

Distribution of enterprises and labor force of the tourism sector in Vietnam

The tourism industry has witnessed significant growth over the four-year period from 2014 to 2017, corresponding to a substantial rise in the number of both international and domestic visitors. The number of enterprises operating in the sector has increased by 28% in which the accommodation segment grows by 23%, and the tourist services segment achieves a higher growth rate of 36%. With regards to the labor force in the sector, the growth rate is lower compared to the number of enterprises with 16.3% for the whole sector, 15% growth in accommodation, and 21% in tourist services. The sector is dominated by small and micro businesses accounting for 80% of the number of enterprises.

Table 1: Number of enterprises in the tourism sector over the period 2014-2017

Economic activity	VSIC code	2014	2015	2016	2017
Accommodation services	55	7,577	7,871	8,654	9,333
Travel agency, tour operator and other reservation service activities	79	4,322	4,879	5,236	5,883
Total tourism sector		11,899	12,750	13,890	15,216

(Source: GSO - Enterprise survey, 2018)

Table 2: Number of employees in the tourism sector over the period 2014-2017

Economic activity	VSIC code	2014	2015	2016	2017
Accommodation services	55	141,322	136,343	151,387	162,683
Travel agency, tour operator and other reservation service activities	79	33,489	35,136	35,870	40,675
Total tourism sector		174,811	171,479	187,257	203,358

(Source: GSO - Enterprise survey, 2018)

Table 3: Number of enterprises in the tourism sector as of 31 Dec 2017 by the size of employees

Economic activity	Total	<5 pers	5-9 pers	10- 49 pers	50- 19 9	200 -299	300 -499	500- 999	1000 -4999	> 5000
Accommodation services	9,333	4,960	2,268	1,542	432	54	42	28	6	1
Travel agency, tour operator and other reservation service activities	5,883	3,549	1,535	717	70	7	3	-	2	-
Total tourism sector	15,216	8,509	3,803	2,259	502	61	45	28	8	1

(Source: GSO - Enterprise survey, 2018)

Based on the statistics of the Vietnam National Administration of Tourism as of 2018, there were 2,022 licensed tour operators. The number of tour operators is increasing every year, with a growth rate ranging from 7% to 9%. Table 4 shows that by 2018 60% of businesses belong to limited-liability enterprises, 39% are joint-stock enterprises, 1% are foreign-invested enterprises, approximately 0.3% are private enterprises. The fluctuation of enterprises in international travel service business mainly occurred in the group of joint-stock and limited liability enterprises, while the number of state-owned enterprises under the equitization process has decreased over the period.

Table 4: Number of tour operators by types of business

Types of enterprises	2014	2015	2016	2017
State owned enterprises	8	7	5	5
Limited liability companies	949	1,012	1,081	1,164
Joint stock companies	474	475	489	556
Private enterprises	9	10	10	11
Foreign invested enterprises	15	15	15	16
Total	1,456	1,519	1,600	1,752

(Source: Vietnam National Administration of Tourism)

In recent years, the system of tourist accommodation establishments in Vietnam has changed dramatically in quantity and quality. In terms of quantity, the average growth rate is about 18.4% per year, with rooms' growth rate of about 16% per year. The number of tourist accommodation establishments and rooms has increased over time. With the supply of rooms from the new accommodation establishment, the average occupancy rate had declined from 69% in 2014 to 56.5% in 2017. By the end of 2017, the number of accommodation establishments nationwide was 17,422, with over 370,000 rooms.

In total, there are 116 five-star hotels with 33,700 rooms, 259 four-star hotels with 33,500 rooms, 488 three-star hotels with 34,200 rooms, 04 five-star apartment areas with 882 rooms, 03 tourist apartments with 494 rooms, 02 luxury tourist apartments with 262 rooms, 03 luxury tourist villas with 75 rooms, and 01 three-star tourist village with 62 rooms.

Of the total classified tourist accommodation establishments, hotels and motels account for the largest proportion, respectively 45% and 44.6%. The type of housing business with rooms for tourists (homestays) accounts for about 8.6%. Other types such as tourist villages, tourist ships, tourist villas, tourist apartments, tourist camping sites only account for 1.7%.

Table 5: Number of tourist accommodations

	2014	2015	2016	2017
Number of accommodations	12,376	13,029	14,453	17,422
Number of rooms	263,468	288,935	318,237	370,907
Average occupancy	69	55	57	56.5

(Source: Vietnam National Administration of Tourism)

Table 6: Facilities of 3- to 5-star class accommodation establishments from 2013-2017

Year	Total		5-star class		4-star class		3-star class	
	Number of est.	Number of rooms	Number of est.	Number of rooms	Number of est.	Number of rooms	Number of est.	Number of rooms
2013	598	62.002	64	15.385	159	20.27	375	26.347
2014	640	66.728	72	17.659	187	22.569	381	26.5
2015	747	82.325	91	24.212	215	27.379	441	30.734
2016	784	91.250	107	30.624	230	29.387	442	30.902
2017	863	101.400	116	33.700	259	33.500	488	34.200

(Source: Vietnam National Administration of Tourism)

By region, the Red River Delta and Northeast Coast region leads the country in the number of ranked tourist accommodation establishments with 3,226 establishments, accounting for 22.3%. Followed by the Southeast region with 3,028 establishments, accounting for 21%. In terms of the number of rooms, the Southeast region leads the country with 70,805 rooms, accounting for 22.2%. Ranked last in 7 tourist regions is the Central Highlands with 1,219 establishments (accounting for 8.4%) and 20,903 accommodations (accounting for 6.6%).

Table 7: Distribution of tourist accommodations by region 2016

Region	Number of accommodations		Number of rooms	
	Quantity	%	Quantity	%
Red River Delta & Northeast Coast	3,226	22.3	62,385	19.6
Northern Midland & Mountainous Region	2,871	20	37,610	11.8
North Central Coast	1,225	8.5	41,318	13
South Central Coast	1,383	9.6	55,011	17.3
Central Highland	1,219	8.4	20,903	6.6
Southeast	3,028	21	70,805	22.2
Mekong River Delta	1,501	10.3	30,205	9.5

Total	14,453	100	318,237	100
-------	--------	-----	---------	-----

(Source: Vietnam National Administration of Tourism)