

POSITION PAPER

*Prepared by
Tourism and Hospitality Working Group*

We would like to compliment the Government and Vietnam National Administration of Tourism (VNAT) on the performance of the Tourism industry in 2012 with a 9.5 % growth in visitor arrivals to 6.8 million.¹

We further compliment the Government on the establishment and first inaugural meeting of the Tourism Advisory Board (TAB) under the Environmentally and Socially Responsible Tourism (ESRT) project funded by the European Union (EU). The composition of the Board is well balanced with representation from all segments of the industry and should if used properly provide a good platform for dealing with issues within the sector and also for promoting sustained growth.

We also congratulate the Government on the E-Visa system, which facilitates the invitation letter allowing visitors to travel and collect their visa on arrival in Vietnam.

We are also pleased to see the opening of a Tourist Service Centre in a prominent location in Ho Chi Minh City and hope that this will be reciprocated in all major tourist destinations serving both foreign and domestic visitors.

The tourism and service industry currently accounts for 4.13%² of the country's GDP and is employing approximately 3.8% of the total workforce plus a further 4.3%³ indirectly, thus making the tourism and service industry one of the country's key employment sectors. After the global economic downturn, Vietnam's travel and tourism industry rebounded **strongly** in 2010, a trend which has continued in 2011 and 2012, with foreign tourist arrivals in Vietnam rising more than 30% in 2010, 19% in 2011, and 9.5% in 2012.⁴ Domestic tourists also increased to 32.5 million, in 2012 up 8% from 2011.⁵

However, we would caution that in our view, there is evident change taking place in the makeup of foreign visitor arrivals with a decrease in groups and Foreign Independent Travellers (FITs) from Europe and North America and an increase in group arrivals from China, Taiwan, Japan, Russia and Korea which is reducing occupancy and room rates at 5-star hotels and overall spending by foreign visitors.

It should also be noted that growth rates in visitor arrivals in neighbouring competing countries, which have well established visa-on-arrival systems and procedures, were higher than the growth rate in Vietnam in 2012. Thailand for example received over 22 million foreign visitors up from 18 million in 2011 (an increase of **22%**), in spite of the political problems and floods. Cambodia foreign visitor arrivals also grew at a faster rate increasing from 2.9 million in 2011 to 3.6 million in 2012 and increase of **24%**.

¹ According to Socio-Economic report 2012 and statistic of number of international arrival to Vietnam in 2012 by General Statistic Office

² According to Vietnam's Socio-Economic report 2012 by General Statistic Office

³ According to World Travel & Tourism Council's Economic Impact Research, Vietnam Country Report 2013 (page 4)

⁴ According to Vietnam's Socio-Economic report 2010, 2011 and 2012 by General Statistic Office

⁵ According to <http://www.vietnamtourism.gov.vn/index.php?cat=1001&itemid=12545>

Of concern is the decrease in visitor arrivals seen in the first quarter of 2013 (-6.2%) compared to same period in 2012⁶ whilst both Thailand and Cambodia have seen records for visitor arrivals in the first quarter of 2013. Thailand increased almost 20% with 6.8 million visitors and Cambodia experienced a 20% increase in visitors by Air in the first quarter.

We share the view of the World Travel & Tourism Council (WTTC) that tourism is one of the world's fastest growing sectors, but that in order to achieve that it must have support from governments. We also agree with the view of the United Nations World Tourism Organisation (UNWTO) that tourism can be the creator of jobs in today's still economically difficult situation.

It is now some eight years since the current Tourism Law was adopted. Over time some shortfalls have become visible requiring the Tourism Law to be modernised. A new law is expected to be adopted in 2013.

It is eighteen months since the project to promote responsible tourism services through public private dialogue, improve tourism planning and regional tourism product development was launched by the EU in 2011 in close cooperation with the VNAT and we look forward to seeing positive results from this project and the TAB.

We are pleased with the development strategy for tourism as approved by the Prime Minister on 30 December 2011. This strategy describes overall and specific targets, solutions and action programs for the sector to 2020 and a vision to 2030. The target is to develop tourism into a key economic industry with a high level of professionalism; a modern tourist infrastructure and diversified tourist products which have high quality and are competitive but are still imprinted with unique traditional cultural characteristics.

The WTTC ranked Vietnam at 89 out of 184 countries for the contribution to GDP from travel and tourism and ranked it 16 out of 184 in its potential for long term growth. On the Travel and Tourism Competiveness Index (TTCI) 2013 of the World Economic Forum (WEF), Vietnam ranked also 80 out of 139 countries, excluding Myanmar and Laos.

We are fully supportive of these findings and we would like to help Vietnam achieve their potential by drawing on collective experiences that can benefit Vietnam and help meet their targets. In order to do this, we have developed what we believe are a series of recommendations that can help. We have selected what we believe are the top 10 and we will focus on these which we believe would be best adopted and implemented as soon as possible, recognising the challenges where changes to laws and regulations would need to be adopted.

Our top 10 recommendations are:

1. To broaden and not reduce the group qualifying for visa exemption and put a real visa-on-arrival procedure in place without pre-submitted documentation.

We are advised that there are discussions taking place within different Ministries to withdraw the visa exemption for visitors from Japan, South Korea and Russia.

⁶ See: <http://www.vietnamtourism.gov.vn/index.php?cat=202038&itemid=13004>

Whilst this is an long debated issue and we are sympathetic to many of the views expressed by the authorities in our inter-ministerial meeting in September 2012, we still hold the view that Vietnam would benefit from a true visa-on-arrival program with an increase in arrivals and spending and that a withdrawal of visa exemption for visitors from Japan, South Korea and Russia will have a significant negative impact on visitor arrivals from those countries.

Additionally, South Korea and Japan remained in the top three international markets for Vietnam's tourism sector while a significant growth in the number of Russian tourists was seen in 2012. According to the statistics of General Statistics Office, the number of visitor arrivals from visa waiver countries, including these three countries, has constantly increased year by year. The year 2012 saw nearly 701,000 South Korean arrivals, up 30.7% per cent year-on-year. With regard to the Japanese market, there were approx. 576,000 visitor arrivals to Vietnam in 2012, an increase of 19.7% compared 2011. Remarkably, the number of Russian visitors with 174,300 arrivals represented a 71.49 % increase over 2011.⁷

We understand that visitors from both South Korea and Russia book at short notice and we believe any removal of the visa waiver would be detrimental to the arrivals from these countries.

We do recognise that much discussion has already been going on and many recommendations have been delivered on this subject. We also recognise that visa policy extends across multiple ministries and departments. However, we strongly believe that the current policy is losing Vietnam high-spending FIT and is also causing it to loose competitiveness with neighbouring countries. We agree with the WTTC that in order to create jobs and economic growth, it is important to change the current visa policy.⁸ The UNWTO has indicated that visa facilitation can create additional jobs.⁹ We think that visa facilitation will encourage more visitors and also create jobs in this sector in Vietnam.

Furthermore, Vietnam has set a target to welcome some 10-10.5 million foreign tourists and 47-48 million domestic travellers by 2020 with revenue of 18-19 billion U.S. dollars, contributing 6.5-7 percent to the country's gross domestic product.¹⁰ We believe if the visa waiver is cancelled, it will be very difficult for Vietnam to achieve this target and retain its competitiveness with neighbouring countries.

It is our strong belief that Vietnam should be extending visa waivers not withdrawing them in order to remain competitive and also introducing a real visa on arrival system like other countries in the region including, Thailand, Indonesia, the Philippines, Malaysia, Cambodia and Laos. As such, the visa waiver policy should be retained not only for visitors from Japan, South Korea and Russia but also to other international visitor markets.

⁷ According to Socio-Economic report 2012 and statistic of number of international arrival to Vietnam in 2012 by General Statistic Office

⁸ See: <http://www.wttc.org/our-mission/strategic-priorities/freedom-travel/>.

⁹ See: <http://media.unwto.org/en/press-release/2012-05-17/visa-facilitation-can-create-five-million-additional-jobs-q20-economies>.

¹⁰ According to Decision 2473/QĐ-TTg of Prime Minister approving: "Strategy on Viet Nam's tourism development until 2020, vision to 2030"

The E-visa whilst being a step in the right direction does not solve a key issue which is the entry and queuing time. The current system of visa-on-arrival is chaotic and many visitors complain of having to wait 2 to 2.5 hours to obtain their visa on arrival. There is no system like a numbering system so often visitors do not even recognise their name when it is being called out. In addition, there is very limited seating available if any.

Feedback also on the increase in visa fees is also negative and many visitors are starting to compare the cost of visiting Vietnam and Thailand and in spite of the strength of the Thai Baht the majority view is that the cost of visiting Vietnam is now noticeably higher than visiting Thailand.

1.1 Recommendations:

- a) Defer any decision on the withdrawal of visa waivers for Japanese, South Korean and Russian visitors;
- b) Consider broadening the countries and nationalities that qualify for visa waiver;
- c) For E-Visa on arrival the immigration authorities are urged to introduce a transparent numbering system and also to provide adequate seating for people waiting;
- d) Consider reducing the fees for visas and raising the money from other indirect sources.

2. Increase funding for tourism planning and development and marketing and in particular destination marketing but also ensuring that the available funding is spent to the best effect with proper planning and delivery.

As we have mentioned before within the ASEAN region, Vietnam competes with similarly attractive tourist destinations like Thailand, Malaysia, Indonesia, the Philippines, Cambodia and more recently Myanmar. The contribution of travel and tourism to the GDP in Cambodia (11.5 %) Thailand (7.3 %) Malaysia (7.0 %), Laos (5.3 %) all rank above or equal to Vietnam.¹¹ In general, feedback from tourists and operators suggest tourists perceive the service and customer care as poor. We believe that measures are needed to address this perception and to allocate more funding to marketing Vietnam as a tourist destination.

All or the majority of neighboring countries we mentioned before are spending much more on promoting their countries as a tourism destination and we believe Vietnam should do more in this area to retain its current growth rates. Vietnam needs to develop a more comprehensive and sustained marketing campaign highlighting Vietnam's attractiveness because of its rich cultural heritage, its outstanding natural beauty including beaches, its friendly people and delicious and varied food dishes.

Appendix A highlights an initiative being taken by Indonesia and which shows that working together with Private Sector major initiatives can be undertaken at a relatively low cost.

Our perception is that many of the marketing efforts are poorly planned and poorly executed and that this results in an ineffective use of the limited funds available.

¹¹ See: country reports of the WTTC 2013,
http://www.wttc.org/site_media/uploads/downloads/vietnam2013.pdf

We suggest that the Vietnamese government allocates more funds towards tourism promotion campaigns and operates in close co-operation with the foreign private tourism and travel providers to make best use of such additional funding as they will be able to identify what the various nationalities like and are interested in.

We understand that there are limited funds currently available but we also believe that the funding needed for this could be raised through a tourism levy collected at hotels. Even a small levy of US\$ 1 per stay would raise several million dollars per year. Similar levies were made in Hong Kong and Singapore in the 70's and 80's to help fund marketing initiatives and development of the tourism industries in those countries.

2.1 Recommendations:

- a) Increase the budget for marketing and destination marketing;
- b) Set up systems, procedures and accountability to measure performance and results;
- c) Initiate joint initiatives with the private sector;
- d) Implement a tourism levy.

3. Real estate ownership

If Vietnam is to reach its potential and ambitions in terms of tourist arrivals and revenues, we need to learn from successes of other countries. If we take Thailand as an example, we can see that it had managed to attract more than 22 million tourist arrivals in 2012 even after it had experienced both political issues and natural disasters is the fact that they have built up a high level of return visitors.¹² They have accomplished this by offering a wide variety of choice of destinations within Thailand, offering a wide range of quality of accommodation and prices creating Bangkok as an aviation hub, and allowing foreigners to own property which has proven attractive and a lure to both regional and long haul travelers. Owning property would be particularly attractive to foreigners in certain destinations, which are designated tourism areas already such as Danang, Hoi An, Nha Trang Cam Ranh and Phu Quoc. We think it would also help reinvigorate the property market in some of these areas. In our view, this would provide a huge opportunity for Vietnam as second home ownership, in holiday destinations, is still a huge market and creates an automatic guaranteed return visitor.

Whilst we understand the sensitivity of this issue, we believe that ways can be found to allow this and still preserving the fundamental principle that land is owned by the State. We think it would therefore be worthwhile to look at the property ownership laws and ownership would only need to be on a leasehold basis. Thailand for example started by allowing foreigners to own long term leasehold interests in apartments in a complex provided more than 51% of the units were owned by nationals.¹³ In an effort to increase the average stay of visitors, make Vietnam more attractive to families and to help reduce the oversupply in the residential markets, Vietnam could consider implementing a program to allow second home ownership by foreigners in certain locations.

¹² See: http://www.tourism.go.th/2010/upload/filecenter/file/stat_2554/November/Inter_Jan-Nov_2011.xls.

¹³ See: http://www.business-in-asia.com/news/land_in_southeast_asia.html.

3.1 Recommendations

a) implement a program to allow second home ownership by foreigners in certain locations, if only for apartments but preferably 50 Year renewable leasehold for Villas.

4. Legalise the mandate of VNAT to become the sole tourism marketing authority for Vietnam with the role of a National Tourism Organisation

VNAT's mandate as the national tourism administration is to market Vietnam abroad as a tourism destination. VNAT is part of Ministry of Culture, Sport and Tourism (MCST) that is responsible for tourism policy and for more areas of national policy, e.g. Culture and Sports. As VNAT is an administration body, it usually comes under the influence of the MCST. This influence on the one side is justified because the MCST is responsible for monitoring the effective and efficient use of public funds. In addition, the VNAT may be responsible for other tasks besides tourism marketing, e.g. tourism development and planning. On the other side, in order to optimize the national spending on marketing, VNAT's position as the national marketing body for Vietnam needs to be elevated and requires a stronger autonomy for marketing purposes, in order to avoid marketing dependencies from politics, overlapping in marketing with other authorities and ministries and ensure a most effective targeting of potential tourist demand.

5. Review and update training programs for workers in the sector to ensure curricula at tourism educational colleges and institutions are relevant to the industry, introduce an industry internship for all students including courses designed and developed by international experts in training programs on cross-cultural understanding and customer service skills and introduce a requirement for all training establishments and colleges to implement the VTOS training materials with accreditation from the VTCB and VTAC

The success of destination marketing will also depend very much on the experience of visitors to Vietnam. We therefore encourage the government to expand the Vietnam Tourism Occupational Skill Standard System (VTOS) as soon as possible. Training programs for tour guides and curricula at tourism educational programs and courses could be reviewed and updated and they could include some cross-cultural courses and customer-service training on what foreign tourists expect and understand as good/international service standards. Without a national certification body, it is very hard to gain acceptance and recognition of VTOS or other tourism qualifications. Employees need to see the value of their work and study and employers need to be able to recognise the quality of their workers qualifications.

Vietnam Tourism Certification Board (VTCB)/Vietnam Tourism Accreditation Center (VTAC) accreditation will assure the tourism enterprise and its employees meet the core standards for key areas of work within the industry in Vietnam and increase the numbers of trained and qualified personnel in all sectors of the tourism and hospitality industry thus enhancing the quality of products and services that are on offer to visitors.

5.1 Recommendations:

a) review and update training programs for workers in the sector to ensure curricula at tourism educational colleges and institutions are relevant to the industry;

- b) introduce an industry internship for all students including courses designed and developed by international experts in training programs on cross-cultural understanding and customer service skills; and
- c) introduce a requirement for all training establishments and colleges to implement the VTOS training materials with accreditation from the VTCB and VTAC

6. Preserve the cultural heritage and natural environment

6.1 Cultural Heritage

In a country where people can use other materials than brick or stone, like for example wood, there are fewer buildings built with bricks or stone than in a country where you have to because of the climate or the level of spending is allowing using those materials. There are nevertheless quite a few interesting buildings. However, we have noticed that over the last few years that the cultural heritage is threatened:

- Many historical interesting buildings have been demolished and are replaced by less-interesting high-rise buildings.
- At some places new constructions and developments are made too close to protected heritage sites and thus degrading the attractiveness and the value of the heritage.

We think the government should protect these buildings as cultural heritage because they are interesting for tourists, especially for foreigners.

These historical buildings are also a valuable and irreplaceable connection for the Vietnamese people between the present and their past which is incredibly important in order for a nation to understand its heritage and what it stands for as a people in the world today.

So far, only a few building owners resist the lucrative new projects, which ruin the attractive image of towns in Vietnam. In fact, many things that tourism authorities are promoting in their campaigns are lost to big construction projects. This happens not only in Hanoi and Ho Chi Minh City, the first high-rise buildings are constructed in Hue and Danang. It appears that only official UNESCO World Heritage sites such as Hoi An Ancient Town and Hue Citadel are safe from any cultural heritage destruction. One of the last vestiges of historical architecture in Ha Giang Province, the Dong Van Ancient Street, is likewise at risk of being lost forever due to a lack of adequate protection. However, even with those sites it is important that new constructions do not risk the status of these sites, as could have happened in Sevilla in Spain.¹⁴

We encourage Vietnamese authorities to develop and implement guidelines and zoning regulations to audit and efficiently preserve the cultural heritage in Vietnam. In particular, spatial development plans, land use plans, building codes and cultural heritage rules should be developed and strictly followed in all kind of tourism infrastructure and lucrative high-rise construction projects to assure the protection of cultural and natural heritage and the introduction of environmental protection standards. A comprehensive strategy of what should be protected should be implemented nation-wide. Special attention should be

¹⁴ See the [report](#) with decisions adopted by the World Heritage Committee at its 36th session in Saint-Petersburg in June 2012, page 127-128).

directed to Hanoi Old Quarter, which is unique in Asia. It would be helpful if clear regulations on hotel and hospitality projects would be drafted, put into practice and enforced with regards to both cultural heritage and environmental standards. In particular, proper waste water treatment should be mandatory, and building codes respected and not 'arranged'.

Heritage preservation is often not considered a priority in urban development despite an abundance of land in new urban areas.

6.2 Environment protection standards for tourism development projects

Vietnam is facing a very dynamic development of its tourism sector. Many new tourism infrastructure projects and several thousand new beds in accommodation facilities are being constructed this year and are planned for the coming years.

This development has the potential to boost the Vietnamese tourism sector, but it also bears the risk of high negative and irreversible impacts on the environment, the natural and cultural heritage, the attractiveness of the landscape and on local communities.

In order to avoid such negative impacts it is necessary to introduce and enforce stringent rules, regulations and procedures for the development and construction of tourism infrastructure and construction projects.

6.3 Recommendations

We would like to make the following recommendations:

- a) provincial authorities to audit and prioritize the historical and cultural heritage remaining in their provinces and evaluate the condition, cultural significance / importance, conservation risks and preservation requirements for each;
- b) develop, implement and enforce regulations to efficiently preserve the cultural heritage in Vietnam;
- c) draft clear guidelines on hotel and hospitality projects for both cultural heritage and environmental standards ;
- d) make proper waste water treatment mandatory for hotel and hospitality projects ;
- e) enforce respect of the building codes to develop, implement and enforce regulations in spatial development plans, land use plans, building codes and environmental impact assessment regulations to assure the appropriate protection of cultural and natural heritage in Vietnam and the observation of high environmental protection standards (waste water, energy efficiency) for tourism construction projects.;
- f) revision of the spatial development plans and land use plans in areas with valuable cultural and natural heritage and in the envisaged important tourism development zones to assure the proper protection of the natural and cultural heritage; and
- g) revision of building codes and environmental impact assessment regulations to better assure the appropriate protection of cultural and natural heritage in Vietnam and the observation of high environmental protection standards (waste water, energy efficiency, ...) for tourism construction projects.

7 Community based tourism in Vietnam - Key issues

7.1 CBT market research

Publically available tourism statistics in Vietnam is generally limited to the national and provincial levels, with little detailed information publically available on tourism at the local level. Such a lack of information hinders the successful development of the CBT as the decisions are being made by the public and private sector without adequate knowledge of market demand, trends etc. As such, a range of issues such as the over- or under-supply of particular CBT products or services in destinations occurs, or alternatively CBT enterprises are developed that do not respond to a defined target market. Moreover, whilst considerable market research is available on the international market, the mechanics of the domestic market – who are increasingly visiting rural destinations for holidays - is comparably limited.

7.2 Protection of natural and cultural heritage in local areas

In terms of CBT, a destination's culture, history, and natural environment are the primary motivations for a tourists' visit, and for most communities they are also the only tourism assets/products they actually have to draw tourists to their region. Preventing the erosion of key tourism assets/products in the local areas is thus critical if successful CBT is to occur.

7.3 Strategic planning and capacity building in CBT of public sector

Local, district and provincial tourism authorities whilst understanding the importance of CBT are often limited in their capacity to effectively bring about positive change and foster the development of the sub-sector.

7.4 Building of capacity in CBT for communities

Most members of local communities (in particular those that are more isolated) do not have the finances to enrol in private or college based hospitality or tourism training courses, whilst any free training courses are restricted to sporadic NGO or government training programs.

7.5 Co-operation and co-ordination of tourism-related sectors

Co-ordination between relevant Governmental agencies that impact on the sustainable development of CBT such as VNAT, the Ministry of Natural Resources and Environment and the Ministry of Agriculture and Rural Development is limited which can reduce the effectiveness of specific policies and legislation on sustainable tourism development, responsible tourism, and CBT development.

7.6 Review and reform of policies affecting CBT growth and development at the local level

There is also only limited formal legislative recognition, encouragement and granting of powers to communities by the Government for their own self-determination of CBT development and activities at the local level which may hinder progress in CBT development (e.g. in some situations home-stay prices are set by the Provincial Government, and use of revenue collected from village visitor entrance fees is determined by the Government rather than the local community).

7.7 CBT investment and public private partnerships

Most CBT enterprises have limited access to the knowledge and resources required to start-up or further develop a CBT business.

7.8 Recommendations

- a) Implement regular community level market research on visitation (both international and domestic) and make the information publically available and easily accessible. Research questions might cover demographics, motivation/purpose of travel, activities undertaken, places visited, trip duration, daily spend, accommodation and travel, market segments, from- and to- etc;
- b) Awareness amongst communities of their CBT products and their social and economic value needs to be built up. Local, district and provincial authorities require assistance in the development and implementation of natural and cultural heritage protection strategies (e.g. zoning regulations, environmental impact assessments for development, development of "community care" groups etc);
- c) Implement a CBT public sector training program that includes such topics as: Nature of CBT, Components of successful CBT destinations, Strategies for mainstreaming CBT into policy and planning, Developing Public Private Partnerships in CBT;
- d) Implement a CBT training program for key local communities that includes such topics as: Mechanics of tourism industry and tourist needs and wants, CBT product development and management, Low-cost marketing and promotions, Small business management skills, Basic English communication skills;
- e) Development of a cross-sectoral panel/body for sustainable tourism development that meets regularly, and/or a regular cross-sectoral discussion forum on tourism development that also incorporates CBT development concerns;
- f) Review the roles and responsibilities of the government, the private sector and the community in the implementation of CBT initiatives at the local level including the setting and use of revenue generated from associated activities, and identify and implement reforms in key areas that will encourage the growth of the industry and CBT SMEs;
- g) Promote dialogue between the public and private CBT sector specifically aiming to identify Public Private Partnership (PPP) opportunities in CBT. Convene investment workshops in key destinations that bring together CBT enterprises, tour operators, NGOs, the government and micro-financiers.

8. Legal Environment

8.1 Decree 160 and Decree 95

Decree 160/2006/ND-CP of 28 December 2006 (Decree 160) provides details on the implementation of the Ordinance on foreign exchange, No. 28/2005/PL-UBTVQH11, of 13 December 2005. Decree 95/2011/ND-CP (Decree 95) of 20 October 2011 stipulates the penalties for administrative offences in currency and bank activities. According to Decree 160 companies are obliged to state prices in Vietnamese dong (VND). We agree in principle with the government's strict enforcement of decree 160. However, the application of

Decree 160 has caused some concerns and practical problems which are sometimes a result of a lack of clarity as to the interpretation of some of the provisions of Decree 160 and the stricter enforcement. This has resulted in fines and penalties for organisations that we would regard as "good corporate citizens" who would not knowingly break the law.

For example, one of the main concerns of hotel and tour operators, who are selling goods and services to inbound groups and FITs, is that they are not allowed to quote prices in US\$. As the VND is not a convertible currency, most visitors and tour operators overseas are not familiar with the VND. They might get the wrong impression about a price, considering there are many zero's involved. We think it would be helpful if hotels and tour operators would be able to display prices in dual currency on their websites whether hosted in Vietnam or overseas, so possible tourists can view prices in a currency they are familiar with.

Another problem is caused by the fact that many hotels in Vietnam work through local travel agents, who in turn work with overseas travel agents. According to Decree 160, local parties should contract in VND while the party dealing with the overseas parties has to agree pricing in a foreign currency. This causes both administrative issues and currency exposure issues. We believe that these measures have a negative impact on the development of the tourism industry and that the Government should allow contract prices between local entities where clearly the end user is an overseas tour operator or individual to be priced in a foreign currency. We believe that companies working in the tourism sector should be viewed and treated as any other export industry where companies negotiate and sign contracts in foreign currency, when dealing with foreign partners.

8.2 Licensing

We believe that creating a favorable image of Vietnam and thus contributing to a growth of foreign arrivals is important. As we have seen in the hotel industry well-run foreign firms help raise the standard of the sector and the standards of local hotels and operators. Therefore we think licenses to tourist-related services should only be granted to well-trained personnel with a formal education and qualification relating to the service-industry, regardless if they are Vietnamese or a foreigner.

8.3 Recommendations

We would like to make the following recommendations:

- a) Remove any ambiguities in Decree 160 and make clear what is acceptable and what not;
- b) Improve the licensing process for tourism companies.

9. Help to tourists in difficult situations

When you, as a tourist are robbed, it is not easy to report this in Vietnam. However, for insurance reasons tourists often need a document proving that they reported the theft to the local police. Reporting of thefts and other crimes and misbehaviors is often complicated, due to the language barrier and the time-consuming procedures. Most thefts therefore remain unreported and thereby not revealing the real situation. We were pleased to learn that the National Assembly during its session in May 2012 discussed a national tourist police and that they agreed that Vietnam needed more foreign-language hotlines to receive information and complaints from tourists and proposed compulsory insurance for foreign visitors.

We think that the existing Tourist Police should be more active and present, with better recognisable uniforms and that they should cover all major tourist destinations in Vietnam, and patrol at least the city centers and places of interest frequently. They should speak basic English. At least one Tourist Police station and a phone hotline should be set up in city centers and be open 24 hours, where visitors can report crimes and misbehaviors, regardless of where they happened.

To show one example I would like to include an email I received from someone travelling in Vietnam who I was meant to meet but could not because their departure was delayed from Danang due to a theft from their hotel room:

Quote "So last night the police were pretty unhelpful but in fairness I'd woken the officer up. He told me to come back at 7am to write a report. I did this and spoke to a thoroughly unhelpful & rude police officer who told me if I left belongings in my room the police would not be involved. The staff at the hotel is incredibly rude and refused to help even trying to charge me to use their phone to call the police. Anyway I went to a different station where I met a really lovely translator who helped me a lot writing the report and the police were really helpful taking me with a translator back to the hotel. " unquote

The major tourism destinations should also have official tourism service centers where tourists can buy official handicrafts, souvenirs and postcards. Moreover, we think that it would be helpful if the major tourism attractions become more visible. It is now not always easy to find them, because of the not easy to understand street system and numbering in Vietnam, but also due to inexistent signage. Visibility could be achieved by putting signs tourists can follow to arrive at the destination they want to go. It would also be helpful indicating how many kilometers it is to a certain destination.¹⁵

9.1 Recommendations

We would like to make the following recommendations:

- a) create a national tourist police;
- b) train the police in tourist destinations basic English and other foreign languages;
- c) open hot-lines in various languages;

- d) improve the signing to major sights.

10. Conclusion

The Vietnam Tourism Master Plan forecasts 10 million foreign visitor arrivals and 47 million domestic tourists by 2020; 14 million and 55 million respectively by 2025 and 18 million and 70 million by 2030. To put this into context Vietnam is aiming to have a similar number of foreign visitor arrivals as Thailand has today. So whilst on the face of it this seems to be an ambitious target it could be easily achieved, in our opinion, if the right regulatory framework is in place and the incentives are given to encourage investment into the travel and tourism sector. Our recommendations before are all designed to help Vietnam achieve their targets and based on our collective experience in this very important sector and we wish to continue to work with the relevant authorities to achieve their stated objectives.

¹⁵ See document of VicRoads and Victoria Tourism, Australia:

<http://www.tourism.vic.gov.au/images/stories/Documents/IndustryResources/tourist-signing-guidelines.pdf> or website of Highway Agency in the United Kingdom: <http://www.highways.gov.uk/business/32118.aspx>.