

DEVELOPING THE NIGHT-TIME ECONOMY IN VIETNAM

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Abstract: *The night-time economy (NTE) refers to legitimate economic activities officially recognized, documented, and protected by the State. NTE brings numerous economic benefits, such as increasing state and local budget revenues, promoting tourism development, stimulating domestic consumption, and generating employment. However, it also presents potential risks. Therefore, appropriate policies and measures are required to maximize its benefits and mitigate the associated challenges in Vietnam.*

• Keywords: *night-time economy; benefits of the night-time economy; policy recommendations.*

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1. Theoretical Framework of the Night-Time Economy

There are two main approaches to understanding the NTE: a broad and a narrow perspective. Broadly defined, NTE includes all social, cultural, and productive activities taking place during nighttime, generally from 6 PM to 6 AM. Narrowly defined, NTE focuses primarily on economic and cultural activities that are entertainment-oriented, such as bars, nightclubs, karaoke lounges, restaurants, live music performances, fashion shows, artistic events, and other nighttime entertainment forms (night markets, night shopping areas, etc.).

Experiences from developed countries reveal the existence of various NTE models classified by different criteria. Based on social stratification, NTE may consist of upscale models or more community-oriented, mass-accessible models. From a business perspective, NTE models may be either fully or partially state-funded, or primarily market-driven with commercial services used to offset operational costs. Professionally, NTE models are often sector-specific, e.g., food and beverage services, musical and artistic performances, shopping, or public recreational activities within a defined space.

The NTE can be examined through several lenses:

First, by sectoral classification, five major categories can be identified:

- Arts services (museums, art exhibitions, film screenings, theaters, live performances).

- Beverage services (nightclubs, alcohol-serving venues, bars).

- Food services (restaurants, cafes, fast food outlets, food trucks, food courts).

- Sports and entertainment (stadiums, public sports facilities, bowling, billiards, etc.).

- Entertainment venues (music spaces and independent creative zones).

Second, based on component structure, the NTE includes:

- Core sectors: food services (restaurants, cafes, takeaway), beverage retail (alcohol sales), and entertainment (night tours, horse racing, gambling, nightclubs, performances, sports).

- Non-core sectors: traditionally daytime industries with added nighttime services, including retail (excluding alcohol), hospitality, cultural, educational, healthcare, urban planning, transport, infrastructure (waste treatment, electricity supply, night-time governance).

- Supply sectors: production and provision of goods/services for nighttime consumption (food, beverages, tobacco, entertainment products, etc.).

Third, based on operational nature, NTE consists of:

- Social activities emphasizing public services and entertainment, often supported by the state (retail, theaters, cinemas, public areas, education, transport).

- Commercial activities centered on service industries including restaurants, hotels, cafes, bars, supermarkets, live music, concerts, festivals, and events run by either state or private actors.

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Major Benefits of Developing the Night-Time Economy:

Firstly, NTE can boost economic output and enhance national and local revenues by attracting residents, workers, and tourists to consume a variety of nighttime goods and services. Its role in the economy becomes evident when the nighttime economy develops vigorously and vibrantly, as it can bring numerous benefits by increasing local and national revenues through attracting more residents, workers, and tourists who come to consume and enjoy the wide variety of goods and services that the nighttime economy offers.

Secondly, NTE contributes to enhancing understanding of daytime economic trends and to improving local infrastructure. It also provides an opportunity to promote more seamless development between daytime and nighttime activities through continuous or overlapping operations that connect the two periods.

Thirdly, NTE facilitates economic restructuring. The development of NTE models can attract the tourism sector, thereby increasing the proportion of tourism in total GDP and accelerating economic structural transformation. Furthermore, it serves as a catalyst for the growth of various economic sectors, including agriculture, industry, commerce, and services.

Fourthly, NTE contributes to enhancing the value of creative industries, thereby helping to generate overall cultural value for the locality.

Fifthly, NTE contributes to the creation of additional employment opportunities for workers, thereby increasing incomes and improving living standards.

Sixthly, the development of NTE also helps ensure the welfare and well-being of residents, as its activities provide spaces where people can meet, interact, experience, and relax after long and stressful working hours. The development of a safe and well-regulated NTE brings significant benefits to both citizens and businesses, while contributing to the improvement of cultural and social life. Moreover, fostering NTE plays a role in poverty reduction and in enhancing the living standards of local communities.

Seventhly, NTE provides enterprises with additional opportunities for development

and increased profitability by enabling their participation in the provision of nighttime economic activities.

2. Current Status of the Night-Time Economy in Vietnam

Recognizing NTE's potential, the Prime Minister's Decision No. 1129/QĐ-TTg (dated July 27, 2020) approved the national NTE development strategy, aiming to unlock nighttime economic potential from 6 PM to 6 AM to enhance incomes and social welfare while maintaining public order and safety.

The primary objective of the proposed program is to capitalize on new economic development opportunities through NTE activities; to enhance income levels and quality of life for residents; and to ensure political security and social order and safety during the development of the nighttime economy. Several localities have issued specific plans to promote nighttime economic development, such as Hoan Kiem District (Hanoi) and Da Nang City. Nighttime economic activities have already been implemented in various regions, contributing to the promotion of tourism and consumer spending.

This program marks an important step in expanding the economic space, making the most of time-related resources, and meeting the diverse consumption needs of both residents and visitors.

Based on the Government's strategic orientation, localities have actively implemented plans to develop NTE. Various forms of NTE activities have been vigorously promoted in major cities such as Hanoi, Ho Chi Minh City, Da Nang, and Da Lat. These are reflected in the development of night markets, night-time food streets, 24-hour convenience store chains, pedestrian streets, and specialized entertainment streets such as Ta Hien Street (Hanoi), Bui Vien Street (Ho Chi Minh City), and Ba Na Hills (Da Nang). Across the country, there are currently about 20 night markets serving tourism purposes, and approximately 1,000 out of a total of 2,300 convenience stores operate 24 hours a day, mainly concentrated in Hanoi and Ho Chi Minh City. Notably, the Circle K chain entered Vietnam in 2008 and has operated under the 24/7 model since 2013. Ho Chi Minh City has also developed a range of night-time urban community

cultural tourism products, including: (i) night-time pedestrian streets such as Bui Vien, Nguyen Hue, and Quang Trung Flagpole; (ii) night markets and pedestrian streets within Dam Sen Cultural Park and Hoa Binh Square Gò Vấp musical fountain plaza; (iii) specialized commercial streets such as food streets, traditional medicine streets, jewelry and gemstone streets, and lantern streets; (iv) a system of bars, clubs, and cafés; (v) night-time river and canal tours along the Saigon River and the Nhieu Loc Canal; and (vi) various artistic performances beyond the spaces of Nguyen Hue and Bui Vien pedestrian streets.

In Hanoi, since 2016, the city has hosted more than 300 large-scale cultural events, primarily held along pedestrian streets. These events have attracted the participation of eight provinces and cities across Vietnam, as well as representatives from 17 countries around the world. The nighttime economy has made an increasing contribution to the city's budget, particularly through steadily rising revenues from accommodation and food services VND 1,571 billion in 2021, VND 3,122 billion in 2022, and VND 6,012 billion in 2023. Tourism revenue also witnessed substantial growth, from VND 189 billion in 2021 to VND 3,975 billion during the period of 2022–2023. By early 2024, Hanoi had introduced 15 nighttime tourism products, all of which are high-quality, innovative offerings designed to attract and engage visitors.

Along with the rapid development of the economy, society, and international integration, NTE activities in Vietnam have become increasingly diverse and vibrant. Based on the current state of NTE activities in Hanoi and Ho Chi Minh City - two major representative urban centers - Vietnam's nighttime economy has achieved several notable outcomes as follows:

Firstly, Vietnam has initially achieved success with supportive policies that have contributed to the development of the nighttime economy, enhancing both its scale and quality in urban areas. The government has been implementing various measures to foster nighttime economic activities, including infrastructure development, business support, and the creation of favorable conditions for expanding nighttime operations.

Secondly, the growth of the nighttime economy has positively contributed to Vietnam's GDP, particularly through the tourism sector. In Ho Chi Minh City, it is estimated that an additional four hours of nighttime activity can contribute between 5–8% to the city's GDP. Revenue from nighttime businesses on Nguyen Hue pedestrian street averages approximately VND 2.3 billion on weekdays and quadruples on weekends (Saturday and Sunday). Meanwhile, businesses on Bui Vien street can earn even higher revenues, ranging from nearly VND 3 billion to about VND 8 billion per day.

Thirdly, major urban centers are gradually establishing distinctive nighttime destinations, such as pedestrian streets, night markets, night-time food courts, street performances, fireworks festivals, carnivals, and night-time amusement zones. These areas have significantly enhanced the diversity and quality of Vietnam's tourism offerings, creating a foundation for cities to pilot larger-scale, more diverse nighttime economy zones.

Fourthly, NTE development has attracted participation from a wide range of stakeholders. Notably, during weekends, pedestrian street zones become vibrant hubs of economic and recreational activity. The main business types include food and beverages, clothing, convenience stores, hotels, spas, bars, karaoke venues, along with ancillary services such as taxis, cyclos, and street music and dance performances.

Fifthly, the nighttime economy has also generated new employment opportunities while contributing to social stability. The diverse array of nighttime services requires a large labor force. Demand is not limited to waitstaff, chefs, and restaurant workers, but also includes significant numbers of transport workers, drivers, engineers, security personnel, managers, cleaning staff, technicians, IT support specialists, performing artists, event organizers, and professionals from various other industries.

Overall, despite several favorable conditions for the development of the nighttime economy—such as a stable political system, public safety, and continuously improving human security indices—there remain numerous limitations that need to be

addressed in order to better harness and optimize the potential benefits of the nighttime economy in the future. Specifically, the following challenges have been identified in the current development of Vietnam's nighttime economy:

First, the overall quality of nighttime economic activities remains low. While the number of enterprises and business households has increased rapidly, their quality has not improved significantly. Revenue generated by these entities remains modest, and their contribution to GDP growth is still limited. Moreover, many of the most active participants in the nighttime economy operate within the informal sector.

Second, nighttime services and products lack diversity. Recreational, entertainment, and festival activities available to both residents and tourists remain limited in scope and scale.

Third, business practices in the nighttime economy are often opportunistic. In various tourist destinations across the country, certain individuals and establishments—particularly those offering food, beverage, and transport services—continue to operate unprofessionally. In many cases, overcharging tourists (“rip-offs”) has been reported, leaving negative impressions and potentially damaging the reputation of both localities and the country as a whole. Additionally, standards related to service quality, food safety and hygiene, and urban sanitation are not consistently enforced. The general service attitude toward tourists also lacks professionalism.

Fourth, due to the small scale and fragmented nature of many nighttime activities, the overall offerings remain underwhelming and economically inefficient. This leads to a perception among certain groups of international tourists that Vietnam's nighttime economy is monotonous and uninspiring.

3. Policy Recommendations for Promoting the NTE in Vietnam

Based on the current situation, in order to maximize the benefits of the nighttime economy, the following key solutions should be prioritized:

First, complete the legal and policy framework: It is necessary to establish specific regulations for nighttime economic activities, including

provisions on operating hours, licensing, taxation, and public order. These legal instruments will help create favorable conditions for businesses while protecting the rights of consumers.

Second, develop infrastructure and supporting services: Investments should focus on improving transportation and logistics systems, enhancing technical infrastructure, and developing designated nighttime economic zones. Financial support mechanisms for infrastructure development should also be introduced to foster a conducive environment for nighttime economic activities.

Third, cultivate a high-quality workforce for the nighttime economy: Human capital plays a vital role in promoting the nighttime economy. Priority should be given to education and training, encouraging innovation and entrepreneurship, fostering inclusive work environments, and mobilizing support from social organizations.

Fourth, encourage innovation and creativity: Support should be provided to businesses in developing new products and services that blend traditional culture with modern elements, thereby attracting both residents and tourists to participate in nighttime economic activities.

Fifth, strengthen public-private partnerships: The active involvement of the private sector in the investment and management of nighttime economic initiatives should be promoted. Enhanced coordination between government agencies and businesses is crucial for ensuring the sustainable development of this economic model.

With the results achieved and these strategic policy directions, the nighttime economy in Vietnam is gradually progressing, contributing to economic growth, job creation, and improvements in the overall quality of life for the population.

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