

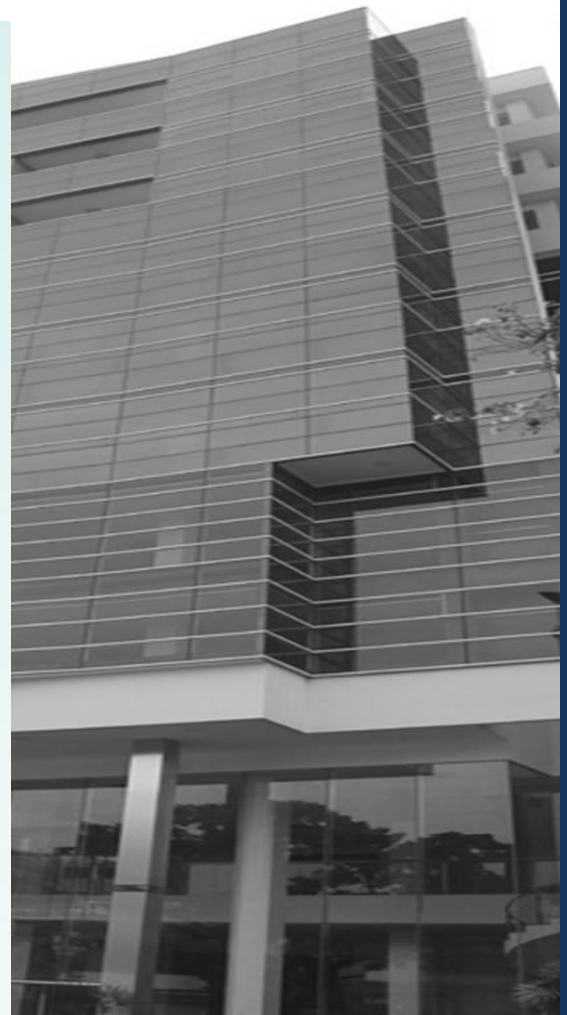


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TOURISM PROSPECTS IN SRI LANKA FOR VIETNAM TRAVELERS

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Overview of Viet Nam

Viet Nam is a [country with 97 million population](#) and has been transitioning since 1986 from the rigidities of a centrally planned, highly agrarian economy to a more industrial, market-based and export-oriented economy. The country has raised its revenue earning sources substantially over the years. In 2019 GDP growth in Viet Nam was recorded as at 7.8% and Viet Nam was able to maintain positive economic growth rates in 2020 and 2021 at 4.8% and 2.4% respectively even amidst the grave challenges posed by the Covid 19 pandemic in the world including Viet Nam.

Viet Nam has a young population, stable political system, commitment to sustainable growth, relatively low inflation, stable currency, strong FDI inflows, and a strong manufacturing sector. In addition, the country is committed to continue its global economic integration. Viet Nam joined the WTO in January 2007 and has [concluded sixteen \(16\) Free Trade Agreements bilaterally and regional](#) as follows;



Bilateral Agreements	Plurilateral Agreements
Vietnam – Japan Economic Partnership Agreement	The Association of Southeast Asian Nations (ASEAN)
Vietnam – Chile Free Trade Agreement	ASEAN – Australia – New Zealand Free Trade Agreement
Vietnam – Korea Free Trade Agreement	ASEAN – Korea / ASEAN – India / ASEAN – Japan / ASEAN – China / ASEAN – Hong Kong (China) FTAs
Vietnam – EU Free Trade Agreement	ASEAN Trade in Goods Agreement
Vietnam – UK Free Trade Agreement	Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)
Vietnam – Eurasian Economic Union	Regional Comprehensive Economic Partnership (RCEP)

Continuing its trajectory of strong economic growth, the government acknowledges the need to spark a 'second wave' of reforms, including reforming state-owned-enterprises, reducing red tape, increasing business

sector transparency, reducing the level of non-performing loans in the banking sector, and increasing financial sector transparency.

With all the above positive trends in the Viet Nam economy, the travel and leisure sector is one of the fastest growing sectors in the country. Viet Nam closed the borders for international commercial passenger flights for more than two years due to the Covid 19 pandemic, but the tourism industry in the country survived to a substantial extent from the domestic tourism. Vietnamese are fond of traveling and prefer to spend their vacations out of city limits. Viet Nam opened the borders for international commercial passenger flights with effect from 15 March 2022 and Viet Nam outbound travel sector is also expected to see a boost after this milestone of opening airports for international passengers.

The year 2018 recorded 3189, the highest number of Vietnamese visitors to Sri Lanka which declined to 2100 and 772 in 2019 and 2020 respectively. The number was on the rise but declined sharply due to Easter Attacks which was followed by the Covid 19 pandemic related travel restrictions all over the world including both Sri Lanka and Viet Nam.

Travel Preferences of the Vietnamese Nationals

A study carried out by Visa Inc. (NYSE) shows that there are some specific trends in Vietnamese travelers such as;

- Trips are getting shorter. The average time spent abroad during the last trip is four nights for Vietnamese travelers. They choose destinations that are, on average, 4.5 hours of travel time away;
- More trips abroad: On average, Vietnamese travelers are expected to take nearly five trips abroad within a year;
- Thailand, South Korea, Japan and Singapore are the most visited countries. Intra-region travel dominates - 91% of travelers visited a destination in Asia;
- Technology is helping travelers in their planning and navigation: 90% plan their trips online and 77% use the internet while traveling as a guide. Nearly half of all travelers use social media for tips and advice on where to travel;
- Travelers intend to spend more: Vietnamese travelers are expected to spend a median amount of US\$1,100 per trip;
- 74% of travelers use credit or debit cards while booking their trips and while at their destination, majority of travelers

prefer to carry cash in foreign currency.

Why Sri Lanka? for the prospective Vietnamese travelers?

- [Viet Nam has a 35 million middle class](#) population who can afford foreign vacations and are constantly in search of new travel destinations;
- The frequent Vietnamese travelers have already visited the countries indicated in the above list and Sri Lanka is a cost-effective destination and a better substitute for the potential travelers;
- Sri Lanka can offer both short and long tour packages as the preference of the travelers;
- A normal tour to Sri Lanka (without airfare) can be booked at an average cost of USD 600 per person which is quite lower than their expected rate of USD 1100 as showed in the above research analysis;
- Sri Lanka is rich in bio diversity and green tourism/natural endowments which is one of the highest expectations for Vietnamese travelers. Wild life, safari parks, Ayurveda treatments, natural adventures, rich eco systems etc. are all novel experiences for an average Vietnamese traveler;

- Obtaining online visa is easy and effective. No hazel in obtaining Visa to Sri Lanka;
- Living cost in Sri Lanka is very low in comparison with the amount an average Vietnamese spend in Viet Nam to buy the same pack of goods;
- Vietnamese are well to do shopping lovers. They are attracted to gems, jewelry, clothing, Ayurveda products, wooden souvenirs etc. in Sri Lanka.

Therefore, considering all the above facts and figures Sri Lanka has all the potential to be promoted as the next most famous travel destination for the Vietnamese in future.

Challenges to promote Sri Lanka tourism for the Vietnamese

Then the question arises, why many Vietnamese do not visit Sri Lanka? There are two major reasons for this drawback;

1. [Awareness about Sri Lanka among the average Vietnamese](#) and outbound travel agents are at a very low level.

Sri Lanka is less known among the Vietnamese as a country and therefore let alone tourism! A mass scale promotion in collaboration with the outbound travels agents in Viet Nam is required to make the Vietnamese aware about the tourism prospects in Sri Lanka. Arranging familiarization tours, hotel

inspections, Business to Business (B2B) meetings between the travel agents, roadshows etc. are required to make this awareness and these efforts are to make at least for ten years consecutively to reap substantial results. If done properly with a long-term plan, it is crystal clear that Viet Nam tourists will be a constant and consistent foreign exchange earning source for Sri Lanka in time to come.

2. **No direct air connectivity** between the two countries, which makes the trip more than seven hours including the transits.

As mentioned in the above analysis the Vietnamese prefer short travel distances which have 4hrs. of flying on average. Even if Sri Lanka has a quite long travel distance, given the options to fly at a lower budget via Malaysia or Thailand and on a higher budget via Singapore is a choice that the travelers can make. Yet, the non-availability of direct air connectivity can be a challenge when promoting Sri Lanka tourism for the Vietnamese travelers.

Tourism and Buddhist Sector opportunities

This is another vastly beneficial unexplored area that Sri Lanka can capitalize on. Buddhists in Viet Nam are well to do travelers and willing to come on pilgrimages to Sri Lanka. They prefer Ayurveda treatments, short and long-term meditation programs and even study Buddhism as their higher studies in Sri Lanka. Therefore, the umpteen

opportunities in this segment should be deeply explored and materialized.



Conclusion and way forward

Sri Lanka and Viet Nam maintain remarkable bilateral political relations over the years. But, the people to people contacts are at a very low level. The future of the relations between the two countries should focus on enhancing people to people contacts, which has been discussed in many bilateral meetings over the years. Now, it is high time to act on this stance and tourism can be the stepping stone for this human relations enhancement process.

It is a fact that, an average Sri Lankan knows about Viet Nam and given the twenty-two million population in Sri Lanka, 14 000 Sri Lankans have visited Viet Nam in 2018 and it is on the increase. On the other hand, only a few Vietnamese travel to Sri Lanka due to above explained factors, which can be overcome by implementing the remedies discussed above.

In conclusion, Sri Lanka has all the potentials and eligibilities to attract the

Vietnamese travelers if, a target oriented long-term plan is executed in

collaboration with the industry experts and Sri Lankan government authorities.

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