

Tourism Industry in Vietnam Faces a Number of Issues

Vietnam is a country that has faced a number of problems in the recent times. These problems include economic, political as well as social problems. Despite of all these, the country's tourism industry has experienced a steady growth.

The positive development can be attributed to the immense promotions organized by the industry players and stakeholders which includes travel agencies, airlines, and travel accommodation players. Different advertisement methods and promotional products, for instance discounts and sweepstake programs, were used to sell and attract both local and foreign tourists to the different attractions in the country.



In an effort to lure more tourists, the NFS Mobile solutions in Da Nang Vietnam launched a free smart phone application aimed at providing tourist information to both the local and foreign tourists about the major tourist destinations and attractions in Vietnam. The app is currently available only for iOS devices.

In order to encourage sustainable development in tourism, the Vietnamese government has increased its corporation with a number of countries across the globe. In order to ensure continued investor confidence policies are being formulated to encourage more local investors to invest more in the hotel and tourism industry. Thanks to the increasing standards of living among the citizens, there has been a remarkable increase in travel among the locals in big cities. The government has also embarked on infrastructural development aimed at improving the state of the roads and railway transport in the country. With these plans, the hotel and tourism industry is expected to grow over the forecast period.



Tourists come to Vietnam mainly from Russia, Argentina, Netherlands, Australia, East West Economic Corridor trade partners among other countries. Approximately 7.5 million tourists visited Vietnam last

year which is a 10.6% increment over the previous year. By 2020 Vietnam expects to receive 1 million Russian tourists, according to the VNAT (Vietnam National Administration of Tourism).

Although Vietnam seems to be making tremendous changes after adopting economic reforms in 1986, there are still some constraints and problems that tourism and hotel industry need to address. These are some of the problems still haunting the industry.

Lack of Investment Funds

Both the local and foreign investors rely on foreign banks for financial support. This is caused by the fact that the Vietnam government is almost bankrupt. On top of that corruption is serious in a number of Vietnamese government departments. However, confidence among banks and investors has increased in the recent years. Additionally, the international financial credit for Vietnam has increased.



Poor Public Infrastructure

This is a major problem facing the hotel and tourism industry in Vietnam. Road network between the northern parts and the southern parts are very poor. The roads are in a poor state with many potholes. On top of that flooding of roads after downpours are common occurrences in most tourist destinations. The railway system is substandard and very weak. The trains are still using steam engines. All these factors negatively affect the transportation of tourists from one place to another.

Inadequate Business Laws

The interpretation of laws and application of policies by the respective government authorities are very confusing. This has undermined investor confidence and investors are reluctant to make business deals as they will be delayed by the red tape and confusion within the government system.

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