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Tourism Cooperation between Vietnam and India

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Abstract

Purpose: This study aims to understand the potential of destinations, accessibility and accommodation services of Vietnam and India for the purpose of cooperation in tourism development. **Research design, data and methodology:** The data was mainly based on Tourism statistics at a glance of India Vietnam National Administration of Tourism, and Ministry of Culture, Sports and Tourism of Vietnam between the two countries. The qualitative research was supported by a case study methodology. Documentary sources were used as collection instruments, which allowed the characterisation of Vietnam - India as well as interviews applied within a focus group, supported by a semi-structured script. **Result:** The results of the study indicate that Vietnam - India understand the importance of cooperation to obtain synergies that ensure the development of tourism; Government of two countries recognize and identify a set of benefits associated with cooperation and have a collective awareness of some of the difficulties associated with it, but which do not necessarily prevent their willingness to cooperate. **Conclusion:** The strength of tourism development between the two countries is great, in which the relationship between "attractive force - propulsive force" is not commensurate with the tourism potential of Vietnam - India.

Keywords : Cooperation, India, Tourism, Vietnam.

JEL Classification Code: A10, L83, Z32

1. Introduction

The tourism industry not only generates revenues for a country and cultural wealth, but it is also one of the most important economic engines for growth and development. This study will refer to the factors affecting the process of tourism development cooperation between the two countries Vietnam - India.

The article applies Krishan's theoretical framework (2014) based on 3 main factors (3As): Attraction, Accessibility, Accommodation.

1.1. Vietnam - India Tourism Cooperation Facility

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Tourism cooperation is a system of relationships and activities between the public and private sectors or between businesses. In the process of organizing and providing tourism products through resource sharing and connecting products and services (IGI Global, 2020).

Role

According to Saito and Ruhanen (2017), “No tourism organization, even a well-known one, is capable of developing an effective tourism destination on its own without cooperation” (page 52). The formation and development of cooperative relationships between the two countries is considered a prerequisite for the development of sustainable tourism (Albrecht, 2013).

In the context of international integration, tourism cooperation between Vietnam and India plays an important role, contributing to the process of international integration and implementing the foreign policy of the two countries, which is reflected in the following aspects: (1) *Tourism cooperation contributes to attracting foreign investment capital, participating in expanding domestic and international markets (Fauzel, 2021).* Tourism is a combined industry of a series of different services, travel routes between two countries are linked together during the journey of guests, requiring high specialization, two countries must link in general development to offer quality tourism product segments. Through tourism cooperation, the two countries can take advantage to attract foreign investment capital for economic development, because tourism products and services are interdisciplinary affecting many fields in the economy. (2) *Opportunity to expand tourist market and promote national image (Anders Hederstierna, 2017).* Tourism cooperation blurs the boundary between the two countries, so tourism images and products are promoted to the international market. (3) *Opportunities to learn and apply advanced science, innovate thinking and link to expand new types of tourism.*

Framework of cooperation

In the multilateral frameworks of Vietnam's tourism cooperation, 2019 was selected as the year "ASEAN - India tourism cooperation" to prioritize the development of two-way tourism between countries including Vietnam - India. This is a cooperation framework that has received much support from major international organizations such as the United Nations World Tourism Organization (UNWTO), the World Bank (WB), the World Travel and Tourism Council, and the World Tourism Organization (WTTC), to assist in finding resources to develop the tourism industry of Vietnam and India.

Highlighting the role of sub-regional cooperation mechanisms in enhancing bilateral cooperation as well

as complementing other ASEAN cooperation frameworks, Vietnam and India agreed to effectively promote the sub-regional cooperation framework, especially the Greater Mekong Sub-region, connecting the region between India and the four countries of Cambodia - Laos - Myanmar - Vietnam. One of the mechanisms being promoted recently between Vietnam and India is tourism cooperation within the Asia-Pacific Tourism Association (PATA), which is coordinated through the Vietnam PATA branch.

Tourism potential Vietnam – India

The number of Indian and Vietnamese tourists traveling abroad is increasing day by day. According to the Statistical Report of the Indian Ministry of Tourism, in 2014 there were 18.3 million Indians traveling abroad, this number has increased to 26.9 million in 2019 (Figure 1).

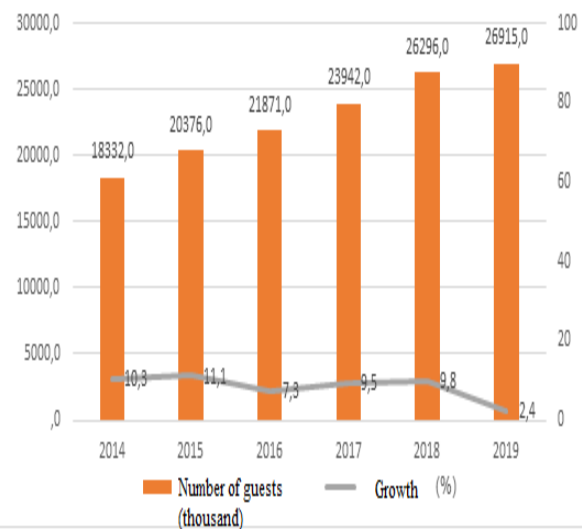


Figure 1: Foreign tourist arrivals in India, 2014 – 2019. Source: India Tourism Statistics, 2020.

In 2019, Vietnam welcomed 18 million international arrivals, rising to the 4th position in Southeast Asia, surpassing Indonesia (with 16 million arrivals), after Thailand and Malaysia, coming close to Singapore (Table 1).

Table 1: International tourists to ASEAN countries
Unit: million

	2015	2016	2017	2018	2019
Thailand	29,9	32,6	35,5	38,2	39,8
Malaysia	25,7	26,8	25,9	25,8	26,1
Singapore	15,2	16,4	17,4	18,5	19,1

Vietnam	7,9	10,0	12,9	15,5	18,0
Indonesia	10,4	12,2	14,0	15,8	16,1
Philippines	5,4	6,0	6,5	7,2	8,2
Campuchia	4,8	5,0	5,6	6,2	6,7
Myanmar	4,7	2,9	1,4	1,4	4,0
Lao	4,7	4,2	3,9	4,2	4,6
Bruney	0,2	0,2	0,3	0,3	0,2

Source: Vietnam tourism annual report 2019

Due to the closeness of culture, Indians are also very willing to explore new places like Vietnam because of security factors, diverse and suitable food. In particular, Indian tourists rarely go alone, but often go in groups of friends or family. Therefore, this is also a potential for developing Vietnam's tourism from the spending of Indian tourists.

Spending by Indian tourists. The total expenditure of Indian tourists when going abroad is quite high. Indians traveling to the Asia-Pacific region spend about \$15.2 billion per year. This figure is expected to grow to \$90 billion by 2030, making India one of the largest tourist spenders after China in the world tourism market (Tourism, 2019). In 2018, Indian tourist spending reached \$44 billion for shopping, dining and entertainment, and reached \$65 billion by 2020 (Statista Research Department, 2021). However, it is worth mentioning that out of nearly 27 million Indian tourists going abroad, the number of Indian visitors to Vietnam is mainly for official purposes with a very modest number.

2. Status of Tourism Cooperation between Vietnam and India

2.1. Cooperation between Associations and Businesses

The role of associations and businesses between the two countries is to be a bridge to develop tourism. It can be seen that the rapid increase in the number of two-way visitors in the period 2015 - 2019 is due to tourism promotion activities, international fairs or exhibitions organized by Vietnam - India associations and businesses organization.

At the fair, Vietnamese businesses focused on promoting and introducing tourism products and famous scenic spots to international visitors. This is an important forum for the two countries to introduce and promote the

image of their country, people and traditional beauties. At major exhibition centers such as Greater Noida International Exhibition Center. India held the 27th SATTE International Travel and Tourism Exhibition with the participation of 1,050 businesses from more than 50 countries, including many Vietnamese tour operators in 2019 (Vietnam News Agency, 2020). SATTE is considered one of the largest travel and tourism fairs in South Asia. This fair is very necessary to connect businesses effectively, find many new cooperation opportunities in the field of tourism, in which, Vietnamese and Indian businesses also focus on introducing products and services to customers.

In March 2020, the Vietnamese Embassy in India coordinated with ASIA DMC Vietnam and Allena Group to organize a conference to promote tourism and promote Vietnam's image with the theme "Vietnam – Dream Destination", suitable for the customer group with the highest per capita income in India with high-end resort packages.

For the difficulties caused by the impact of the Covid-19 pandemic, within the framework of the Vietnam - India Business Forum 2020, the Vietnamese Embassy in India coordinated with businesses of the two countries and the Chamber of Commerce, Industry and Agriculture of India have collaborated to point out problems and new directions for tour operators: 1) Businesses develop flexible policies for the postponement, cancellation of tours and deposits of guests; 2) Between businesses, hotels or travel agencies need to have contracts, close agreements, update information of the two parties regularly; 3) Re-connecting businesses to activate the plan to promote tourism after the pandemic (Vietnam Ministry of Industry and Trade, 2021).

2.2. Achievements

i) Attraction destination

Buddhism has become an important bridge in cooperation in attracting thousands of years of traditional tourism between Vietnam and India. Vietnamese Buddhism adapts to Indian Buddhism, while still carrying its own characteristics and quintessence. Vietnam has nearly 500 pagodas that are ranked as national historical - cultural relics out of a total of 3,058 national monuments of the whole country (Travel Magazine, 2015). The Buddhist festival is also one of the events attracting the influx of pilgrims to learn, live and experience with the Buddhist community such as the Huong Pagoda Festival, Yen Tu...

India and Vietnam need to follow the strategy of promoting many different product lines and different destinations so that tourists have many choices. For example, with the Buddhist tourism route in India, the

two governments can promote Vietnamese tourists in addition to choosing the "Buddha's Footsteps" route or the "Following Buddha" route, which should be further encouraged "Buddhist Heritage Road" or other tourist routes in the Northeast.

Vietnam also needs to seize the opportunities that are opening up in the North-South Economic Corridor of countries in the Mekong River region. This will encourage tourists to go to the Southeast of Cambodia, Thailand and the South of China, which in turn could make the vicinity of Northwest Vietnam receive more attention.

ii) Accessibility

The transportation system is an important factor for tourism, providing important links between regions, attracting tourists.

Table 2: ASEAN tourists to India by means of transport in 2019

Country	Arrivals (millions)	Air (%)	Sea (%)	Road (%)
Vietnam	33.636	78,81	2,42	18,77
Indonesia	50.177	95,23	3,01	1,75
Malaysia	334.579	98,97	0,59	0,44
Myanmar	86.842	63,76	1,24	35,00
Philippines	56.393	84,88	15,03	0,08
Singapore	190.089	99,64	0,14	0,21
Thailand	169.956	84,98	0,69	14,34

Source: India Tourism Statistics (2020)

Aviation is still the main means of transport chosen by passengers. Vietnamese visitors to India traveling by air accounted for 78.8% in 2019, an increase of 3% compared to 2018 (India Tourism Statistics, 2020). However, this rate is still lower than other countries in the ASEAN region with Indonesia accounting for 95%, Malaysia accounting for 98.9%, Singapore reaching 99% (India Tourism Statistics, 2020).

However, in 2019, Indian visitors to Vietnam increased very high with 27.7%, mainly in October (up 39.7%), November (up 40%) and December (up 51%). (Figure 2.1) (Vietnam Annual Tourism Report, 2019). The reason for this high number of visitors is that in December 2019, the cooperation between the two countries was promoted by Indigo's direct flight from India to Vietnam in early October 2019 and the direct

flight of Vietjet Air from Vietnam to India. The two countries cooperate to open direct flights to help tourists save flight time to only 3 to 3.5 hours, reduce transit costs in Thailand or Singapore, and increase airfare by about 350-400 USD/trip, 2-4 times higher than many countries in Asia (Hoteljob, 2019).



Figure 2: Indian visitors to Vietnam by month (in 2019)
Source: General statistics office of Vietnam, 2019.

iii) Accommodation service

The accommodation system of the two countries has been expanded in a modern and synchronous manner with the participation of strategic investors.

In Vietnam, in the period 2015-2019, the number of tourist stays increased from 19,000 to 30,000 establishments (up 1.58 times, an average of 12%/year). The group of 4-5 star accommodation establishments has 484 establishments with more than 1,000,000 rooms, an increase of 13% in terms of facilities compared to 2018 (Vietnam National Administration of Tourism, 2019). In India, as of 2019, the number of hotels is 1,961 hotels with 107,482 rooms, the number of 4-5 star hotels is 629 establishments (India Tourism Statistics, 2019).

From Table 2.2, we can see that the demand of Indian tourists for accommodation is very large. The average number of days of stay of Indian visitors to Vietnam is 21 days, for the length of stay from 4-7 days accounts for the highest 41%, followed by 1-2 weeks accounting for 32%, this is a great potential, and also a "piece of cake" that investors and travel businesses need to exploit.

Table 3: Length of stay of Indian tourists in ASEAN countries in 2019

Country	Average Length

	Average length of stay	0-1 day	2-3 days	4-7 days	1-2 week	>1 month
Indonesia	21	0,14	2,97	61,2	25,5	6,5
Malaysia	27	3,16	12,3	38,3	20,7	17,2
Myanmar	30	5,94	12,1	26,0	19,3	25,0
Philippines	64	0,14	3,06	27,46	21,91	37,7
Singapore	40	2,07	6,10	33,3	19,49	30,3
Thailand	9	3,09	19,56	64,21	16,49	3,26
Vietnam	21	1,17	5,56	41,02	32,7	12,9

Source: India Tourism Statistics, 2020.

One of the successes in the cooperation between businesses of the two countries in the tourism market is that the OYO hotel chain has launched in the Vietnamese market with 90 franchised hotels. OYO has planned to invest more than 50 million USD in Vietnam, creating about 1,500 direct and indirect jobs (Thu Phuong, 2019). This is the 5th largest hotel chain in the world, the largest in South Asia, with more than 23,000 hotels and 46,000 motels (Tram Anh, 2019).

2.3. Developments in Bilateral Cooperation

The number of Vietnamese visitors to India and India to Vietnam both increased

In the period 2016 - 2019, Vietnamese visitors to India grew strongly with an average annual growth rate of 17%. In 2018, Indian tourists to Vietnam reached 132,371 arrivals, up 21%; Vietnamese visitors to India reached 31,408 arrivals, up 32% compared to 2017. In the first 7 months of 2019, Vietnam welcomed 88,565 Indian visitors, up 19.9% over the same period in 2018 (Huyen Thanh, 2019).

The growth rate of the Indian tourist market to Vietnam is very high; in 2019 increased by 27.7% compared to 2018, the third highest among Indian tourist markets to Vietnam, after Thailand (with 510,000 arrivals, up 45.9%), Taiwan (reaching 927,000 turn, increased by 29.8%) (Figure 3). In particular, with the cooperation to open direct flights, this market achieved a strong growth rate in the last 3 months of 2019 in which October (up 39.7%), November (up 40%) and December (up 49%). 51%) (Figure 4).



Figure 3: Indian visitors to Vietnam 2015 – 2019
Source: General Statistics Office, 2020

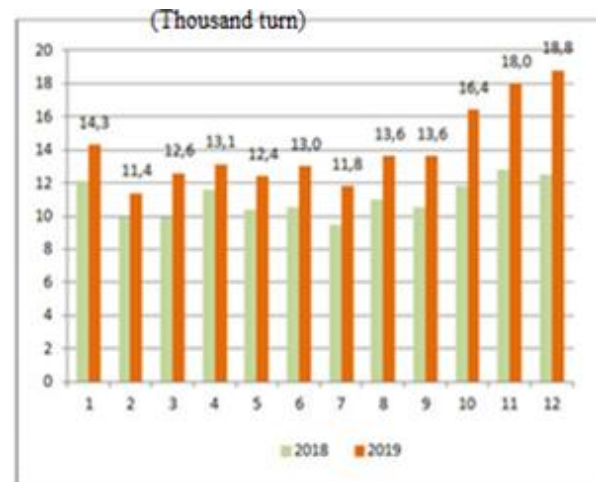


Figure 4: Indian visitors to Vietnam by month 2018-19

Promote cooperation to help reduce taxes and fees for customers

Through negotiations between the Vietnam National Administration of Tourism, the Government of India and businesses of the two countries, Vietnam and India have developed a strategy from marketing to pricing and visa issues for visitors. The result was achieved when India became an attractive destination because of reducing tourist visa costs for Vietnamese tourists with the reduction of e-visa from 100 USD to 25 USD. The fee for issuing a tourist e-visa valid for 30 days (the low tourist season is from April to June every year) is 10 USD, the fee for issuing an electronic visa for a 30-day tourist period from July to March next year is 25 USD, the fee for issuing a tourist visa for 1 year with multiple entries is 40 USD, the fee for granting an electronic tourist visa for 5 years with multiple times is 80 USD (Do Quyen, 2019).

The cost of accommodation when Vietnamese tourists come to India has been cheaper because the Indian Government sharply reduced the service tax. Governments of the two countries cooperate to open direct flights between Hanoi - Kolkata and New Delhi - Hanoi and Ho Chi Minh City; When launched, direct flights of Indigo and Vietjet Air have reduced the price of round-trip airfares to India by 50% from Vietnam.

For the electronic visa mechanism, India has applied to Vietnam out of 169 countries and is valid at 28 air border gates and 5 seaport border gates. The visa mechanism is applicable to tourists coming to India for tourism, business, medical and conference purposes.

With these favorable conditions, the Government and businesses of Vietnam - India increasingly cooperate to develop, becoming an attractive destination, attracting tourists, achieving high growth goals.

2.4. Limitations and Barriers

Restrictions on tourism promotion information

According to research from travel businesses, the number of Indian visitors to Vietnam is still limited because the information about Vietnam to India is too little, the visa application system is cumbersome. Tourism associations and businesses between the two countries have not yet actively coordinated and learned about each other, have not actively promoted typical scenic spots, but only known each other through sporadic fair stalls. Therefore, information about tourism products and destinations has not yet reached tourists, the needs and habits and preferences of tourists of the two countries. On the other hand, travel agencies still face many difficulties because they have to stand up for themselves to promote tourism in a fragmented and small way without support from the National Administration of Tourism. This leads to a situation of "strongly everyone does", not synchronized, causing information disturbance.

Differences in religion, cuisine

India is a multi-religious country, people apply different diets, so making menus and choosing restaurants is also a difficult thing for businesses. Buddhists are vegetarian and limit food from animals. For Hindu tourists, cows are considered mascots, eating beef is a sin against the gods. Meanwhile, Muslims abstain from pork because they are considered unclean food for the body. Currently in Hanoi, there are only 3 restaurants serving Indian cuisine professionally.

2.5. Solution

Enhance tourism promotion and promotion

Vietnamese tourism needs to "hit" on Indian tastes and psychology to attract visitors to its tourist

destinations. The outstanding tastes of Indian tourists are spiritual and historical values, so it is necessary to strengthen the promotion of tourist attractions with cultural connections between Vietnam and India such as My Son Sanctuary, Phat Tich Pagoda, etc. Cham tower. To overcome the situation of tourists lacking information about destinations in Vietnam, the National Administration of Tourism in collaboration with businesses to organize Roadshows, Famtour invites leading Indian travel agencies and press to visit famous tourist spots of Vietnam or invite Indian film crews to shoot. The images of landscapes, historical sites and famous actors of Bollywood movies or big reality TV shows in India will attract many visitors.

Training and improving the quality of human resources

The very low level of human resources who know foreign languages is a big obstacle in communicating as well as meeting the needs of customers, because English is the second language for Indians to communicate. The qualifications and competence of tourism service staff are the determining factors for the quality of tourism products, while the difference in service quality between countries is the factor that attracts customers to the tourism industry market. The staff needs to be trained, learn about Indian culture, customs, eating habits, communication so that Indian guests can feel the space like in their own country.

Conclusion

Tourism cooperation between Vietnam and India is going through a period of strong development, the number of tourists exchanging between the two countries has increased. With the improvement of factors such as attractive destinations, accessibility and accommodation services, the two countries' tourism industries are ready to promote their tourism potential as well as achieve many results in bilateral cooperation such as the number of tourists between the two countries increased sharply, reducing visa costs as well as many taxes and fees for customers. However, the limitation of this study is that it only shows the impacts of factors on tourism development opportunities, but has not shown the challenges facing the tourism industries of the two countries.

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