Vietnam’s Visa Policy for Tourists

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Abstract

States employ travel visa as an instrument to leverage on visitor arrivals for various reasons. In tourism, visa plays a crucial role in facilitating potential and last-minute tourists decision making process. This paper focuses on the Vietnamese government’s visa policy in the context of tourism development. Adopting an economic approach, this paper reviews some key achievements in tourist immigration policies and examines the challenges that deter tourists from visiting the country. This study purports that a stronger national strategy pertaining to simplification of visa processing and streamlining common visa entry union with neighboring countries within the AEC 2015 framework.

Key words: economic approach, national visa policy, tourism development
1. Introduction

The tourism industry is an increasingly important sector in Vietnam’s emerging economy. Political leaders in Hanoi have clearly understood the management strategies of visa as a tool in the economic development of the country. The recent history of Vietnam’s tourism policy has been one of containment and monitoring of visitors until the end of the Cold War in the mid – 1980s. China’s market reforms and the opening of the country to international tourism had seen dynamic economic growths and opportunities for development and employments. The former Soviet Union upon breaking up into a new state – Russia, continued to pursue market reforms. The Perestroika (economic restructuring) and Glasnost (political openness) initiated by then Soviet Union’s President Andrei Gorbachev had begun to have an impact on other communist states.

Vietnam too entered a period of peace after its withdrawal from Cambodia in 1989 and inducted itself into the Association of Southeast Asian Nations (ASEAN) in July 1995. By the late 1980s, the Vietnamese government had rolled out its own version of market reforms – Doi Moi. Hence, Vietnam became an integral part of the global capital markets and became a potential destination as the Communist Party of Vietnam became more mindful of the benefits of tourism to the country’s development.

Since 1986, when Vietnam government realized the importance of tourism industry in its economy, positive strategies were developed to promote tourism. The number of foreign tourists visiting Vietnam grew drastically from around 7,000 in 1986 to about 200,000 in 1990 and 2.3 million in 2001 (Vietnam: Tourism 2003). According to Vietnam National Administration of tourism, in 1990, tourist arrivals were at 250,000 (Vietnam National Administration of tourism, 2009). In 1995, tourists arrivals were at 1,351,300 and by 2000 were 2,140,100 (Vietnam National Administration of tourism, 2003). In 2014, tourist arrivals have increased to 7,874,312 (Vietnam National Administration of tourism, 2014). Prior to Vietnam joining ASEAN, for example, Singaporeans travelling to Vietnam had to have a special government approval for their travel to Vietnam. Singapore had placed a restriction on its citizens travelling to Vietnam, North Korea and China for political reasons. But all that had come to past with Vietnam having excellent relations with Singapore and as a member of ASEAN. This is just an example of how entries into a country can be controlled or managed by the respective states. But Vietnam’s tourism policy vis-à-vis development projects had commensurately increased the tourist arrivals as well as its conscious efforts to employ visa policy have helped the aviation and specifically the arrival of tourists in key entry ports.

Similar to many countries in the world, Vietnam’s visa is regarded as a policy instrument for national security and defense. It is a powerful tool to allow or deny entry to foreigners. However, visa requirement can be a barrier for spur of the moment tourists. Also, time and
fee required for visa application processing in person can results in the decline of international visitors to that country. Having recognized that issue, Vietnam has signed the bilateral and unilateral agreements for visa exemption and issued other visa relaxation such as visa on arrival (VOA). Through bilateral and unilateral visa free agreements some major markets for tourism have enabled more tourists to visit Vietnam.

2. Literature Review

Literature on travel visas are varied and focused mostly on tourism while a few do address the politics and international relations between countries. Lawson and Lemke (2012) observe in their study of 188 countries that host countries tend not to impose visa restrictions on citizens from countries which are rich and populous.

In the case of Zimbabwe, Zengeni and Zengeni (2012) found that despite allowing for easy visa applications and convenient location to apply at, for a selected number of source countries particularly citizens from the West were still not motivated to visit Zimbabwe because of a negative political stability perception. As an important market, Chinese citizens desiring to travel to Zimbabwe experienced difficulty in terms of convenient location to apply for a travel visa. Hence, according to Zengeni and Zengeni (2012), imposing visa travel and making it convenient is a good strategy, but more than that, the destination too has to contain a peaceful and attractive image.

In a focused study on the United States of America (USA) Visa Waiver Program (VWP), the USA only issued such a facility to countries with good relations and where the country can meet a number of strict criteria such as issuing passports with biometric reading, share theft or loss information through International Criminal Police Organization (INTERPOL) among others (Siskin 2014). Despite the inherent controls and measures put in place in the VWP, there was still ways in which foreign nationals had abused the program to gain entry into the USA and for illegal employment and entry into Canada to seek asylum (Siskin, 2014). This study suggests that there is no full proof visa program that can contain unwanted elements out of a destination and that tremendous effort in managing with both human and technological resources are needed.

The idea of visa as a tourism policy tool is significant. The meaning of visa, according to Whyte (2009), is a pre-emptive check on bona fides of tourists’ purpose and journey in order to allow them to travel to a particular foreign country within a specified period of stay. Visa restriction helps to manage cross-border flow of people and prevent illegal immigration. Additionally, another major concern of this policy is the infiltration of political activists and terrorists, etc. Thus, this policy represents a crucial mechanism to protect social security as well as regime stability whether it is rational or irrational (Neumayer, 2010). Anderson did
mention that the more repressive and autocratic the regime is, the less open it is to others. China, North Korea, Myanmar are the typical examples for this statement.

On another hand, visa restriction is a serious obstacle for countries which are heavily dependent on trade and tourism. Therefore, for those countries, they usually implement relaxing visa requirements to create an easier access for investors and mass tourism. O’Byrne highlighted that “freedom of travel is freedom to trade” and the need of visa relaxation to meet the demands of tourism in the integrated world (Neumayer, 2010, p. 178). Therefore, this policy review paper on Vietnam’s visa policy attempts to fill the gap in literature which is scant especially on Vietnam and tourism policy instrument. Reflecting back the case of Vietnam, there has been no research about Vietnam’s visa policy for tourists up to now.

3. Review Approach

The study of travel visa and Vietnam’s tourism policy is an example of an emerging and communist state’s sagacity to enhance its destination attraction as well as increase the tourist arrivals. A review of the current visa regime through the different programs in place for visitors to enter the country, this paper analyses the advantages and disadvantages and also its efficacy for tourism policy strategy.

<table>
<thead>
<tr>
<th>Visa Policy</th>
<th>Tourism Project or Target Countries</th>
<th>Visitor Arrivals</th>
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<tbody>
<tr>
<td>Visa free arrivals for all tourists for 30 days but restricted only to the island.</td>
<td>Phu Quoc Island</td>
<td>2012: 500,000 tourists arrivals and expected to increase to 3 million by 2020.</td>
</tr>
<tr>
<td>Visa exemption for the period up to 15 days (since 2004)</td>
<td>Sweden, Japan, South Korea, Denmark, Norway, Finland and Russia</td>
<td>2014: 7,874,300 tourist arrivals increasing more 4% than 2013. 2014: 114,000 Korean tourists increasing 85.5%. 648,000 Japanese tourists increasing 7.3%, Russian visitors 364,900 increasing 22.4%.</td>
</tr>
<tr>
<td>ASEAN Tourism Agreement (Visa exemption for the period up to 30 days)</td>
<td>Laos, Cambodia, Singapore, Myanmar, Thailand, Indonesia, Malaysia</td>
<td>First 8 months of 2014: 5.47 million arrivals and expected to increase 6-10 million tourists by 2016.</td>
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</table>

Utilizing largely secondary research methods, the study examined tourism arrivals vis-à-vis development projects and efforts to increase tourists inflow. Our review was particularly interested in the Vietnamese government’s effort to increase tourists arrival upon completion of each and several projects. Liberalizing or initiating new visa programme at each stage contributes to tourists arrivals. Our paper, analyses several of those stages in the context of the different programmes and provide policy recommendations for practitioners to consider.
4. Background of Vietnamese Visa for Tourists

Generally, Vietnam visa has two kinds; one is separated and attached to passports, another is stamped inside passports. The visa is considered valid in Vietnam including single entry and multi entry ones. According to Vietnam’s regulations of governing the immigration of foreigners, application for a visa can be at the embassy, consulate of Vietnam in foreign countries or at the international border gates and port entries of Vietnam. Code for tourist visa is DL with the stay no more than three months. Processing duration for tourist visa, according to the law, is within three working-days from the day valid and complete visa applications and visa authorization granted by the Immigration Department are received by the Vietnam diplomatic mission abroad.

4.1 Visa Free Entry

Currently, Vietnam’s visa exemption is applying for seventeen countries, including: Laos, Cambodia, Singapore, Myanmar, Thailand, Indonesia, Malaysia, Philippines, Brunei, Sweden, Norway, Denmark, South Korea, Japan, Russia, Finland and Kyrgyzstan with different length of stays. For tourists from ASEAN countries, visa-free system is applied within 30 days, (exception for Brunei with 14 days and Philippines with 21 days) and other visitors from seven countries with unilateral visa exemption, including Sweden, Japan, South Korea, Denmark, Norway, Finland and Russia are benefit from this system within 15 days (Vietnam Ministry of Foreign Affair, 2013).

Noticeably, recognizing potential tourism development in Phu Quoc Island (Kien Giang Province), the government has implemented the policy of visa exemption for foreigners and the Vietnam foreign passports to stay there within 30 days (Vietnam National Administration of tourism, 2014). If tourists want to visit other provinces/cities of Vietnam or exceed stay period, the Immigration Administration is in charge with granting Vietnam visa right on the spot for tourists. Visa-free policy in Vietnam currently has contributed positively to the development of tourism in Vietnam.

4.2 Visa on Arrival (VOA)

Visa on arrival system enables tourist to applying Vietnam visa online through Vietnam international travel agencies. Though VOA paperwork is not issued by Vietnamese Embassy, it is legitimated by law. In order to get a visa on arrival, applicants much have an official approval letter in advance to present at VOA counter in any international airports on reaching Vietnam including: Tan son Nhat, Noibai, Danang, Vinh, Cam Ranh, Can Tho, Cat Bi, Chu Lai, Phu Bai Airport and any other international land borders or port entry of Vietnam. It takes about two or three working-days for normal visa pre-approval processing but one day for urgent cases with higher fees. However, granting visa at the international land borders of Vietnam is still limited for tourists. They are eligible to VOA when they enter Vietnam for
visits under programs from tour operators of Vietnam or depart from countries without Vietnamese diplomatic mission representatives (Vietnam Ministry of Foreign Affair, nd).

VOA system is not applicable for citizens from following countries: Afghanistan, Algeria, Bangladesh, Cameroon, Ghana, Guinea - Bissau, Haiti, Iran, Iraq, Jamaica, Jordan, Kenya, Malawi, Namibia, Nepal, Nigeria, Oman, Pakistan, Palestine, Qatar, Rwanda, Saudi Arabia, Somalia, Sri Lanka, Sudan, Trinidad and Tobago, Tunisia, Turkey, Yemen, Zimbabwe (Tripadvisor, nd).

4.3 Visa Extension

Vietnam visa extension is meant to allow tourists prolong their stays legally in Vietnam after their expired visa. It spends approximately four to seven working days to complete the process of visa extension. Particularly, tourists are allowed to apply at least two weeks before expiration for 3 months visa extension. In order to extend Vietnam visa, passport need to be valid at least 6 months. The process of Vietnam visa extension includes 3 main steps. First step is sending scan of passport and current visa stamp to Vietnam Immigration Department to check and inform service fee. Next step is bringing the original passport to the authority office directly or posting. Last step is getting back passport after around 4-7 working days. In case of emergency, tourists can pay for additional fee to get visa extension faster about 2-3 days. Tourist visas are valid for a period of single 30 days and a standard tourist visa can be extended three times through Immigration Department (Vietnam, 2015).

4.4 Visa Renewal

Currently, transit visa is not required for foreign tourists in Vietnam. However, tourists still need to apply a normal single entry visa in case that they would like to stay outside the airport such as hotels. In term of visa renewal, the fee is more expensive than visa extension service fee because of stamping fee and visa sticker fee.

5. Results and Discussion

Visa free policy is one of the efficient ways to lure tourists to visit a destination. It helps to save time and initial costs for visa application. Many destinations in ASEAN adopted a visa-free system extensively and achieved positive results. For example, Thailand has loosened visa policy for 61 countries, Malaysia has applied visa exemption for 155 countries and Singapore with 150 countries applied this system. International arrivals to those counties, thus, have increased significantly. As a result, international tourists to Vietnam are still much lower than other countries in the region. Though the government benefits from major income stream for visa fee, complicating visa applying procedure deters potential tourists. Therefore, the expansion of visa exemption will also contribute to increase the competitiveness of Vietnam compared to destinations in the region.
On the other hand, visa on arrival contributes to simplify the visa processing and tap in potential tourists. However, getting VOA paperwork does not ensure time-saving for tourists as red tape of immigration procedures is one of limitations hindered tourism. Furthermore, some hassle-free such as long queues, low time process, unclear information is huge psychological barriers for tourists. This probably brings bad first impression on tourists and deters them from fully.

Recognizing the potentials of main markets for tourism, visa requirement waived for tourists from nine major markets is proposed, including: France, Germany, UK, Spain, Italy, Australia, New Zealand, India and Canada (Thanhnien News, 2014). Although China is the biggest market for tourism in Vietnam (Dao Loan, 2015), its citizens do not benefit from visa exemption for some political reasons.

In term of cruise tour visa, Entry, Exit, Transit and Residence of foreigners in Vietnam Law which was newly implemented from the date 1st Jan 2015 has caused some troubles and pushed the tour operators in the passive status. Currently, like most of the countries in the world, Vietnam does not require any transit visa. Therefore, when tourists want to go outside the airport for one night sleep or a short visit, they need to apply for single entry visa. Accordingly, instead of a transit visa for international cruise visitors who usually stay for a short period before traveling to another country, they are required to have entry visas (previously, they were able to use the permit to visit for a sightseeing tour). Moreover, previously, cruise tourists and passengers coming by road just paid visa fee of 5 USD each, but now everyone must have a separate visa for a fee of nine times higher (45 USD). This issue could be attributed to the lack of private business participation as stakeholders in law making process. They are the one who directly operate tourism services and serve visitors; therefore, they can distinguish between the different types of tourists to call for the visa policy priorities. For example, cruise tourists visit Vietnam only short stay before routing to the third country such as Thailand or Malaysia, thus, policy makers should not equate them with air-entry passengers who can stay from 15 days to one month (Phong, 2015).

In 2014, the new regulation on visa fee issue for foreign tourists to Vietnam by sea was implemented by the Ministry of Finance. In detailed, this new visa fee had increased from US$5 per visa up to US$40 together with more complicated visa procedures for cruise travellers. Hence, there were many complaints from travel enterprises as well as foreign cruise lines were raised against the new regulation on visa for cruise tourists because its complicated, time-consuming and costly immigration requirements. Dealing with feedbacks on the new rule, Prime Minister Dung asked Ministry of Finance must cooperate with other relevant ministries and departments, includes Ministry of Public Security, Ministry of Foreign Affairs, Culture- Sports- Tourism, and the Vietnam National Administration of Tourism to
modify visa fees and simplify procedures (Vietnamnet, 2015). As a result, $5 fee still applied for cruise travellers as before. Therefore, it can be said that there is a need to have a strong linkage and cooperation between relevant departments in Government system to have comprehensive united framework which allows all stakeholders to achieve the best advantages.

Regarding tourist visas, one of the challenges that visa policy should consider is about tourists with travel visa who overstay their visa to engage in work without a work permit. To have a better management of foreigners in Vietnam, the Vietnam government should have a more strict regulation on those tourists who enter Vietnam for working purposes.

6. Conclusions and Recommendations

Following Lawson and Lemke (2012) study on favourable visa rules for populous and citizens who are richer. In our study, Vietnam’s response have shown that in recent years, it has favoured Indian and Chinese travelers in the same vein recognizing the potential of these large market source. Additionally, similar to Indonesian visa free entry ports, Vietnam has also instituted visa free entry for Phu Quoc.

In terms of national security, Vietnam’s tourism policy is relatively safe as there are no major international threats to its social and political fabric such that citizens from foreign countries could make an effort to conduct sabotage. However, it cannot be denied that ensuring national security and sovereignty plays an important role in developing tourism industry of every country. In the context of security and politics, ensuring national security and sovereignty must be considered as one of the most important elements every country need to be concerned. Therefore, visa free and visa on arrival need to be considered on the basis of sovereignty and security of the country. Visa exemption for international tourists and visa on arrival with clear conditions and simple procedures consistent with international practice is an indispensable trend of the process of globalization that Vietnam cannot avoid.

6.1 Set up e–visa System

In order to make Vietnam become an appealing destination, the government should simplify visa policy for tourists such as extending visa-free policy, establishing electronic travel authority (ETA), custom union between Lao, Vietnam and Cambodia. First, as a value idea, most tourists do not mind paying visa fee for a destination. However, to accommodate this process, a visa applying procedure such as the ETA system (also known as e-visa) needs to be introduced in Vietnam. It is a visa that can be issued electronically without a stamp marked on the passport and automatically linked to applicants’ passport. A scanned copy of passport and other request forms are required for the processing of ETA system online. Subsequently, machines are deployed to read those e-visas. This system should be valid for

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single entry with limited duration. This system helps to tap on the last-minute travelers such as businessmen for conferences and exhibitions.

6.2 Custom Union

Secondly, custom union (single regional visa) is a form of integration that needs to be focused. Initially, this union can be between Lao, Vietnam and Cambodia so that tourists who have a visa in one of three countries can freely travel among them. It can be said that there is a significant mutual benefit that Vietnam, Cambodia, and Laos will derive from tourism partnership as this cooperation will increase travel to three countries from all over the world. In the near future, when all countries in AMEC achieve agreements in development as a Single Destination, the regulation will allow people to travel freely among the members of AMEC, which would increase the flows of tourists within the region as well as Vietnam. It can be said that there is a mutual benefit that all countries include Vietnam, Cambodia, and Laos will derive from tourism partnership will be significant as it will increase travel to all three countries. Advocating the concept of ‘REGIONAL TOURISM’ entails cooperation amongst ASEAN member states and promotes the region as one destination.

6.3 Improving Visa Policy

The insufficient and complicity of visa extension policy is another issue that creates a bigger challenge for visa extension process. In addition, different provinces in Vietnam have different process in their own ways to confront with visa issues (Suntikul, Butler & Airey, 2008). Visa waivers program should be applied for a longer period of stay for tourists to visit. With the current legal stay of 15 days for tourists, there are some reports pointed out that it was not compensate for the money lost for visa exemption (Lee, 2013). In fact, tourists usually wish to travel along Vietnam from the North to the South, especially for backpackers. However, it takes one to two days to travel among each destination by train or bus; thus, increasing the number of days for tourist visa applicants within visa waivers program to discover many other beautiful wonders in Vietnam. The more they stay, the more they spend, which benefits local economy. The Vietnamese government realized the important role of backpackers in bringing significant tourism income to Vietnam and the extending duration of visa is a need to improve the competitive advantages of Vietnam tourism (Suntikul, Butler & Airey, 2008). Also, strict punishments such as a heavy fine policy should be put in place when travelers overstay beyond the numbers of days given.

Tan Son Nhat International Airports (Ho Chi Minh City) and in the future, Long Thanh Airport will be a hub for transit. Learning valuable strategies from Singapore Changi Airport, to attract more tourists to enjoy their time when they transit in Vietnam as well as increase the revenue for tourism industry, it is a good strategy to offer foreigners to stay in designated transit passenger areas at airports or be allowed to go on a City Tour within 72 hours.
Regulations in the future need to consider these types of strategies. Moreover, for cruise visitors, this strategy also works effectively. For example, 72 hours without a visa could be applied for this type of tourists provided that they travel within a respective city during their stay before traveling to third country.

6.4 Upgrading Facilities

As Suntikul et al (2008) affirm that visa-on-arrival system of Vietnam does not actually bring conveniences to tourists. In fact, it can be said that the visa procedures are much simpler in Thailand and Lao PDR (Suntikul, Butler & Airey, 2008). Due to challenges in the Vietnamese implementation of VOA, tourists may not choose Vietnam as their destinations because of inconvenient process. More landings for VOA should be installed at international airports to eliminate waiting status. Upgrading facilities together with good services from officers and staffs working at the airports helps bring convenience and comfort for visitors. Additionally, there is a need to apply technology by IT program system to reduce the waiting time with simple steps.

6.5 Accurate and On Time Information on Official Website

On the other hand, to fulfill the satisfaction of tourists, there are some issues Vietnam tourism should consider, such as the effective ways to convey accurate information about tourists visa policy together with immigration policies to visitors as well as travel agencies at the right and in time through an official website. All the information about documents required, processing time, processing fee and how to collect visa needed to be listed clearly on the website. It can be said that the lack of reliable information on current visa policy for international tourists can be seen as one of the elements that restrain the appeal of Vietnam as a destination (Suntikul, Butler & Airey, 2008). In the current time, there are many business websites taking name such as: evisa.com.vn; e-visa.vn; or Vietnam-evisa.org, etc. Dealing with unofficial and business websites about visa service, potential international tourists travelling to Vietnam may be confused. Therefore, the Department of Vietnam Tourism need to announce widely and reach out to potential and current international travellers about the official website http://visa.mofa.gov.vn for e-visa procedures. This is also an issue that Vietnam government needs to consider.

There is a need to make sure that all kinds of visitors receive fully and correct information about immigration procedures before and when traveling to Vietnam. Specifically, instruction boards also needed to be clear and easy to understand in the airports. Importantly, there could be an official forum for tourists to answer for their inquiries about Vietnam visa. In fact, there are many forums discussing about this issue to share their experience but most of them are confusing. An official information and forum hosted in a government website.
would help alleviate some of the problems faced by potential tourists in their visa application needs.

6.6 Reforming In Administrative Procedure

In addition, to perform the tourist visa policy effectively and efficiently, Vietnam government needs to carry out the reform and administrative procedures by improving the immigration officers’ skills and knowledge quality. It is a need to make sure that Vietnam immigration officers can communicate in English with the friendly and opened attitude and professional manner. Furthermore, having information officers who are always willing to answer questions about the Vietnam immigration procedures is necessary.

This reform in tourists visa policy can support the Government’s efforts in attracting new business events and tourism investments into Vietnam. Also, doing surveys about level of satisfaction of international tourists in terms of visa and immigration procedures in Vietnam to collect opinions and comments from them is a need for the reform. From that, specialists can realize which elements that Vietnam tourism industry has done well and which elements they need to improve. The results will give valuable suggestions to improve immigration procedures more convenience and easier for current as well as for the potential international tourists. In the case of tourists who wish to extend their stays in Vietnam, the government should set up a separate website to provide clear information and online application for travelers who wish to extend their stay in Vietnam. The Government can take Singapore e-XTEND website as a good example to implement. Hoping with those efforts to simplify visa procedures, it will create many attractiveness to tourists. (Using innovative visa policy as a marketing tool to expand images of Vietnam into the world – can increase its competitive advantages)- Need to consider visa as its competitive advantage of its tourism industry.

6.7 Stakeholders’ Collaboration: Private, NGOs and Government

It cannot be denied the fact that there is a loose cooperation between different departments and authorities in the Vietnamese Government. In fact, the lack of cooperation between different levels of Vietnam’s tourism legislation is caused by decentralization of its government (Suntikul, Butler & Airey, 2008). Therefore, to achieve good outcomes in terms of developing economic, there is a need to have strong collaborations between private, NGOs and government organizations. This collaboration can be considered as an important element that spur’s tourism development in Vietnam. In terms of tourism development, Vietnam Tourism Authorities also needs the support from the private sectors or groups such Saigontourists, Viettravel, etc as well as from other departments, together to create and apply joint regulations to attract more tourists.

Much potential exists for Vietnam to leverage on its tourism and visa policy. Corollary to its development and opening up of attractions to international visitors, Vietnam will stand to
gain from a more liberal visa policy and where there are restrictions, a more simplified and accessible process will translate into real gains in terms of tourists arrivals.

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