

Vietnam to Become a Major Tourism Destination by 2016



The Socialist Republic of Vietnam is the easternmost country on the Indochinese Peninsula. The state borders on China to the north, Laos to the northwest, and Cambodia to the southwest. The country occupies an area of 329,247 sq km. There live some 85 million people in Vietnam, which makes it the 13th most populous country in the world. The biggest city is Ho Chi Minh City but the capital is Hanoi. The Vietnam War destroyed much of the economy of this communist country and consequently the country is still relatively poor. The poverty rate here is lower than in China, India, and the Philippines. Nevertheless, the Vietnamese economy is steadily growing. It is the third-largest oil producer in Southeast Asia and it is also the largest producer of cashew nuts with a one-third global share. Vietnam is also the second-largest rice exporter in the world. The spending power of Vietnamese people has noticeably increased. An important event for the Vietnamese economy was the entering to the World Trade Organization on November 7, 2006.

According to "Opportunities in Vietnam Tourism Industry (2007-2009)", a report by a market research company RNCOS, the tourist influx in Vietnam will grow at a Compound Annual Growth Rate (CAGR) value of approximately 14% over the next five years (2007-2011). Vietnam is one of the best performing economies in Asian region. In 2006 some 3.6 million tourists visited the country. The tourists generated some US\$2.4 billion (around 3.9% of overall GDP). In fact Vietnam is expected to become one of the top ten tourist destinations in the world by 2016. The growth in the tourism industry will undoubtedly have a positive effect on the Vietnamese economy. The industry will create more job opportunities and the growth will also have a positive impact on aviation, transportation, hospitality and other industries closely associated with the tourism.

Date: 2007-07-03

Article link:

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