

# VIETNAM IN DESPERATE NEED OF HOTEL ROOMS



Vietnam desperately needs more hotel rooms. The country has tried hard to become a wanted tourism spot and after it succeeded it lacks accommodation for tourists. The number of both inbound and outbound travelers has significantly increased and so has the hotel room prices. The fact is that hotel prices in some tourism facilities in Ho Chi Minh City, Hanoi and in some other tourist centers have gone up by 100%.

Experts are worried that these price hikes can damage the Vietnamese tourism industry. The fact is that even now the MICE sector faces troubles as the delegates prefer other countries with more reasonable hotel rates. The MICE travelers are very important for the Vietnamese tourism industry as they make up 80% to 95% of luxury hotels' occupancy. The number of MICE travelers is still growing. Big cities make efforts to become important MICE centers but problems with accommodation may ruin their endeavor. The biggest problem, however, is not the high hotel room rates but the shortage of accommodation. According to Nguyen Huu Y Yen, head of the business department of Saigontourist, Travel companies often find it hard to book luxury hotels in Hanoi and Ho Chi Minh City for their customers from October to March.

Most hotels in Hanoi and Ho Chi Minh City have an occupancy rate of between 90-99 per cent, leading to the rapid increase in room prices. According to the National Administration of Tourism's Hotel Department, the country now has over 8,550 three to five stars hotels with 170,550 rooms. Hanoi plans to host 2 million foreign visitors in 2010.

All those numbers clearly say that Vietnam really needs more hotel rooms. Foreign hotel developers and operators are aware of this demand and they are now considering investments in this country. Local government will support the investors as they plan to introduce investment incentives for hotel projects.

Date: 2007-09-04

Article link: <https://www.tourism-review.com/vietnam-in-desperate-need-of-hotel-rooms-news508>