

## Distribution of enterprises and labor force of the tourism sector in Thai Nguyen

Travel activities in Thai Nguyen have been improving through the years. Table 1 shows that in 2017, there were 33 tourist guide cards (five international cards and 28 domestic cards) and also 11 new passenger cars eligible for carriage. The whole province had 22 domestic travel businesses and two international travel businesses. In 2018, 02 more domestic travel agencies started operating; 39 new tour guide cards were issued or renewed (09 international cards, 14 domestic guide cards, and 16 tour guide cards at sights). The province has a total of 26 travel agencies, of which 02 are international travel agencies. In 2019, the total domestic and international travel agencies increased to 28, in which international travel agencies increased significantly; 38 new tour guide cards were renewed and issued.

**Table 1: Travel business activities in Thai Nguyen province, 2017 - 2019**

|  | 2017 | 2018 | 2019 |
|--|------|------|------|
| 1. Total number of travel agencies     | 24   | 26   | 28   |
| - Domestic                             | 22   | 24   | 21   |
| - International                        | 2    | 2    | 7    |
| 2. Tour guide cards issued and renewed | 33   | 39   | 38   |
| - Domestic                             | 28   | 9    | 5    |
| - International                        | 5    | 14   | 24   |
| - At sights                            | 0    | 16   | 9    |

*(Source: Department of Culture, Sports and Tourism of Thai Nguyen Province)*

These travel agencies have significantly contributed to the development of the province. Table 2 shows the turnover brought by types of travel agencies to Thai Nguyen through the years. It can be seen that in the period 2015 – 2018, most of the revenues came from private agencies (accounting for about 90% of total revenue from travel agencies). Moreover, revenue has had an increasing trend over the years. The revenue increased by 10.02% in 2016, 40.1% in 2017, and 9.98% in 2018. However, the values are still small compared to the tourism potential of the province.

**Table 2: Turnover of travel agencies in Thai Nguyen**

| Unit: Billion VND | 2015 | 2016 | 2017 | 2018 (prel.) |
|-------------------|------|------|------|--------------|
|-------------------|------|------|------|--------------|

|              |      |      |      |      |
|--------------|------|------|------|------|
| - State      | 4.3  | 4.8  | 2.8  | 3.0  |
| - Non-state  | 39.6 | 43.5 | 65.3 | 71.9 |
| + Collective | -    | -    | -    | -    |
| + Private    | 39.6 | 43.5 | 65.3 | 71.9 |
| + Household  | -    | -    | -    | -    |
| - FDI sector | -    | -    | -    | -    |
| Total        | 43.9 | 48.3 | 68.1 | 74.9 |

(Source: Thai Nguyen Statistical Yearbook, 2019)

In terms of travel activities in Thai Nguyen, several limitations and shortcomings occurred. For example, no collective, household, or FDI travel agencies are operating in Thai Nguyen.

Together with the development of tourism in Thai Nguyen recently, the accommodation businesses in the province have significantly increased in both the number of establishments and the number of rooms and beds. Table 3 shows the increasing trends of these criteria in both hotels and rented houses over the years.

**Table 3: Accommodation establishments in Thai Nguyen**

|                                    | 2013  | 2015  | 2016  | 2017  | 2018 (prel.) |
|------------------------------------|-------|-------|-------|-------|--------------|
| 1. Number of accommodation estabs. | 212   | 335   | 393   | 435   | 451          |
| - Hotel                            | 34    | 45    | 46    | 49    | 51           |
| - Rented house                     | 178   | 290   | 347   | 386   | 400          |
| 2. Number of rooms                 | 3,320 | 4,881 | 4,800 | 6,082 | 6,499        |
| - Hotel                            | 1,222 | 1,974 | 1,770 | 1,952 | 2,113        |
| - Rented house                     | 2,098 | 3,087 | 3,030 | 4,130 | 4,386        |
| 3. Number of beds                  | 4,947 | 7,390 | 8,546 | 8,460 | 8,744        |
| - Hotel                            | 2,097 | 3,248 | 3,873 | 3,306 | 3,405        |
| - Rented house                     | 2,850 | 4,142 | 4,673 | 5,154 | 5,339        |

(Source: Thai Nguyen Statistical Yearbook, 2019)

As shown in Table 3, the amount of hotels accounts for a small percentage of the total number of accommodation establishments (from 11% to 16%), but they provide a comparatively high percentage of rooms and beds (about 30% to 45%). Though the number of rooms slightly decreased in 2016 (by 1.66%), and the number of beds decreased by 1.01% in 2017, the other criteria witnessed significant positive changes. The tourist accommodation establishments had an increase of 17.31% in 2016 and 10.69% in 2017. In which, the number of rented houses increased greatly by 19.66% in 2016 and 11.24% in 2017.

Accommodation establishments have greatly contributed to the gross domestic products of the province. Table 4 presents the increasing total revenue from accommodation establishments in Thai Nguyen over the years. Accordingly, most of the revenue came from the non-state sector, particularly the private and household establishments. In which the households have become more and more important, especially in the context of technological revolution when new types of tourism like homestays, community-based tourism, etc. bring more opportunities for households to serve tourists effectively.

**Table 4: Turnover of accommodation establishments in Thai Nguyen**

Unit: Billion Dong

|              | 2010  | 2015  | 2016  | 2017  | 2018 (prel.) |
|--------------|-------|-------|-------|-------|--------------|
| - State      | 19.0  | 2.8   | 3.1   | 3.1   | 3.3          |
| - Non-state  | 86.9  | 210.8 | 229.3 | 235.3 | 253.4        |
| + Collective | -     | 0.5   | 0.6   | 0.6   | 0.7          |
| + Private    | 50.8  | 83.0  | 90.4  | 79.9  | 85.8         |
| + Household  | 36.1  | 127.3 | 138.4 | 154.7 | 167.0        |
| - FDI sector | -     | 26.1  | 28.9  | 35.6  | 39.2         |
| Total        | 105.9 | 239.7 | 261.3 | 273.9 | 295.8        |

(Source: Thai Nguyen Statistical Yearbook, 2019)

It is noticeable that in 2010, there was no revenue from collective or FDI accommodation establishments, which means the non-existence of these types of establishments in the province. However, collective and FDI accommodation establishments have begun to thrive since 2015. Though the contribution from the collective establishments is still modest (of less than 1% of total revenue), the FDI establishments have contributed a higher proportion,

which keeps increasing from 10.89% in 2015 to 12.06% in 2016, 13% in 2017, and 13.25% in 2018.