

DA NANG SUFFERING FROM POOR TOURIST NUMBERS AFTER RECENT ANTI-CHINA RIOTS



Da Nang is known for being a great tourism hub in Vietnam and, until this May, the city had been doing very well. First quarter reports showed 75,000 tourists arriving by sea - doubling the figure recorded for the first quarter of 2013 - and a survey of occupancy rates in the city, showed an impressive average of between 60-90% in most of the 3-5 star hotels. This figure has quickly plummeted, tending to reach no higher than 10-20%, and other businesses are also experiencing a large decline in tourist trade. One taxi company in Da Nang is experiencing a drop of around 70% and similar problems are being experienced with entertainment providers and food producers whose local goods are loved by the usual crowds of tourists. The biggest issues here are that this deficit is coming from a key market that Vietnam has grown to depend upon and that the reasons for this dramatic decline are hard to resolve.

Anti-China protests have led to a sharp decline in Chinese visitors that cannot be overlooked because of the market's importance.

It is not just the small businesses that are noticing the decline; the official record from the Department of Culture, Sports and Tourism, states that tourist numbers for Da Nang are down 50-70% and the government is certain that this lack of tourists in the past month is largely due to the sudden drop in visitors from mainland China and Taiwan and the Chinese government's travel warnings. There is currently a yellow warning in Taiwan and a red one in mainland China, both of which are the result of recent protests and violence within Vietnam that was aimed at China and other international nations. Around 1,100 foreign companies were targeted during these riots, with 20 factories subject to arson attacks, and five Chinese nationals died.

These tourists staying away are not just a small percentage of the usual influx of tourists that can be quickly won over again; this is a significant loss to Da Nang and Vietnam as a whole. China is a key source market for the city because of the proximity of the countries, the previously steady growth rate and the high expenditure of Chinese tourists. It was Chinese passengers that made up the majority of passengers on those cruise ships and occupied those hotel rooms at the start of the year and now their absence is being strongly felt. Government warnings may be a contributing factor but this is a problem that Vietnam has ultimately created itself and one that could have a lasting impact on its tourism industry.

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