

# Some Solutions To Recover Vietnam's Tourism Industry After The Pandemic\*

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**Abstract:** *Tourism is one of the major contributors to Vietnam's economic development, but it is also the industry worst affected by the pandemic. When the pandemic occurred, a series of restaurants and hotels closed and went bankrupt. The question is how to revive the tourism industry. This article will analyze and clarify the severe effects of the pandemic on the tourism industry. On that basis, some suggestions are given to develop Vietnam's domestic tourism market during and after the Covid-19 epidemic.*

**Keywords—** Tourism, tourists, domestic, market, covid-19

## 1. INTRODUCTION

Tourism is an important economic sector of Vietnam, accounting for nearly 10% of Vietnam's GDP in 2018 (World Bank, 2019), which has many impacts on overall economic and social development. However, tourism is also considered one of the most sensitive economic sectors to epidemics (Chen et al., 2007). The Covid-19 epidemic (also known as SARS-CoV-2), which began seriously in early 2020, has become the world's pandemic with the most serious severity in the past 100 years on a global scale. Tourism is forecast to be one of the hardest hit industries.

The World Tourism Organization (UNWTO) gives a message that the tourism industry must take prompt action to protect jobs for workers. Governments need to carefully consider allowing visitors to enter, most destinations that have relaxed entry regulations have high health standards. According to a report on March 8 2021 by UNWTO, as of early February 2021, 32% of the world's destinations (69 destinations) were still completely closed to international visitors, and 34% of the destinations were closed for at least one year. Currently, 217 destinations have reported easing restrictions on international travel. An increasing number of destinations (32%) are requiring international travellers to present polymerase chain reaction (PCR) test results, SARS-CoV-2 virus antigen test upon entry, and provide information for contact tracing purposes.

In Vietnam, the Government directed the implementation of safety measures to prevent the spread of disease in the community, since April 2020, the tourism industry has stopped welcoming international visitors. The number of foreigners coming to Vietnam is mainly for official purposes. In 2020, Vietnam only received 3.7 million international visitors (in the first quarter), domestic tourists decreased significantly, reaching only about 49 million arrivals (down 42.3% compared to 2019), and total revenue from tourists reached about 200 trillion VND (equal to the total revenue in 2013), the tourism industry lost about 23 billion USD (equivalent to about 530,000 billion VND). The situation of the COVID-19 epidemic is still complicated, and unpredictable, and it is difficult to predict the end time. Even if the epidemic is controlled by the end of 2021, it still leaves room for influence in the next few years. Currently, Vietnam cannot open its doors to international visitors, so the tourism industry must determine "living with the epidemic", and adapting to the "new normal". In that context, domestic tourism plays an important role as a lever for tourism development in the coming period.

In order to overcome the consequences of the Covid-19 epidemic and at the same time achieve the set strategic goals, the whole Vietnam tourism industry must take effective measures to develop the domestic tourist market of Vietnam in the current period. Therefore, the article will focus on studying the current situation of Vietnam's domestic tourism market in the past time, assessing and offering solutions to develop the domestic tourist market in the coming time.

## 2. LITERATURE REVIEW

Research on tourism market development is no longer new research in the world and Vietnam. In the context of the current Covid epidemic, studies often emphasize the important role of domestic tourism, when entry bans and travel restrictions between countries make international tourism almost freeze. The domestic tourism market becomes the "salvation" for the tourism industry. Nurov et al (2021) argue that tourism is an industry that has a significant impact on the socio-economic development of the territories. This type of national economic activity is characterized by a multiplier effect, generating income in the relevant sectors of the economy. During the period of influence of the Covid-19 epidemic, domestic tourism began to play a key role, as a source of financial income from tourism activities. The article synthesizes foreign and domestic experiences on domestic tourism development, on that basis identifies the main directions to stimulate the development of domestic tourism for regions of Uzbekistan, including the results of available tourism resources; formulating a methodical tourism development plan; launching media (maps, booklets, etc.) in multiple languages; conduct swot analysis regularly; establish support and consulting system in creating the brand and logo of the selected travel agency.

Nguyen Anh Tuan (2021) based on the perspective of Vietnam's tourism development strategy to 2030 and priority tasks and solutions to meet the requirements of developing into a spearhead economic sector shown in the projects. of the tourism industry has

been and is being implemented. At the same time, the article recommends some solutions to restore and develop Vietnam's tourism into the new normal - especially solutions to develop the domestic market.

Pham Trung Luong (2021) in Commenting on the Draft Action Program for tourism development for the period 2021 to 2025, said that it is necessary to combine strategic thinking with a comprehensive perspective on domestic tourism development. The author emphasizes the need to develop domestic tourism so that Vietnam's tourism can overcome the "crisis" of the impact of the Covid-19 pandemic in the short term and have risk management methods in the long run in international tourism to ensure sustainable development, worthy of the position of a spearhead economic sector of the country.

Tran Doan Cuong (2021) presented the general situation of world tourism and Vietnam today, and through analysis as well as a reference to documents of individuals, domestic and foreign research organizations, author. The author has outlined several tourism trends before the impact of the Covid-19 pandemic. The author emphasizes the trend of shifting international tourism demand to domestic tourism demand.

The impact of the epidemic is different on the markets, depending on the psychological characteristics, behaviour, economic conditions, geographical location... The psychology of people's response to diseases also tends to change direction towards more adapting to actual conditions. This suggests that tourist destinations need to have a clearer and more effective orientation for each suitable market segment during different times of the epidemic (Au et al., 2004; Global Rescue & Co., Ltd., 2004).

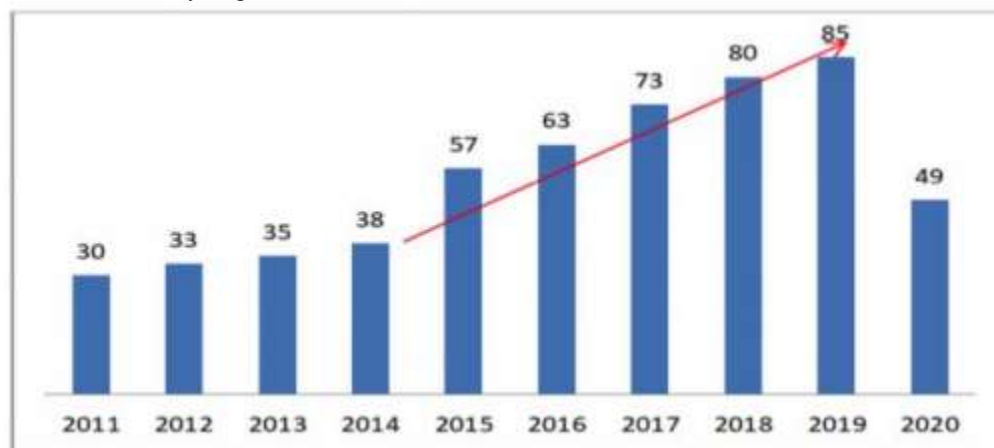
Tourism supply may also be affected immediately when countries apply policies to limit or even suspend tourism business in response to the epidemic. With no revenue, tourism businesses must quickly implement measures such as reducing labor, marketing costs, etc. (Pine & McKercher, 2004; Global Rescue & WTTC, 2019). This leads to long-term impacts on businesses and the tourism industry after the epidemic due to labor shortages, broken supply systems, disruptions to distribution systems, etc. Investment in the tourism sector is also at risk chance of a sharp decline (Chen et al. 2007) affecting the long-term development of the tourism industry.

### 3. RESULTS AND DISCUSSION

#### 3.1 THE SITUATION OF VIETNAM'S DOMESTIC TOURISM MARKET

Since the beginning of 2020, tourism has been one of the economic sectors hardest hit by the Covid-19 epidemic. According to the World Tourism Organization (UNWTO), in 2020, the number of international tourists worldwide will decrease by about 1.1 billion visitors, and the damage caused by the Covid-19 epidemic to the tourism industry will reach 1.1 trillion. USD, about 100-120 million workers in the tourism industry lost their jobs. According to the United Nations Report, the number of international tourist arrivals has decreased by about 1 billion, or 73% in 2020, while in the first quarter of 2021, the decrease was 88%. The most affected are Northeast Asia, Southeast Asia, Oceania, North Africa and South Asia.

The domestic tourist market has played an important role in Vietnam's tourism development in recent years. In the period of 2011 - 2019, domestic tourists grew positively, in 2011 domestic tourists reached 30 million arrivals, by 2019 this number has increased to 85 million arrivals (more than 2.8 times), the average growth rate is expected to be increased to 85 million arrivals. About 15%/year. In 2020, the number of domestic tourists will decrease sharply due to the impact of the Covid-19 epidemic on the tourism industry in particular and the whole economy in general.



**Figure 1:** Inbound customers in Viet Nam in 2011 – 2020

*Source: Vietnam National Administration of Tourism*

Trip time and average spending per day of domestic tourists tend to increase. According to statistics from the General Department of Tourism, the average trip time of a domestic visitor is 3.7 days, and the average expenditure of a domestic visitor is about 1.0 - 1.6 million VND/day. Domestic tourists increasingly need to use the services of accommodation establishments. In 2017, guests using accommodation services reached about 35.7/73 million visitors, in 2018 increased to 38.6/80 million arrivals and in 2019 continued to increase to 48.3/85 million arrivals.

With high growth in volume (number of visitors), spending levels, length of trips and stays, domestic tourists are increasingly contributing positively to the total revenue of the tourism industry. In 2015, domestic tourists contributed 158,000 billion VND to the total revenue of the whole industry, by 2019 it increased to 334 trillion VND (equivalent to 14.5 billion USD), an increase of 2.1 times, and the average growth reached about 20.5 times. Revenue from domestic tourists accounts for about 41-44% of the total revenue structure of the whole industry.

**Table 1:** Revenue from the inbound tourism in Viet Nam in 2015-2020

Targets	2015	2016	2017	2018	2019	2020
Total industry revenue (mil VNĐ)	355.5	417.3	510	620	755	312
Revenue from international guests ( million VNĐ)	197.5	241.3	285	366	421	
Proportion (%)	55.6	57.8	55.9	59	55.8	312
Revenue from domestic customers	158	176	225	254	334	
Proportion (%)	44.4	42.2	44.1	41.0	44.2	

*Source: Vietnam National Administration of Tourism*

As of 2020, Vietnam has 3,339 travel businesses, including 2,519 international tour operators, and 820 domestic tour operators. According to the year-end report of the General Statistics Office, in 2020, the total tourism revenue will reach 312 trillion VND, down 58.7% - a decrease equivalent to 19 billion USD. About 95% of international tour operators have stopped operating. Many hotels have to close, and many travel agencies and services are permanently closed. Faced with that situation, many travel companies quickly turned to develop domestic tourism, which had not been properly appreciated before, and also because of focusing on developing foreign tourism. Tourism businesses aim to develop tourism products to meet the change in market demand after the impact of the epidemic, focusing on developing products and services for night tourism, tourism associated with cuisine, agricultural tourism, eco-tourism, golf tourism, health care tourism... The Ministry of Culture, Sports and Tourism also encourage businesses to improve the efficiency of linkages and cooperation in building the chain of complementary products and services.

In 2020, the outbreak of the Covid-19 epidemic forced the tourism industry to focus on exploiting and developing domestic tourism, thereby becoming a lifeline solution for travel businesses to survive during the epidemic period. The tourism industry has twice launched the domestic tourism stimulus program; the first time in May 2020 with the theme "Vietnamese people travel to Vietnam" and the second time in September 2020 with the theme "Vietnamese tourism is safe and attractive". The tourism stimulus program received a positive response from localities, businesses and people. The stimulation of domestic tourism has created a new shifting trend, spreading the inspiration to discover Vietnam safely and attractively, bringing practical contributions to the economic recovery process. Many tourists in the country for the first time to experience, and explore the top tourist attractions and many unknown places of Vietnam with just a fairly average cost; entertainment facilities, and shopping activities are activated; travel businesses are back to work, thereby creating jobs for a certain number of workers. While the start of domestic tourism may not be enough to boost the performance of the entire tourism industry, it can keep small businesses afloat and stimulate the local economy, reducing the impact negative effects of the epidemic on the general economy until international tourism resumes.

### 3.2. VIETNAM'S TOURISM PRODUCTS HAVE UNDERGONE GREAT CHANGES

In the context of the current Covid-19 epidemic, the characteristics of Vietnam's tourism products have undergone great changes. The trend of safe domestic tourism, individual or small group travel, short distance, domestic heritage discovery, local community heritage, second home or relative's home is growing. Localities are promoting product diversification, bold locality, exploiting the advantages of national and world heritage, combined with the potential of traditional craft villages and art tourism to attract tourists. Business travel and essential business activities in safe conditions are typical needs in the context of covid to realize the dual goals of both socio-economic development and effective epidemic prevention. Associated with the development of service tourism. Business tourism serves essential activities in business, diplomacy, health, support, and research with the participation of all industries and fields. Tourism associated with nature such as golf tourism, and travel to places with natural landscapes and fresh climates. Vietnam has Phu Quoc Island that can provide a full service with sightseeing, sports, health care and safety services products. The piloting of welcome guests can be combined with vaccination for people, building a process of management and response to prevent epidemics. Healthcare tourism, medical tourism, and vaccine tourism... may have opportunities in the current context. The trend in the world about vaccine passports has been widely applied to facilitate tourists. Vietnam is also promoting the "Travel Pass" project integrated into the "Safe Vietnam tourism" application. Tourism applies technology in booking, booking services, and contactless tourism through the provision of tourism products (staying, transportation, dining and related services...) using technology is being widely applied. Reservation services, online delivery, and private time booking for personalized services have been chosen by many independent travelers.

Vietnam's tourism development strategy for 2030 affirms the strategy of domestic tourism development, in which priority must be given to organizing well-organized tours and routes to historical and cultural landmarks. To implement this policy, the Ministry of Culture, Sports and Tourism of Vietnam has implemented the program "Vietnamese people travel to Vietnam". Before the effects

of Covid-19, the tourism business community has calculated the redirection and exploitation of potential customers in the new context and is implementing this content under the direction of the Ministry.

There are several approaches:

Firstly, travel businesses, accommodation establishments and tourism service providers are restructuring their operation apparatus, moving from welcoming large groups of tourists (making large tours to tourists) to reaching small, safe family groups.

Secondly, building tourism products based on historical sites, scenic spots, and indigenous cultures of regions and strengthening propaganda and promotion to bring tourism products closer with the people.

#### 4. CONCLUSION AND RECOMMENDATION

The problem for Vietnam's tourism industry in the context of the covid-19 epidemic

Regarding the tourist market: Post-epidemic forecast, international tourism trends have many changed. Visitors will pay more attention to the factors of health and safety, travel insurance, hygiene, avoiding crowded spaces, avoiding contact, being sensitive to cost and price issues in choosing a destination; tendency to travel closer to the country or in the region, shortening the time of vacations, more demand for vacations in open, isolated spaces with safe and hygienic conditions for epidemic prevention.

Regarding the supply market:

- The tourism industry needs to calculate the structure of the industry in the new period, towards "balanced development of regions, diversifying markets, reducing dependence on the main market so that the industry can resist first risks"

- Currently, Vietnam's tourism products are still following the traditional trend. In this period, it is necessary to develop more tourism products and increase attractive destinations.

- In the context of the Covid-19 epidemic, when many tourism workers are forced to switch to other occupations to earn a living, the tourism industry faces the risk of reducing the service capacity of the workforce. Even when they return to the industry, this risk is still unavoidable because their work has been interrupted for a long time.

Domestic tourism is an important component, contributing to the overall development of the entire tourism industry. In the context of the recent complicated developments of the Covid-19 epidemic, while international tourism was completely frozen, domestic tourism still generated revenue and played an important role in the recovery of the whole industry travel. In the coming time, the tourism industry needs to develop at the same time international tourism and domestic tourism, focusing on developing domestic tourism; promoting local exports through tourism; strengthening linkages to bring into play the advantages of natural and cultural resources; developing diversified tourism products, expand the market and improve the competitiveness of Vietnam's tourism.

*Solution on the customer market:*

Vietnam's tourism industry needs to prepare all conditions to welcome tourists to the new normal. In order to adapt to the new normal conditions after opening, tourism businesses also agreed that they cannot open their doors freely but must open their doors cautiously and safely without hindering the convenience of guests. Facilities providing tourism services such as businesses, restaurants, and hotels ... need to be ready to apply safety conditions.

In addition, each locality also needs to have safe tourism products. The tourism industry needs to have its own "scenario" to ensure the safety of the market, so it will correctly connect the destination, create the destination, create the product, and create the right connection for the needs of visitors. In terms of macro policy, it is necessary to be unified and synchronous throughout the country. That is a prerequisite for tourism to recover because, without overall solutions, the implementation will be difficult. Vietnam needs to carry out full vaccination of the entire population. A very important event for residents and visitors to see the safety and peace of the area. Localities need to issue a set of safety assessment criteria for the prevention and control of COVID-19 for the operation of business establishments in the field of tourism. For example, Khanh Hoa province has issued a set of criteria including 3 areas such as: For accommodation establishments; travel businesses, for tourist attractions in the province. The content of the Criteria includes criteria for tourists, for moving, staying, and visiting attractions to ensure visitor safety. Vietnam tourism needs to emphasize the safety factor in tourism as the most important issue today because passengers will only travel in a condition that is guaranteed to be safe. The concept of safety also needs to be understood flexibly and in line with reality. That's why the tourism industry has come up with four criteria for safety: Vaccine, 5K, technology and communication.

*Supply market solutions*

Firstly, re-study the domestic market, restructure the tourist market to regulate the market, and build products in accordance with the needs and strategies must be long-term calculated for the development of the domestic tourism market geography. The domestic tourism market is the lever for tourism recovery and development. Travel businesses need to restructure, and must fundamentally understand the market and especially understand what customers need and want. In addition, businesses need to learn about stimulating demand, reactivating the domestic tourism market, and carefully calculating each customer segment, with each specific type to offer suitable products. At the same time, travel businesses and affiliates need to create attractive products and connect product consumption to send customers quality products. In addition, the tourism industry needs to apply digitalization to create links and services in line with modern development trends of the technology era. When the COVID-19 epidemic situation is controlled domestically and internationally, the tourism industry needs to promote the application of modern science, technology and digital technology in tourism; invest in the development of infrastructure systems in service of tourism; tourism product

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development and tourism service quality management; supporting tourism businesses to recover and develop in the context of the impact of COVID-19; develop high-quality resources and a sustainable labor market; develop markets, strengthen promotion, publicity and international cooperation in tourism.

Secondly, tourism linkages must be based on tourism products with special, characteristic, and highly attractive characteristics, and strengthen the work of advertising, promotion, product branding, and connection of tourism value and spread the value of the product to arouse tourism demand of tourists. In addition to traditional products, some travel businesses have boldly researched and built new tourism products based on grasping changes in tastes and tourism needs of tourists in advance. According to experts, even if the epidemic is controlled, safety is still the top priority for tourists when choosing tours and routes. The form of the small group experience with a closed schedule, and avoiding crowded contact will be the trend of tourism. The Ministry of Culture, Sports and Tourism are studying and preparing step-by-step pilot selection of several products and markets for the application of vaccine passports, creating favourable conditions to welcome guests, and at the same time ensuring safety against infection. It is expected that Vietnam will welcome tourists from countries that have well controlled the epidemic and have deployed vaccines to achieve herd immunity; destinations are tourist and resort areas where people can be controlled safely; have a process to control travel and contact in the water. The government should soon consider and apply for the vaccine passport because this is the key to opening the door to welcome international visitors. In the context of a prolonged epidemic, if Vietnam can open its doors to international visitors, it will contribute to promoting economic growth and creating jobs for many workers in the tourism industry. In the immediate future, it is necessary to select many international tourist destinations and if the pilot is successful and safe, it will be replicated in other places.

Third, tourism businesses, especially travel agencies, need to restructure soon and have solutions to manage human resources and resources. The tourism industry needs to have a number of mechanisms and policies in the immediate future to solve the human resource problem after the pandemic and the goal of developing tourism human resources sustainably, meeting the requirements of turning tourism into a spearhead economy. Accordingly, in the coming time, it is necessary to have the participation of all levels, sectors and subjects directly related to the tourism industry and synchronously implement several mechanisms and policies. It is very necessary to review the overall situation of tourism human resources, assess the current situation of human loss in the context of the Covid-19 epidemic, and have policies to encourage and attract tourism workers to return to work after the pandemic. Stakeholders need to get involved and closely coordinate appropriate plans and scenarios. Stakeholders simultaneously review the legal framework related to training and use of human resources; appropriate policies and regimes and pay attention to vulnerable sectors and sectors, including the tourism industry, especially the human resources of the industry. Stakeholders need to have and effectively implement policies on support and incentives for tourism businesses and tourism workers. Human resource development must be associated with training and supplementing with practical knowledge so that businesses can survive and withstand the increasingly fierce competition in the context of global integration and cope with crises. , natural disasters, epidemics. The tourism industry should pay attention to the balanced development in terms of quantity, regional structure, professional structure and foreign languages; structure in the subjects of human resources from state management human resources, non-business human resources (training and scientific research), senior and mid-level enterprise management personnel and direct human resources. Ensuring the quality of human resources is evident in professionalism, professional sensitivity, honesty and ethics in providing tourism services; competitiveness in labour mobility in the ASEAN region and participation in the international labour force; adapting to the 4.0 technology revolution and the trend of digital transformation in tourism. Stakeholders need to develop and operate an appropriate legal framework for training and using tourism human resources. Stakeholders need to have appropriate remuneration, encourage and attract talented people, and create a sustainable tourism labour market. Ensure smooth coordination of stakeholders in training, using and developing tourism human resources. Changing the perception of subjects, employees, businesses and society about the tourism industry and tourism careers.

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