

# SUSTAINABLE TOURISM DEVELOPMENT IN VIETNAM: OPPORTUNITIES AND CHALLENGES

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**Abstract:** *Sustainable tourism development is currently an inevitable and effective direction for the tourism industry of Vietnam in particular and countries in the world in general. Vietnam has great potential for sustainable tourism development, from geographical location to natural and cultural resources. However, we also face many difficulties in developing sustainable tourism. This study points out the theoretical basis for sustainable tourism development and analyzes the opportunities and challenges for sustainable tourism development in Vietnam. As a result, it proposes some solutions for sustainable tourism development in Vietnam, making tourism a key industry, and contributing to the socio-economic development of Vietnam.*

• Keywords: *sustainable tourism, tourism, Vietnam.*

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## 1. Problem statement

Tourism is a smokeless industry, contributing greatly to the economic development of the country. Tourism has created many jobs, helped increase GDP, and contributed to the State budget. It is also an effective tool to carry out the work of hunger eradication and poverty reduction in remote areas. However, rapid and uncontrolled development has greatly impacted the environment, society, and the economy.

In Vietnam, the tourism industry has always received attention from the State and functional agencies, constantly developing, contributing positively to the economy, and helping the country to develop more and more. Every year, the tourism industry creates about 4.5 million workers, including 1.5 million direct workers. In 2015, the contribution to the GDP of the tourism industry was 6.3 percent and in 2019, it was 9.2 percent. Besides economic promotion, tourism also has a strong impact on trade, agriculture, industry, and transportation, stimulates domestic demand, promotes regional development, etc.

However, the COVID-19 pandemic that has occurred since the end of 2019 has caused severe impacts on Vietnam's tourism, causing a sharp decline in the number of visitors, and many business activities have had to stop completely for a long time. Many businesses, travel agencies, hotels, and restaurants have announced their closure. Approximately 800,000 people have lost their jobs and the average income of workers in the tourism

industry has decreased by about 40 percent compared to before the pandemic.

After the pandemic, looking back at the activities of the tourism industry, we can see that in Vietnam, tourism activities still have many limitations, tourism development is not commensurate with its potential and advantages. The rapid development of the tourism industry while the environmental infrastructure has not kept up has also caused negative impacts on tourism resources. Many tourism resources have been overexploited, leading to a decline and difficulty in recovery. The amount of waste causing pollution and environmental degradation in tourist areas is quite large, especially in key areas prioritizing investment in tourism development. Many unhealthy cultural phenomena have had negative impacts, affecting local customs and culture. These are signs of unsustainable development.

Therefore, it is necessary and urgent to assess the opportunities and challenges of sustainable tourism development in Vietnam, and then look for solutions to develop sustainable tourism, making tourism truly a spearhead economic sector of Vietnam.

## 2. Theoretical basis

### 2.1. Tourism

Nowadays, tourism has become a popular economic and social phenomenon in countries around the world, including Vietnam. The concept of tourism has long been widely used by scholars in books, newspapers, and mass media. However, in each period of development, the concept of tourism

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also has different characteristics and is increasingly supplemented and perfected.

The International Union of Official Travel Organizations (IUOTO) has defined tourism as follows: "Tourism is the act of traveling to a place other than one's usual residence for purposes that are not related to business, meaning not to engage in a profession or work for income".

At the United Nations Conference on Tourism held in Rome - Italy (August 21 - September 5, 1963), experts defined tourism as follows: "Tourism is the sum of relationships, phenomena, and economic activities originating from the journeys and stays of individuals or groups outside their usual place of residence or country for peaceful purposes. The places where they stay are not their workplaces".

According to Article 3, Chapter I, Vietnam's Law on Tourism 2017: "Tourism is activities related to human trips outside of their usual place of residence for a duration not exceeding one continuous year, aimed at fulfilling the needs of sightseeing, relaxation, entertainment, studying, exploring tourism resources or in combination with other legitimate purposes".

From the various definitions of tourism mentioned above, we can observe a shift in the perception of the content of the term tourism. Some people view tourism as a social phenomenon, while others consider it an economic activity. Therefore, to have the most multi-dimensional view, tourism can be understood as a socio-economic phenomenon. Tourism is defined as: "The movement and temporary overnight stay during the free time of individuals or groups outside the place of residence to restore health, raising awareness of the surrounding world, with or without the consumption of some natural, economic, cultural values and services provided by professional establishments".

## 2.2. Sustainable tourism development

In 1992, the World Tourism Organization (UNWTO) defined: "Sustainable tourism is the development of tourism activities to meet the current needs of tourists and local residents while still paying attention to the conservation and enhancement of resources for future tourism development. Sustainable tourism will have a plan to manage resources to satisfy the economic, social, and aesthetic needs of people while maintaining cultural integrity, biodiversity, the development of ecosystems and systems supporting human life". This definition is quite long but fully contains the contents, activities, and factors related to sustainable tourism.

According to the World Travel and Tourism Council (WTTC), 1996: "Sustainable tourism is about meeting the needs of present tourists and destination while ensuring the ability to fulfill the demand for future generations of tourists". This is a fairly concise definition of sustainable tourism when referring to intergenerational issues. However, according to this definition, it only focuses on the needs of tourists and destinations, not mentioning the ecological environment and biodiversity.

According to Hens L, 1998: "Sustainable tourism requires managing all forms of resources in a way that we can meet economic, social and aesthetic needs while maintaining cultural identity, essential ecological processes, biodiversity, and life support systems". It can be seen that this definition of sustainable tourism focuses mainly on the issue of managing tourism resources to achieve sustainable development.

According to Machado (2003), Sustainable tourism is defined as: "forms of tourism that meet the current needs of tourists, the tourism industry, and local communities without compromising the ability of future generations to meet their own needs. Tourism is economically viable without destroying the resources on which the future of tourism depends, especially the natural environment and the social fabric of the local community". This definition mentions the sustainability of tourism as it meets both the needs of the present generation while considering the demands of future generations. However, this definition focuses on the sustainability of tourism forms and tourism products rather than the sustainability of the entire tourism industry.

Article 3, Chapter I, Vietnam Tourism Law 2017 also clearly states: "Sustainable tourism development is tourism development that simultaneously meets socio-economic and environmental requirements, ensuring harmony of interests of subjects participating in tourism activities, without compromising the ability to meet future tourism needs".

From the above understanding, we can view that "Sustainable tourism development" has the following three basic characteristics:

- Economic sustainability: Tourism must actively contribute to the country's economic growth in a stable manner, creating jobs and stable income, fairness for the community as well as businesses, localities, and the interests of tourists.

- Cultural and social sustainability: Tourism activities require participants in tourism activities to preserve cultural traditions and national identity in all stages of the tourism process while ensuring healthy and civilized social development.

- Environmental sustainability: environmental sustainability in tourism activities means carrying out tourism activities that use resources that do not exceed their self-recovery capacity to meet current development needs without weakening the ability to regenerate in the future, in order to satisfy the needs of future generations. This also means that tourism must minimize negative impacts on the environment, and preserve and protect the environment to facilitate better tourism development.

### **3. Opportunities for sustainable tourism development in Vietnam today**

Vietnam is a country with many favorable conditions for developing the tourism industry, especially sustainable tourism.

*Firstly*, it has diverse natural conditions with many beautiful and unique destinations. Vietnam has a coastline of 3,260 kilometers, with 125 beaches, most of which are very beautiful and convenient for tourism exploitation, such as Tra Co, Ha Long, Sam Son, Lang Co, Da Nang, Nha Trang, Phu Quoc, etc. Vietnam ranks 27th among 156 coastal countries in the world and is one of the 12 countries with the most beautiful bays in the world (Halong Bay and Nha Trang Bay).

Many famous landscapes and scenic spots have been voted in the list of the most beautiful places in the world, such as My Khe (Da Nang), Nha Trang, An Bang (Quang Nam), Bai Dai (Con Dao), Ha Long Bay, Lang Co (Hue), etc. In 2021, Touropia voted Ha Long Bay (Quang Ninh) of Vietnam as the most beautiful bay on the planet, above Guanabara Bay (Southeast Brazil) and San Francisco Bay (California, USA). Meanwhile, the World Bays Club honored Lang Co as one of the most beautiful bays in the world in 2009.

*Secondly*, there are many historical and cultural sites, as well as famous landmarks and scenic spots, both domestically and internationally. Vietnam has 85 sites ranked as special national relics, 3,329 sites recognized as national relics, and 9,857 provincial relics. In particular, there are 8 tangible heritages and landscapes classified as World Heritage (Trang An Scenic Landscape Complex, Ho Dynasty Citadel, Thang Long Imperial Citadel, Hue Monuments Complex, Ha Long Bay, Hoi An Ancient Town, My Son Sanctuary, and Phong Nha - Ke Bang National Park). These landscapes, combined with climate and weather conditions, are important factors for Vietnam to attract millions of domestic and international tourists every year.

*Thirdly*, intangible cultural values are imbued with traditional and unique features. With a treasure

of 191 heritages belonging to all 7 types of intangible cultural heritage of ethnic groups living in all regions of the country included in the National Intangible Cultural Heritage List, Vietnam has 11 heritage items recognized as masterpieces of the intangible cultural heritage of humanity (Hue Royal Court Music, Central Highlands Gong Cultural Space; Bac Ninh Quan Ho Folk Songs, Ca Tru, Giong Temple Festival, Xoan Singing, Hung King Worship, Southern Amateur Music, Nghe Tinh Vi Dam Folk Songs, Tug of War, Three Palaces Worship).

*Fourthly*, the stable political regime, and the State's policy of innovation, openness, and integration also create favorable conditions for sustainable tourism development. The Party and State pay special attention to tourism development, especially sustainable tourism development. On January 22, 2020, the Prime Minister issued Decision No. 147/QĐ-TTg approving the "Vietnam Tourism Development Strategy to 2030", which clearly states the goal by 2030: "Tourism is truly a spearhead economic sector and develops sustainably. Vietnam becomes a particularly attractive destination, among the top 30 countries with the world's leading tourism competitiveness, fully meeting the requirements and goals of sustainable development"

*Fifthly*, young and abundant human resources are also an advantage for the sustainable development of Vietnam's tourism. According to the United Nations, by September 2024, Vietnam will have a population of nearly 100 million, ranking 15th in the world and 3rd in Southeast Asia. The workforce aged 15 and older in Vietnam reached 52.4 million in 2023, an increase of 666,500 compared to 2022 (According to data from the General Statistics Office - 2023). An abundant labor force and a young labor force structure - considered the "golden structure" in labor, will be a great advantage for the sustainable development of Vietnam's tourism in particular and the country's economic development in general.

*Sixthly*, tourists' awareness of sustainable development is increasingly enhanced. Tourists today have also changed in terms of lifestyle, consumption, and enjoyment, especially among the younger generation, Gen Z who are not only interested in experiencing, exploring, and enjoying, being green but also want to contribute to sustainable development, environmental protection for the community even during their travels.

### **4. Challenges in developing sustainable tourism in Vietnam today**

In addition to the opportunities for sustainable tourism development, the Vietnamese tourism



industry still faces several difficulties and challenges that have led to the failure to exploit these opportunities, and at the same time, threaten to affect the sustainability of the industry. Specifically:

*First*, the legal system is still incomplete, specific policies for tourism types such as community tourism are still unclear; tax, land, and immigration policies are sometimes difficult to access and involve complex procedures; the ability to access policies and investment support policies for tourism businesses is not high, due to barriers in processes and procedures.

*Second*, professionalism in developing tourism products and promoting marketing is still lacking. Vietnam's tourism products are slow to innovate, monotonous, lack distinctiveness, and show little creativity. There is a lot of overlap between regions, the added value embedded in tourism products is low, and there is a lack of coherence and connection in product development. Products are slow to innovate while tourist demand changes dramatically. New tourism products mainly exploit the values of existing resources, there are not many complementary products to attract tourists, stimulate their spending needs, and increase local revenue. The absence of complementary products also reduces the demand for visits as well as the ability to return.

In addition, promotion work is still limited, unprofessional, unsystematic, and ineffective; it only stops at promoting the general image, failing to create a resonance and specific appeal for each tourism product and brand. The government's investment funds are still limited and have not yet created a stimulating effect. Some internationally known tourist destinations such as Ha Long, Sapa, Hanoi, Hue, Hoi An, Da Lat, and Saigon (Ho Chi Minh City) but the images are still not very prominent.

*Third*, factors of security, safety, and hygiene have not been ensured. In fact, in recent times, issues of unsanitary conditions, security, and order at tourist sites have frequently occurred. Illegal taxis, soliciting, street vendors, scams, and forcing tourists still occur frequently in many localities, especially during peak seasons.

*Fourth*, the management and exploitation of tourism resources have not been effectively implemented. There has not been a comprehensive assessment of tourism resources, and the evaluation, classification, and ranking for sustainable and effective management of these resources have not been proceeded. As a result, while many tourism resources exist, their full potential has not yet been exploited.

The limitations in management and decentralization have led to conflicts of economic interests among various stakeholders and sectors. Short-term perspectives and technological constraints have resulted in some tourism resources being damaged and misused, negatively impacting the sustainable development of tourism.

*Fifth*, the quality of human resources in the tourism industry is still limited. Although the tourism workforce is large, the proportion of those who are professionally trained is low; the quality of tourism training has many limitations and has not adapted quickly to global integration and competition. The team of professional tour guides with many types of tourism and responding to the languages of the target market is still not fully prepared. Statistics on trained labor in the tourism sector show that only 10 percent of the workforce holds a university degree, while those with college, vocational, or elementary training make up over 50 percent, and the remainder consists of workers who have completed only short-term courses.

*Sixth*, the infrastructure to access destinations is not yet modern and lacks uniformity. The system of technical facilities, accommodation, and tourism services is developing rapidly but is still small in scale, unprofessional in operation, and has not yet formed a system of national tourist areas with outstanding brands.

*Seventh*, the awareness of the community in developing tourism is still limited. Due to their inherent characteristics, many locals do not allow tourists to visit their living areas or feel uncomfortable with changes in their lives brought about by strangers. In many places, local residents are hesitant to borrow money for investing in community tourism when transitioning their economic model and are only willing to do so with complete support from the local authorities.

*Eighth*, the negative impact of tourism on the ecological environment is also a huge challenge for sustainable tourism development. Pollution of soil, water, and air environments due to waste, emissions from tourism activities, and noise pollution from vehicles and tourists causes inconvenience to residents and wildlife. Tourism development means increasing the number of visitors to tourist attractions, strengthening the development of infrastructure, and services, and increasing the demand for resources, thereby leading to increased pressure from tourism development on the environment.

*In addition*, Vietnam's tourism industry is also facing numerous challenges from fierce competition

from countries in the region such as Thailand, Malaysia, and Cambodia when these countries have had very large investment and promotion strategies to increase their attractiveness to international tourist markets.

## **5. Some solutions for sustainable development of Vietnam tourism**

### **5.1. Disarmament of the State**

*First*, it improves the system of legal documents, planning, and policies to create a legal corridor for sustainable tourism development. In particular, it is necessary to develop policies and regulations on payment for environmental services and build a penalty regime for tourism activities that cause environmental pollution. This is an economic tool to help those who benefit from ecosystem services pay those who participate in maintaining, protecting, and developing the functions of that ecosystem.

*Second*, the Government needs to focus on investing from the State budget for tourism activities in basic tasks such as renovating historical relics, training human resources, and promoting and developing tourism activities; especially investing in infrastructure for sustainable tourism development. It prioritizes investment in tourism projects that have specific solutions to solve environmental pollution and bring direct socio-economic and environmental benefits to the community both in the present and the future. Besides, we need to focus on investing in building some attractive, world-famous destinations to create unique brands and attract tourists around the world.

*Third*, it is important to strengthen the organization of the State management apparatus in conjunction with specifying the functions and tasks of State management of tourism and promoting reform of related administrative procedures to meet the requirements of sustainable tourism development. It builds a team of State management officials on tourism from the central to local levels, with capacity and responsibility. It improves the effectiveness of State management of the tourism environment and raises environmental awareness for officials working in the tourism industry, thereby contributing to sustainable tourism development.

*Fourth*, it strengthens the training and development of high-quality human resources to serve the goal of sustainable tourism development. It is necessary to improve the training quality of tourism educational institutions in terms of both teachers and facilities. It plays a leading role in training tourism human resources with extensive knowledge of the profession and passion for the profession.

*Fifth*, it enhances communication, and tourism promotion activities and applies information technology to promote sustainable tourism. It focuses on developing nature-friendly tourism products, including eco-tourism, community-based tourism, and cultural tourism, as well as implementing meaningful cooperation programs to promote activities and enhance the influence of Vietnamese tourism.

*Sixth*, it promotes the development of tourism linkages. The tourism linkages between provinces and regions are expanded across the country to create unique tourism products and connect tourism tours most effectively. It coordinates to build unique, distinctive tourism programs and products that are distinct to each locality.

*Seventh*, it pays attention to preserving and protecting the natural environment, culture, community tourism, hunger eradication, and poverty reduction, ensuring security and safety in tourism development to ensure sustainable tourism development. It is necessary to integrate sociocultural development planning and environmental protection with tourism business development planning; incorporate sustainable development requirements into state management of tourism; conduct environmental impact assessments for tourism development investment projects that affect the environment to ensure minimizing negative impacts and risks of tourism on the environment, cultural traditions, and living conditions of residents.

### **5.2. Solutions for tourism businesses**

*First*, it takes advantage of technology and digital customer experience. The improvement of customer experience through mobile applications, online booking websites, and customer care services via social networks will help businesses increase customer attraction and retention.

*Second*, it develops unique and diverse products and services. Developing new tour packages, special holidays, or enhancing travel experiences will attract customers' attention and create competitive advantages. In addition, the current development of diverse tourism products such as eco-tourism, experiential and exploratory tourism, community tourism, agricultural tourism, adventure tourism, business travel, resort tourism, and MICE (Meetings, Incentives, Conferences, and Exhibitions) will be a sustainable direction for businesses in the future, as well as tapping into high-paying customer sources.

*Third*, environmental protection and sustainable development. The growth of the tourism industry also goes hand in hand with issues of environmental

protection and sustainable development. Businesses need to actively participate in environmental conservation activities, minimizing negative impacts on the environment and local communities. Tourism businesses need to strictly implement regulations on environmental protection. The restaurants and hotels use green technology, and environmentally friendly materials, save fuel, and limit direct discharge into the environment, especially homestays near tourist areas. The construction of accommodation facilities must comply with regulations and not destroy the surrounding landscape. In addition, businesses should actively participate in organizing environmentally friendly tours such as tree planting tours, garbage collection, distribution of self-destructing plastic bags, etc. Such tours will attract many young people and foreigners, enhancing the image of Vietnamese tourism businesses and serving as an effective means of communication regarding environmental protection.

*Fourth*, cooperation and connection with local areas. Collaborating with local partners, non-governmental organizations, and other businesses in the industry is also an important factor in developing sustainable tourism. Through building a strong network of connections, businesses can effectively take advantage of new resources and opportunities.

*Fifth*, training and developing human resources. Employees are the most important resource in every business. Training and developing personnel not only helps improve service quality but also motivates them to generate new ideas and enhance work processes. It is important to train and retrain through organizing short-term training courses (sending staff to study or inviting leading experts in the tourism sector) to continuously improve the quality of high-quality human resources in the business.

### 5.3. Solutions for the community

For tourism activities to develop sustainably, one of the important factors is to ensure social welfare and income for local communities, so that residents can see the benefits that tourism brings. As a result, it raises awareness of tourism activities such as environmental issues, attracting visitors through preserving and promoting the beauty of local culture to tourists.

It enhances the role of local communities in educating the tradition of hospitality and cultural exchange between regions and countries, both domestically and internationally.

It builds trust and pride within the community through campaigns, propaganda, and lectures on the values of natural and cultural resources as well as the

importance of people in preserving and promoting these values.

It propagates laws related to tourism business activities to local communities. Residents involved in tourism activities need to be organized and aware, avoiding spontaneous tourism, protecting the tourism environment, and ensuring the rights of tourists.

It is necessary to develop specific plans to promote the role of residents in sustainable tourism development, including preserving and conserving local traditional culture and safeguarding the landscape of the living environment. It enhances the role of residents in awareness of sustainable tourism development such as not automatically raising prices during the tourist season, not soliciting tourists, not having activities that pollute the environment, and destroying tourism resources, etc.

### 5.4. Solutions for tourists

Tourists are an important component of tourism activities, consume tourism products, and are also a direct factor affecting the environment in tourist areas. Therefore, raising the responsibility of environmental protection for tourists is an important task for sustainable tourism development.

Tourists are aware of becoming Green tourists by choosing types of tourism that both satisfy their own travel needs and bring benefits to the local community where they travel by participating in rural tours, eco-tourism, community tourism, etc.

There should be specific instructions for visitors to raise awareness of environmental protection, energy saving, willingness to participate in environmental activities in tourist areas, willingness to support environmental tourism activities, and local socio-economic development.

### 6. Conclusion

Identifying opportunities and challenges will contribute significantly to finding appropriate and satisfactory solutions to build and develop sustainable tourism in Vietnam, helping tourism truly become a key economic sector and contribute to the socio-economic development of the country.

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