



The 4th Seminar on Promoting Services Trade in ASEAN: Trade in Tourism Services

*“Promoting Trade in Tourism Services to
broaden and deepen services integration”*

*30 November - 1 December 2017
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1. Vietnam Trade in tourism services

Viet Nam Inbound tourists 2007-2017

Inbound	2008	2009	2010	2011	2012
Number	4,253,740	3,772,359	5,049,855	6,014,032	6,847,678
Growth (%)	2	-11.4	34.8	19.1	13.9
Inbound	2013	2015	2015	2016	2017 (10 months)
Number	7,572,352	7,874,312	7,943,600	10,012,735	10,473,230
Growth (%)	10.6	4	0.9	26	28.1

(Source: General Department of Statistics)

1. Vietnam Trade in tourism services

Top 10 Viet Nam Inbound market in 2016

Rank	Market	Number	Growth (%)
1	China	2,696,848	51.4
2	S. Korea	1,543,883	38.7
3	Japan	740,592	10.3
4	USA	552,644	12.5
5	Taiwan	507,301	15.6
6	Russia	433,987	28.1
7	Malaysia	407,574	17.6
8	Australia	320,678	5.6
9	Thailand	266,984	24.4
10	Singapore	257,041	8.7

(Source: General Department of Statistics)

Main Viet Nam outbound market in 2016

Total	By market	7,876,331
1	China	2,160,000
2	Laos	998,400
3	Cambodia	959,663
4	Thailand	830,394
5	Singapore	469,409
6	S. Korea	251,402
7	Japan	233,813
8	Malaysia	216,887
9	Taiwan	196,636
10	Indonesia	60,984
11	Myanmar	48,869
12	The Philippines	33,895

Source: Collected from UNWTO reports

1. Vietnam Trade in tourism services

Viet Nam exports & imports of tourism services 2007-2016

(million US\$)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Export	3,750	3,930	3,050	4,450	5,710	6,850	7,250	7,410	7,350	8,250
Import	1,220	1,300	1,100	1,470	1,710	1,856	2,050	2,650	3,595	4,560
Total EI	4,970	5,230	4,150	5,920	7,420	8,706	9,300	10,060	10,945	12,810

(Source: General Department of Statistics)

1. Vietnam Trade in tourism services

Viet Nam exports of tourism services in 2016 by products

Ord	Product	Overnight visitor	The day visitor	Total (billion vnd)	Total (bilion USD)
1	Accomodations	66,895		66,895	2,934
2	Restaurant	53,157	527	53,684	2,355
3	Transport	41,765	336	42,101	1,847
4	Sightseeing	18,357	100	18,457	810
5	Shopping	31,784	601	32,385	1,420
6	Entertainment	10,100	113	10,213	448
7	Health care	2,393	55	2,448	107
8	Others	14,887	194	15,081	661
	Total	239,338	1,926	241,264	10,582

(Source: VNAT)

1. Vietnam Trade in tourism services

Viet Nam exports of tourism services 2014-2016

Export of Travel Services	Calculated by VNAT (mil USD)	Calculated by GDS (mil USD)
2014	8,179	7,410
2016	10,582	8,250

(Source: General Department of Statistics & VNAT)

1. Vietnam Trade in tourism services

Viet Nam exports of services 2007-2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total (million USD)	6,460	7,006	5,766	7,460	8,691	9,620	10,710	11,050	11,250	12,286
Logistics services	1,879	2,356	2,062	2,306	2,227	2,070	2,230	2,320	2,430	2,485
Telecommunications services	110	80	124	137	145	138	140	145	148	150
Travel services	3,750	3,930	3,050	4,450	5,710	6,850	7,250	7,410	7,350	8,250
Share of exports (%)	0.58	0.56	0.53	0.60	0.66	0.71	0.68	0.67	0.65	0.67
Financial services	332	230	175	192	208	150	183	175	180	181
Insurance services	65	60	65	70	81	64	60	58	55	56
Governmental services	45	50	100	105	110	110	125	137	142	150
Others	279	300	190	200	210	238	722	805	945	1,014

(Source: General Department of Statistics)

1. Vietnam Trade in tourism services

Vietnam imports of services 2007-2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total (million USD)	7,177	7,956	8,187	9,921	11,859	11,050	13,820	15,000	16,015	16,500
Logistics services	4,079	4,974	5,508	6,596	8,226	6,953	7,340	7,738	8,050	7,900
Telecommunications services	47	54	59	79	67	57	85	82	85	86
Travel services	1,220	1,300	1,100	1,470	1,710	1,856	2,050	2,650	3,595	4,560
Share of imports (%)	0.17	0.16	0.13	0.15	0.14	0.17	0.15	0.18	0.22	0.28
Financial services	300	230	153	195	217	175	460	480	486	488
Insurance services	461	473	406	481	567	874	911	1,020	1,015	780
Governmental services	40	75	141	150	152	167	185	195	200	201
Others	1,030	850	820	950	920	968	2,789	2,835	2,584	2,485

(Source: General Department of Statistics)



2. Trade in Tourism Services Liberalization

Negotiation and Agreements:

- ASEAN: AFAS (1995) & AEC (2003) & MRA-TP (2009)
- USA: BTA 7/2000 (take effect 11/12/2001)
- WTO: 01/2007
- Signed FTAs:
 - + Bilateral: 2 signed with Japan & Chile
 - + Regional: ASEAN with 6 partners
- Ongoing FTAs: CPTTP, EU, EFTA, S.Korea & Hong Kong, China

2. Trade in Tourism Services Liberalization

Openness:

- ✓ Travel agencies and tour operator services: Almost none limitations on market access and national treatment for 3 modes of delivery (Cross-border supply, Consumption abroad, Commercial presence)
- ✓ Hotel and restaurant: none limitations on market access and national treatment for 3 modes of delivery

Restrictions

- ✓ Travel agencies and tour operator services:
 - + Joint ventures.
 - + Tourist guides must be Vietnamese citizens
 - + Do inbound services and domestic travel for inbound tourists as an integral part of inbound services.

Mode of delivery “Presence of natural person”: Unbound except:

- ✓ ASEAN skilled tourism labors of 33 job titles are allowed free movement in ASEAN (Agreement on MRA-TP in 2009, Agreement on Establishment of RS in 2016)
- ✓ Movement of foreign workers in foreigner-owned companies is regulated by Law of Employment.

Outcomes (2016):

- ✓ Travel sector:
 - ❖ 15 JV companies
- ✓ Hotels and restaurants:
 - ❖ FDI projects: 545
 - ❖ Registered capital: 11.5 billion USD
 - ❖ Foreign Investors: Taiwan, Hong Kong, China, Japan, Singapore, Thailand, Indonesia, Malaysia, S.Korea, UK, France, Switzerland, Germany, USA,...
- ✓ Movement of tourism professionals
 - ❖ High skill managers at hotels and restaurants, entertainment facilities
 - ❖ Staff at JV travel companies

3. Advantages and Disadvantages

Advantages

- ✓ Tourism Vision, Plan for services development and negotiation vision: Resolution by Political Bureau, Action Plan by the Government and MoCST.
- ✓ Tourism Development Fund in process of establishment
- ✓ Public-Private Dialogue on tourism incentives, policies, service developments: TAB, Annual Travel Conference (ATC).
- ✓ High level of liberalization in trade in tourism services
- ✓ Long-term existing VTOS funded by EU
- ✓ Attractiveness of natural resources and large number of world cultural heritage sites.
- ✓ Improved Tourism facilities (hotels and resorts)

3. Advantages and Disadvantages

Disadvantages

- ❖ Low T&T government expenditure
- ❖ Tourism curriculum not fully in line with policies , AMS standards and industry needs: 2 newly approved national occupational standards
- ❖ Poor quality of tourism infrastructure
- ❖ Visa requirements
- ❖ Weak competitiveness of SMEs
- ❖ Few regulatory impact assessment

4. Recommendations

- ❖ VTCB should be restructured to function like NTPB, NTCB
- ❖ Approval of 8 existing sets of VTOS to be national tourism occupational standards
- ❖ Accelerate openness of visa: ease of visa procedure, expanded e-visa scheme and visa exemption
- ❖ Promote PPD (TAB, ATC) and facilitation of PPC like BOT tourism & port infrastructure project, Tourism Development Fund
- ❖ Incentives for SMEs, incentives on land use, tax corporate exemption, fair price of input for hotels



**Thank
you**