

Tourism employment situation of Vietnam

Tourism is one of the industries that create many jobs, especially in remote areas. According to statistics of the Ministry of Culture, Sports and Tourism, and the Vietnam National Administration of Tourism (VNAT), as of 2015, the tourism industry had 750,000 direct employees (an average increase of 11% in the period of 2010-2015) and 1.5 million indirect workers. By 2016, the tourism industry had about 900,000 direct jobs, out of a total of more than 2.5 million jobs related to tourism.

According to the World Economic Forum's assessment of Vietnam's Human Resources and Labour (WEF, 2017), Vietnam was ranked 67th out of 136 countries in terms of competitiveness in tourism, in which Vietnam was ranked 37th in the competition index on human resources and labor market, higher than many countries in the region such as Thailand (40), the Philippines (50), Indonesia (64), Laos (65), and Cambodia (110). WEF (2016) reported that Vietnam's tourism created a total of 4,003,000 jobs (accounting for 7.3% of total employment in economic sectors), including 1,959,500 direct employees (accounting for 3.6% of total employment in economic sectors). This corresponding figure increased by 2.3% (reaching 4,095,000) and 2.5% (reaching 2,009,500) in 2017. It is then estimated to increase by 1.0% and 1.3% each year by 2027 to reach 4,544,000 of total employment and 2,295,000 direct employees in Vietnam's tourism and travel industry.

Rapid growth in the number of international and domestic visitors in the last few years has created a shortage of qualified labor. The country has more than 15,000 international and 9,000 domestic guides, concentrated mainly in big cities and major tourist destinations. The ratio between the number of tourists and guides in Vietnam is almost double the international average. 10 According to the Vietnam National Administration of Tourism, each year, the tourism sector needs 40,000 workers. However, tourism schools churn out only 15,000 every year, in which 12% are graduates from universities and colleges. This fact presents significant shortfalls in the tourism labor force, particularly skilled labor.

The Vietnam National Administration of Tourism (2015) stated that tourism workers had relatively low education and training levels. In particular, employees with university and graduate training in tourism accounted for only 7.4% of the direct labor force in the tourism industry while labor force with primary, intermediate and college training in tourism accounted for 47.3%, and unskilled labor force with less than three months of vocational

training accounted for 45.3%. The labor force, with basic or higher training, accounted for about 23% in the industry. If counting the number of trained vocational workers in less than three months, the trained labor force of the tourism industry reaches about 42% of the whole industry.

The survey also showed that tour guides who graduated from university are accounted for 65.5% of the total number of guides. This percentage in tourism marketing was 84.2% and in the reception staff was 65.3%. In the field of room service, bars, tables, and kitchens, laborers with intermediate and primary qualifications accounted for a large proportion of 70.7%, 75.5%, 72.4%, and 85.61%, respectively.

Regarding foreign language skills, 60% of labor in the tourism industry can use a foreign language for work, but the characteristics of the industry demand for higher requirements. The most commonly used foreign language by tourism laborers is English, which accounts for about 42%. The workforce using Chinese, French, and other languages accounts for 5%, 4%, and 9%, respectively, of the whole industry's human resources. In regard to those who can use English, 85% of them have basic knowledge in English with average ability in oral communication. Nevertheless, 15% of them (mainly tourist guides and hotel receptionists) who are proficient in English communication, obtained university education. Despite the relatively high rate of foreign language use, the number of labor force who are proficient in two or more foreign languages is low, accounting for only about 3.8%.

In terms of information technology of the whole tourism industry, survey shows that 434,854 people are computer literates, accounting for 72.04% of the total labor force directly working in the industry; there are 168,746 people who do not know how to use computers as a prerequisite to meet their work qualification.

According to the Strategy for tourism development of Vietnam up to 2030, the government sets out a target for the tourism sector is one of the spearhead industry with the sustainable development of the country. It is targeted to create 5.5 – 6 million jobs, including 2 million direct workers, with an average growth of 12-14% per annum by 2025.