

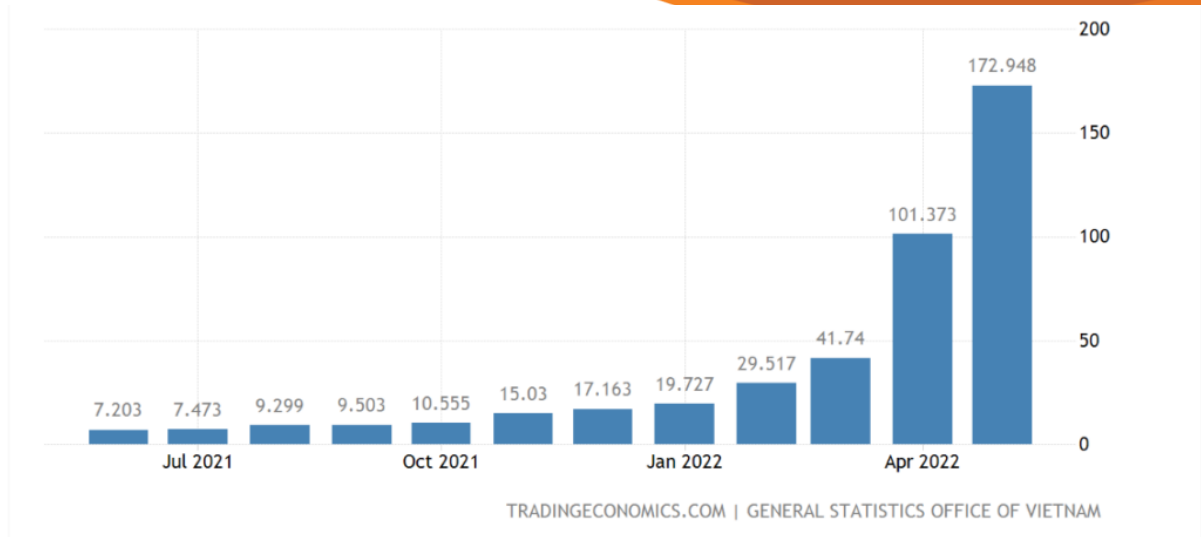
Data from the General Statistics Office shows that the number of international tourists visiting Vietnam in May 2022 increased by 70.6 percent compared to the previous month and 12.8 times over the same period in 2021. This is the result of safe reopening measures, creating opportunities for Vietnam's tourism revival.



Vietnam tourism in Hoi An ancient town (Source: Internet)

The current situation in Vietnam's tourism sector

Moreover, thanks to the 31st SEA Games and international flight routes restoration, Vietnam's tourism has completely opened up. As a result, in the first five months of 2022, the number of international visitors traveling to Vietnam increased by 4.5 times compared to the same period in 2021, nearly reaching that of the period before COVID-19.



Tourist arrival in Vietnam in the beginning of 2022

With this growth rate, Vietnam is considered one of the countries with the highest development capacity for tourism. As reported by the Vietnam National Administration of Tourism (including the Ministry of Culture, Sports, and Tourism), the index of development capacity of the Vietnamese tourism industry in 2021 ranked 52nd worldwide compared to its 44th place in 2019. This progress has placed Vietnam among the top 3 fastest-growing countries in the world.

Collaboration and investment opportunities

In the context that Vietnam's tourism industry has revived, the initiation of new products that can meet the changing demand of customers is considered of great importance. By doing so, tourism will step by step overcome difficulties to recover and develop steadily.

To gradually generate tourism into a spearhead economic sector, many localities pay special attention to planning and improving infrastructure, attracting investment in this field.

According to Chairman of the Ho Chi Minh City People's Committee Phan Van Mai, over the past few years, Ho Chi Minh City's tourism industry has experienced significant growth in terms of product quality, revenue, number of tourists, and the number of businesses operating in the city. As a consequence, this rising economic sector contributed 10 to 12 percent of GDP in the period before the global pandemic.



Ho Chi Minh City has more than 4,000 accommodation establishments in operation. Most districts have modern supermarkets and plazas, creating a basic foundation for the tourism and shopping combination. .

The city focuses on attracting investors to continue building and improving malls, trade centers, and convenience stores interspersed with traditional markets on main streets such as Nguyen Hue, Le Loi, and Dong Khoi. If the goals are successfully achieved, the city will be able to meet the entertainment and consumption needs of diverse types of customers

However, the plan stagnated due to COVID-19. In 2022, according to the leaders of the Department of Culture, local governments are making efforts to revitalize the tourism industry on the basis of “adapting safely, flexibly, and effectively.” Vietnam will focus on domestic tourism and the innovation of existing products, combined with the development of more new products and services to attract tourists.

At the same time, the state is also gradually reopening tourism, moving toward a full recovery in the context of the new normal. Notably, for Tien Giang, the province is expected to welcome 1,100,000 visitors this year, doubling that of 2021. Furthermore, of the total number of tourists, 940,000 will be domestic visitors, and the rest will be international travelers.

After the pandemic, it is increasingly apparent that tourism has a huge role and impact on the general economic sector. A tourism freeze can lead to tens of thousands of businesses in the

aviation, accommodation, and catering industries going bankrupt and having to close down. Accordingly, millions of workers will lose their jobs. Hence, it is critical that tourism businesses cooperate to fully recover as soon as possible and maximize the sector's potential.

Vietnamese government's supportive policies

The steady recovery of Vietnam's tourism industry has reflected the government's achievements in preventing and controlling the COVID-19. The state has also made timely decisions to restore both domestic and international tourism after the epidemic is well-contained

From April 27, 2022, Vietnam has suspended regulations on medical declaration when entering this country. From May 15, the state continued to remove COVID-19 testing requirements for visitors. These measures have created favorable conditions to attract a large number of tourists, preparing for the peak season for international visitors from September annually.

Moreover, in May 2022, during the visit of Ambassador Pham Sanh Chau to Kolkata, the history of a good relationship between Vietnam and India was mentioned. On that basis, the two countries have great potential to promote tourism services, especially when both have numerous scenic, historical, and cultural attractions.

Meanwhile, the number of tourists between Vietnam and India is still far below its capacity. However, with the resumption of direct flights from Kolkata to Hanoi and Ho Chi Minh City, leaders of the two countries believe that tourism will be strongly boosted in the upcoming time.



Another reliable partner of Vietnam today is the United States. During the recent conference on trade, investment, and tourism promotion between Vietnam and the U.S in San Francisco, U.S ambassador to Vietnam Marc E.Knapper emphasized that tourism is among the top important fields in the two countries' relations.

For instance, in terms of the tourism market in Vietnam, the U.S continuously ranks at the top in terms of the number of visitors. Before COVID-19, the number of tourists from the states reached more than 746,000 arrivals in 2019, with the average growth rate in the 2014-2019 period of 11 percent.

During the pandemic, thanks to the support from international friends, including the U.S, Vietnam successfully controlled the epidemic. Moreover, the first foreign group of tourists to visit Vietnam after the reopening of tourism activities was from the U.S .

Additionally, before the pandemic, 30,00 Vietnamese students were studying in the states. Marc pledged to apply measures to further promote this number to double in the future, and at the same time bringing more American students to study in Vietnam. To achieve this, flights between the two nations will be increasingly exploited to connect tourism, commerce, and education between Vietnam and the United States. What's more, Vietnam Airlines has

also introduced a direct route between the two countries, furtherly encouraging visitors from the U.S.

Challenges concerning the workforce

Vietnam's reopening efforts present many opportunities for the entire tourism supply chain. Nonetheless, it will take longer than anticipated time for firms to fully recover due to an unstable workforce. The biggest change in the labor market in the second quarter is that there will be "mass recruitment" in the tourism industry. Mr. Nguyen Van Tai, Director of VietSense Travel, said that after 2 years of being affected by COVID-19, the company only has about 30 percent of its staff remaining as the core workforce. Hence, the need to recruit more is increasingly high, preparing for the summer season.

Not only is there a shortage of personnel for the travel department but destinations, restaurants, and hotels are also thirsty for human resources. Therefore, this will be a chance for the tourism industry to review and refine labor, connecting businesses and workers.

Evidently, in the context of the new normal, tourism is one of the most promising sectors in Vietnam, attracting new investors interested in the Vietnamese market. To learn more about opportunities in this field and what strategic plan to make, [contact Viettonkin Consulting team](#) now via our website to get connected with dedicated experts.