center, rest area, shops and tourist transportation terminal, for major tourism potential resource and products

7.5.1 Facilities Development Strategy

Tourism facilities and infrastructure development play an important role for not only improving and developing tourism product but also offering basic services to tourists. The following are facilities to be developed and improved.

Tourism infrastructure improvement

Infrastructure improvement as indispensable facilities for the tourism sector also contributes to local economic development and improvement of social life in the study area. The followings are major infrastructure to enhance tourism development in the study area.

- **Transport access facilitation**
Air access is the most important element to boost international tourist arrivals. Although Vietnam Airlines has made many efforts to expand capacity of flights to the study area, airports facilities improvement is still behind of HCMC and Hanoi cities' airports, in terms of night-flight equipment and safe navigation control system. It is also required to improve seaport facilities to meet cruise ship increase and access roads to tourism areas. Rational and sufficient infrastructure is recommended to be improved.
- **Sustainable environment supporting facilities**
Insufficient waste disposal system in the study area is reported that has affected river and sea environment pollution. Adequate management programs and efficient projects for the major tourism area with historical and cultural heritages are recommended to be implemented urgently.
- **Visitor facilities**
Several tourist service facilities for international tourists are ranked in the top complaints in accordance with the tourist survey carried out by the study team. Major facilities to be developed and improved are listed in the following table.

Table 7.5.1 Tourists Facilities to be Improved

Category	Tourist Facilities (related)	Priority	Ranking*	Tourism Zone		
				C1	C2	C3
Access to Tourist area	Airport terminal and frequency of flights		1			
	Tourist Information Service		2			
	Telecommunication Service		3			
	Tourist Transportation (bus, taxi, cyclo)		4			
Other Tourist Facilities	Sanitation facilities (public toilet, sewer)		1			
	Rest place (bench, shelter, kiosk)		NA			
	Coffee shop and other amenities		NA			

Legend: First priority Secondary Tertiary Low priority or not suitable, *Ranking of bad impression in the Airport Ext Survey.

Source: JICA Study team

Accommodation development

Allocation of accommodation should be carefully considered for the balance of tourism development potential and economic feasibility of development. In order to improve the weakness of accommodation facilities in the study area, the following table illustrates the development priority of accommodation facilities. It is also considered that public recreational area with simple accommodation facilities such as camp site in the study area should be given to domestic needs avoiding monopoly of coastal area by private enterprises.

Table 7.5.2 Development Priority of Accommodation Facilities in the Study Area

Accommodation type		Urban Hotel	Resort Hotel	Tourist Villa	Youth Hostel	Village Lodging	Mountain Lodge	Camping Sites
Tourism Zone	C1 Zone							
	C2 Zone							
	C3 Zone							
Scale of Capacity	Large size							
	Medium size							
	Small size							
Tourist Preference	International							
	Domestic							

Legend: First priority Secondary Tertiary Low priority or not suitable, Large = over 100 rooms, Medium = 50-100 rooms, Small = 10-30 rooms

Source: JICA Study Team

- **Market oriented supply**
In order to meet future expansion of both international and domestic tourists, accommodation should be supplied and diversified by adequate type of facilities in consideration with each market demand. In coping with diversification of tourism products, resort hotels or village lodging can respond to international tourist needs, and youth hostel or camping sites will contribute to absorb domestic tourist's needs.
- **Location**
The study area consists of highland-mountain, paddy field, urban area and sand beach coastal zone. Coastal zones in the study area will be one of the most agreeable locations for the supply of accommodations except urban areas and some specific rural areas such as hot-spring, lake side, highland, too.

Supporting facilities for tourism resources and product development

The values and potentials of many historical, cultural natural tourism resources in the study area have been decreased due to no guide information and insufficient facilities. The supporting facilities development for tourism resources aims at enhancing their values and preventing them from environment deterioration. On the other hand, utilizing spectacular scenery of the coast in the study area and good weather condition in the southern part of study area, tourism train and recreational sports facilities development are recommended to create new tourism products in the study area. The major developments are categorized as follows.

Table 7.5.3 Supporting Facilities Development by Tourism Resources Category

Category	Supporting Facilities Improvement	Major Attraction in the Study Area	Tourism Zone		
			C1	C2	C3
Historical Cultural Resources/ Products	<ul style="list-style-type: none"> • Access road / parking • Sign and Information • Site museums • Representation facilities such as illumination, etc 	Sa Huyn classic ground			
		Champa archeological sites			
		Nguyen Dynasty sites			
		Modern era historical sites			
		Ethnic villages and their lifestyle			
Natural Resources/ Products	<ul style="list-style-type: none"> • Access road / parking • Sign and Information • Public facilities (w.c., rest place, kiosk, litter-bin) • Pier-jetty, marina, others • Observatories • Other necessary facilities 	National Parks & other protected areas			
		Coastal scenic area & landscape			
		Beaches and marine resources			
		Rivers and lake			
		Hot springs and others (fall, cave, etc)			
Local Products	<ul style="list-style-type: none"> • Product Exhibition Center • Handicrafts Center 	Local handicrafts			
		Local food products			
Others	<ul style="list-style-type: none"> • Tourist coach and program • Cycling road network • Golf course facilities 	Train tourism to enjoy beautiful scenery			
		Possible sports and recreation			

Legend: First priority Secondary Tertiary Low priority or not applicable,
Source: JICA Study team

Facilities development control

In general, tourism facilities have reasonably been developed in the study area, however it is observed that several facilities have destroyed their surrounding environment due to an unsuitable construction method or facility design with the surrounding environment. Also, several tourism development plans have been planned in an inappropriate manner without consideration of historical heritages and environment conservation.

On the other hand, new large-scale development in the coastal area for beach resort bases requires careful measures and programs not only to protect natural environment but also to create attractive tourism products with international standards. Therefore, it is recommended for the central and local administration to establish adequate development guidelines or control measures to be required in the study area.

- **Coastal tourism area**
Development of major coastal areas for international tourism development projects, such as Thua An -Lang Co in T.T.Hue, My Khe-Non Nuoc in Da Nan City, Van Phon in Khan Hoa and Phan Thiet-Khe Gha in Binh Thuan provinces, should be preceded with implementation of feasibility studies with sufficient Environment Impact Assessment. Appropriate guideline, including facilities landuse and design standard in consideration with fragile natural environment, should be provided.
- **Historical and cultural tourism site**
Historical areas should be kept in their original environment as much as they can by several control measures such as height control, facade control for new buildings, scenery control, color guideline, etc. Especially, archeological sites need special consideration of sufficient academic research, investigation and elaboration of restoration techniques in order to restore their original environment.

7.5.2 Facility Development to be Required toward 2010

According to the strategies for tourism product and facilities development aforementioned, several projects and programs to be implemented until year 2010 are identified as follows.

Access improvement

Listing of key projects is recommended as follows in order to expand gateway's capacity for arrivals from other countries in the study area.

- *Da Nang International Airport terminal improvement* under pre-feasibility study by USTDA
- *Hue and Nha Trang domestic airports improvement*
- *Cruise Ship Passenger Terminal development* in Da Nang under study by VINALINES
- *Tourist Stopover Development in the National Highway No.1* in each provinces

Visitor facilities

Coping with bad reputation of tourist service by international tourists in the study area, the following projects inevitably to be implemented are listed.

- *Tourism Information Center (TIC) Development* in Da Nang, Hue, Quang Nam (Hoi An) and other Provinces
- *Hoi An Visitor Center Development* with parking and handicraft shopping center in outside the world heritage site

Upgrading tourism resources and products

Coping with insufficient tourist facilities and services of major tourism resources in the study area, the following projects and programs are recommended to be implemented.

- *Museum Information Network Development* project to upgrade and

attract museum exhibition utilizing the information technology

- Imperial Enclosure Restoration Program by 1/10 scale model restoration project for Can Thanh and Can Chanh Palaces
- Handicraft Product Improvement Program of Hue City and *Handicraft* Promotion Center Development for Champa ethnic minority expected to be implemented by JICA technical assistance
- Phon Nha Cave Nature Park Improvement as preparatory projects for the new natural World Heritage candidate area
- Hue – Da Nang Tourism Train Development
- Nha Trang Marina Development for jetty project before completion of other marina facilities beyond 2010
- Cycling Road Network Development in selected tourist area on the coast to connect major tourist attraction

Development of coastal resort base

Based on the development potential analysis by the study team, several coastal areas are selected by criteria of weather condition, accessibility, proximity to tourism resources, necessity of integrated management plan to prepare adequate infrastructure and protect natural environment, no conflicts with other industries such as aqua-culture and port development. The following areas are recommended to implement integrated resort development.

- Lang Co Resort Development that requires careful development with sufficient infrastructure without any natural environment deterioration and international facilities and site design standard (a Japanese private investor had plans to invest this project in 1997)
- My Khe-Non Nuoc Coastal Area Development to establish a coastal resort in urban area with development guideline
- Khe Ga Cape Area Resort Development to establish a coastal resort in the accessible distance from HCM City international gateway

Village tourism

Implementation of pilot projects to find the appropriate village tourism development guideline is recommended.

7.6 Tourism Resource Management

Tourism resource management aims at controlling visitors by management programs and guiding facilities development to avoid resources deterioration from disordered developments. The following measures can be applied for the management.

- Management zoning system for conservation and utilization of tourism resources
- Consideration of carrying capacity to keep suitable environment from over dense use and deterioration of environment
- Development of research and study office to manage resources
- Development of interpretation facilities and services of tourism resources for visitors to encourage their understanding and cooperation

- for resource conservation (museum, sign & information, guide expert)
- Development of visitor facilities to accommodate visitors with basic services such as toilet, rest place, kiosk, parking, etc.
- Control of vehicles access by traffic zoning system
- Guidelines to conduct adequate facilities development

7.5.1 Natural Environmental Conservation

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

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:

Protection and mitigation of environmental impact of tourism development

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

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

Measures for global issues and human resource development

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

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

7.6.2 Cultural and Historical Resource Conservation and Management

The following key measures are proposed for resources management.

- Management zoning system for conservation and utilization of tourism resources in both urban and rural areas.
- Vehicle access control in accordance with zoning system mentioned above.
- Establishment of guidelines for facilities development in the designated zones and areas.
- Provide 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 each historical site for tourist information and public awareness, handicraft center for demonstration of production process, visitor center for control and guiding the tourists.

7.6.3 Rural Development and Social Environment Conservation

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

Formulation and utilization of village tourism guideline

In order to culturally, environmentally and economically facilitate 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

Preparation and implementation of evaluation list for tourism development by type

Tourism in the Central Region can be categorized mainly into (a) village tour, (b) beach resort, (c) eco-/village tour, and (d) historical and cultural tour. Each needs to contribute to the area and benefit local people. An evaluation list can be helpful to appraise and review development and guide appropriate development.

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 and 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 tourists and local people
- To control public security

Pilot Projects Implementation to Meet the Actual Condition

(1) 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.

(2) Provision of government support and information:

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

(3) Community involvement and training:

- Local people should be trained as a tour guide and involved in accommodation service and management.

(4) Environment protection:

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

7.6.4 Protection and Improvement of Urban Conditions

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

- 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 coastal area in Da Nang and Nha Trang to maintain good environment and atmosphere of the beach along the city and water quality.
- Provide tourist center or places where tourists get information, meet people, and take a rest as well as transportation terminal to change transportation mode, for example from a bus to a boat. This kind of places should be convenient and provide the tourists with amenity.