



What About Vietnam – 3-1 – Travel Industry experts share their insights into Vietnam beyond 2021

[00:00:36] Kerry Newsome: Xin chào, and welcome to What About Vietnam. What a week! Can you believe the news that has been coming through about Vietnam? It's staggering. I'm so concerned for Vietnam. I really feel for everyone at the moment. While the numbers in Vietnam have been focused largely on the North and they still are, I think the rising numbers in Ho Chi Minh City is where the most recent concern is coming through. Yes, it's very hard to know. It's a watch and wait and see, just how they can get on top of this as quickly as possible, but I have every confidence that Vietnam can do it as they did in the very early stages of the pandemic back in 2020.

Look, just to give some context, I've got the guests on this show, which are going to really give you some industry perspectives, Gary Bowerman and Hannah Pearson from The South East Asia Travel Show. They have their own podcast, and I was on their show a couple of weeks ago. In that show, I was reminded of just how important it is to get really good advice and to get it from experts. If you're like me, I'm getting a lot of information through news feeds and Facebook pages and Instagram groups and all that chatter that is out there. It's very hard to try and feel like you're getting the right advice or the best advice. I'm really delighted to have Hannah and Gary on.

In no way in my show am I trying to give you COVID updated advice as in a minute. It's just impossible to do, and it's not really the aim of my show. The aim of my show is to give you the best possible advice I can get you to help you make informed decisions about traveling to Vietnam in the future, so that you can hear from travelers from their own perspectives. Today is just going to give you that extra industry information.

We're going to talk about vaccination rollouts in Vietnam. We're going to talk about Visas. We're going to talk about domestic versus international. We're going to talk about just how Vietnam gives priority to their own residents, similarly to all of us, but with a population of nearly 100 million, it's a big deal for them. It's going to be a big deal to get the vaccination rollout there. A lot to be revealed in this program today. I know you're going to love it, and I'm sure Gary and Hannah are really going to give you some insights you may not have thought about. Stay tuned and please welcome Gary and Hannah to the program.

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Welcome Hannah and Gary to the What About Vietnam Podcast.

[00:03:48] **Gary Bowerman:** Hi, Kerry.

[00:03:48] **Hannah Pearson:** Thanks for having us.

[00:03:50] **Kerry:** I'm thrilled to have you on the show to get a travel industry perspective. Our news feeds fill up hourly with advice on COVID, travel restrictions and latest outbreaks. It's hard to keep up and to know what source to trust.

The media is driving much of the information we consume. As hosts of the Southeast Asia Travel Show Podcast, I know you both are heavily involved within the Asia Pacific travel and tourism industry. Gary, I know, is closely monitoring the situation in roles working with the Mekong Tourism Advisory Group, leading hotel groups, tourism boards and online travel agents. Hannah, you provide a very influential weekly report tracking the impact of COVID-19 on the Southeast Asian tourism industry and working hard within the industry tracking trends developing within the Southeast Asian and Muslim travel sectors. I'm sure my listeners are going to be very keen to hear your take on how this region is shaping up as a whole and what's in store for travel in the second half of 21 and beyond. Without further ado, and I'm not sure who to throw this question to, so guys feel free to jump in as you see fit. When you think of Vietnam, what springs to mind first, given the current state of affairs, re-travel, and also there's still a record thus far?

[00:05:19] **Hannah:** Maybe I'll go first then. I think the thing that really stands out for me about Vietnam is just how efficiently they have handled everything so far. To date and I checked out the case numbers this morning, they've had less than 6,000 new cases since the beginning of this thing. That is, for me, super impressive, especially when you look at countries like Indonesia, Philippines who have crossed the million mark. They're countries with a similar population size. They've also got a lot of people, but Vietnam has somehow managed to really control this. I think a lot of that comes down to how fast they react. They react very fast with pretty strict measures, but those seem to be working.

What we really saw last year, I think, was they were one of the few bright spots in terms of domestic tourism in the region. Their domestic tourism was really going somewhere. I think when it comes to 2021 things, I'm not saying that they're falling apart. [chuckles] They're not at Indonesia, Malaysia, Philippines levels, but we have started to see more increases, more frequency of surges, right? Right now, Vietnam is in this fourth wave. I think it is. Each time they're getting a bit more complicated, so this time I think they couldn't really track necessarily where they come from. There's lots of different origins. There's lots of different variants as well. Things are getting increasingly difficult to manage, but things still seem to be fairly under control right now.

[00:06:50] **Gary:** I would agree with everything that Hannah said. I think it's certainly last year-- as you say, it's a little bit more difficult now because the variance of this virus and its transmissibility across Southeast Asia is proving very, very difficult.

Vietnam is just one of the countries that's really struggling right now.

Certainly last year and early part of this year, I'd say that Vietnam was the closest to China in terms of the speed that it actually responded and the way it closed down local outbreaks, tracking and tracing, very, very strong focus on that, which is something we haven't had here in Malaysia. I'd say that Vietnam's success was the way that it just responded incredibly quickly to each outbreak. You mentioned there the economy, which is a very, very important part.

That's one of the reasons we've discussed on the podcast about "**Will Vietnam reopen? When will it reopen?**" There's a school of thought that says it doesn't really need to reopen yet because it does need to protect that economy, and it also needs to make sure that it keeps everybody safe

and secure, keeps the economy moving because of investment. I don't think there's any doubt that when COVID is done and gone. The two big investment destinations in our region will be Vietnam and Indonesia. That's already happening anyway.

[00:08:07] Kerry: Correct.

[00:08:06] Gary: That's where international investors are looking for the future. A lot of the investment you already have in the North of Vietnam is companies that were operating in China and have actually diversified some of their operations out of China into Vietnam for a number of reasons. That will continue in future. The economic prospects for Vietnam should be pretty strong in future. The fundamentals are there, but I 100% agree with you, Kerry. It's a really difficult balancing act right now. I would say that international tourism probably isn't the highest priority. It's protecting people and protecting the economy.

[00:08:41] Kerry: Getting on to a bigger picture thinking, what do you think are going to be, just from your observations, the biggest changes in the way we travel? Do you think there's going to be some things in the way we travel that are going to be temporary or short-lived or will there be some that are going to be permanent fixtures?

[00:09:03] Gary: **That is the million dollar question.** We get asked it all the time. We ask ourselves it all the time. I think a lot of the work that I do, particularly over the last year when travel has been paused essentially, is that I work a lot in consumer economies, so Vietnam and Indonesia, the two economies that we look at mostly. We've looked a great deal at the way consumers have behaved over the past year. It's been great change.

We read these media stories about everybody's moving online. People are buying certain products online that they didn't buy before they're buying more of other products. There are a lot of other behavioral changes as well, particularly in terms of the way consumers respond to media campaigns, the way they respond to video campaigns. Lots of things have changed over the past year. You notice I mentioned before that I think Vietnam and Indonesia are going to be the two strongest economic sectors going forward. There's a lot of projections are starting to happen. This is what happened in travel. When things start to go well, people start projecting 10 years down the road or five years down the road. I think with consumers as with travelers, there's a great deal of uncertainty right now. There could be a lot of the things that we're seeing happening now. I just experienced during the pandemic because there's a lot of things we can't do. We are socially distanced.

We have movement restrictions "Which come and go" We have the fear of the virus, which is a huge, huge fear. I think in terms of what travel will be like in the future and the way consumers will respond in future is a great unknown. I think the travel industry itself is looking for all these ways to try and model what could happen in future. They are great unknowns, and I think anybody who actually puts the neck on the line and predicts this is making a big risk.

[00:10:42] Hannah: This is something that Gary and I always say that we've never seen so much tourism industry featured in the media in Southeast Asia and worldwide. It's almost the-- I guess this is going to be the last thing that gets back to normal, so perhaps it's what everybody is focusing on, right? "Oh, flights have opened up." People get excited about that because it's like that step towards normality. I think one big change that Vietnam has perhaps seen over the last year is this expansion of domestic flight networks, so we've seen airlines like Vietjet, like Vietnam Airlines and like Bamboo Airways add secondary tertiary routes, linking different destinations that were perhaps never linked before to open those up and a lot more cooperation between provinces as well in terms of promoting one another and creating interesting different

routings. I do think that that is going to continue. I don't think that that will be temporary. I think once those routes are there and people see that the markets are there, that's going to continue.

[00:11:45] Kerry: Typically Vietnam, they are brilliant at reinventing themselves. They have such an ability to make an opportunity out of adversity. There'll be people that were selling one thing one day and will now realize that they need to go into something else because guess what? The market's changed. Their adaptability is something to be admired, and we're seeing this everywhere in all the major tourist hubs in Vietnam, where people were running restaurants one minute. Now, they've got an amazing takeaway business that will be their new business moving forward. They just adapt and move on.

[00:12:31] Gary: I think there's an element of that. I think the adaptability is absolutely true, but I think that it's often underplayed just how much creativity there is in Vietnam, particularly in the major hubs. If you look at Hanoi or Ho Chi Minh City, particularly amongst young people, young creatives, young media, young fashion, young lifestyle, young music, they're really vibrant hubs right now. I said this before on the podcast that those two cities really remind me of what I lived in China in the early 2000s. Shanghai and Beijing were going through a very similar competitive scenario where there was a lot of creativity in Beijing, there was a lot of creativity in Shanghai. They often played off each other. The nation was benefiting from that because young people were really at the forefront of creating a new lifestyle in many ways. I see that a lot of parallels with that in Vietnam right now.

[00:13:19] Kerry: Yes, and I was talking to a girl. We were talking about Saigon during 2020, and she was talking about how entrepreneurs literally who were found themselves stuck in Vietnam during 2020. We were all locked down, but these people were on the spot, putting together small events. DJs also found themselves, and musicians found themselves in Saigon. They were doing secret weekends away with these great fantastic events. People decided to expand their businesses. There's been further development in craft beers and rooftop bars. People just made the best of it in the best possible way and just turned their entrepreneurial heads. I just really admire them, the way they can do it.

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What did the industry miss as far as developments were concerned in their forecasting and feeding the media, etc.? What was the most overlooked development do you think so far?

[00:14:38] Hannah: I think a lot of it is down to that cooperation internationally. I think we've really seen a lack of nations not working together with one another. We've certainly seen that, haven't we? With the vaccination rollout, and countries very much keeping vaccines to themselves. But just in terms of, you know, you said everyone thought vaccines were going to be the be all and end all. Nobody seemed to think beyond that. "What happens when you are vaccinated? With vaccine certificates, are they going to be issued? Are they not? What format should they be? Should they be digital?" But does it matter what vaccine you had? Does it matter the length of time between these vaccines being administered, the different doses. There's so many different variables. This is one of my big bug bears that I'm always saying, "I just don't know why people didn't think about this sooner." We should be thinking about that this time last year, at the same time as developing these vaccines, so that once the vaccines were ready, everything "Boom" could be rolled out as-- well, never, things are never going to go smoothly, but as fast and as efficiently as possible. That's not been the case.

[00:15:47] Gary: Yes, I would agree. I think the major developments in terms of how we respond to COVID-19 worldwide, but in Asia as well, have been scientific. Hannah's a big

advocate of testing new testing protocols. There's been a lot of innovations in testing. We've seen saliva test, breath tests, all these different kinds of testing protocols are available now.

The problem we don't really understand is the travel industry wants to get back to the way things were before, and that scale, that's big numbers. That isn't going to happen anytime soon even with vaccines. There is going to have to be some interim period where we allow people to travel again in a phased and staggered manner.

That will inevitably involve removing quarantines. We have to get rid of quantities if you're going to have people travel. This simply is a massive disincentive. To do that you need really good testing, and you need to make sure that it's robust, that it works, that it's accurate and is verifiable across countries. As Hannah said, this lack of integration and almost trust between different governments is just palpable and getting worse, I think. The issue we have is the science, the technology, much of it is there, but the bureaucratic side of things is stymieing everything right now.

[00:17:05] Kerry: Yes, and I'm really glad you brought that up because that's what I'm saying, too, that cohesion, that transparency between countries, that sharing of knowledge. We thought that scientists getting to be able to create a vaccine in such a short amount of time. That was sheer genius, and that was great cooperation within countries and sharing their expertise. You're right that they got to there, but then, okay, well, how were we going to verify that? Where was the credibility factor going to come in that you or me, we are vaccinated with the level of vaccination that a country will accept us?

[00:17:48] Gary: Yes, I agree. I think it's a two-way thing as well. It's not just vaccinations for travelers is vaccinations for residents at the other end. You've got to have people feeling confident and safe and not wary of foreigners coming into the destination for the first time in 18 months or two years or whatever that is. There is going to be a changing mindset as well. I think the other thing that this region is really struggling with at the moment is empathy towards people who don't want to have a vaccine.

There are many reasons why people don't want to get a vaccine. Governments are really having this hard view of "Well, you take it, or you don't take it." There's got to be a better understanding of reasons why people don't want to take it and trying to control people rather than trying to use a stick approach. You've got to look at some opportunities, I think. Because I think one of the things we're seeing here in Malaysia is the vaccine roll is incredibly slow. A lot of that is also because people are not turning up for appointments, and in in some cases, simply just not registering. But there is a bit of a slow role. You're starting to see that more people are encouraged when they see their friends or their relatives posting on social media they're getting vaccinated. It's slow, but it does happen. I think there is just this, like you said, this idea that vaccines are a panacea, and that will happen within a few months. We're finding out that that just isn't going to be possible.

[00:19:10] Hannah: It's not only this year, but it's what's going to happen next year and boosters. I think a lot of countries see this finite end to it. It's not, is it? It's not going to end once you've got to 70%. It's just going to have to keep going at least for another few years. I think there's still not that realization in governments yet that that's the plan. It's very easy for Laos to say, "Oh, we're going to reach herd immunity in 2022." But by that point, many countries would have already been on the-- they'll be on the booster doses by then. They're not going to be just on the first round of herd immunity.

[00:19:47] Kerry: That's how the narrative I can see going. It'll be like, "Oh, well, you had the shot back in 21. You haven't had the booster in 22, so does that make you, then, less of a good

traveler or less of the ideal traveler?" When I'm filling out my Visa application to enter a country, are they going to ask me when was your COVID vaccination? When was your last? And is there going to be some algorithm, we'll say. "Oh, no. Cut her off because it's been 12 months since she's had it. She hasn't had the booster." All of this validation kind of stuff, I just see maybe my crystal ball is going a bit crazy at the moment.

[00:20:33] Gary: I think that's a really good point. That often doesn't come up. I've not heard in discussions. I've heard about vaccines that "When did you have your vaccine? Does that actually impact your ability to apply for a Visa?" Not heard much about that. I think it's absolutely true.

[00:20:49] Kerry: All right, so I'm going to throw the real curly at you now because I'm going to talk about travel bubbles. Because there's been a few that have burst recently, and I've been watching very closely those travel bubbles that were on the table for Vietnam. Do you see travel bubbles still to be relevant, and can you maybe share what you're hearing that could be the country match-ups there in the Southeast Asian region?

[00:21:23] Gary: "Travel bubble" is the word that we have been asked about and used the most in on our podcast, on interviews, everything. It's a moving feast. I think "Let's go back. Let's look at the origin of travel bubbles." That was Australian, New Zealand back in April last year. It took a year for it to actually happen, but it was proposed by New Zealand, and agreed with by Australia. There were very specific circumstances about that if you look at the two countries, very isolated geographically, strong travel flows between the two countries, manage the virus very well. There is trust between the two populations. There's a lot of people live in each other's countries. They work in each other's countries. They are very complementary in that sense. There's no borders as well. There's no land borders to get in the way. In Southeast Asia, we have very poorest land borders. That was almost the template for travel bubbles, but also I think it was the limit of travel bubbles. I just don't think they work in Southeast Asia.

I don't really see how you can have travel bubbles across borders. They're not going to work. I think the idea that it has actually got up and running in Australia and New Zealand in recent months. You've had these slight pauses during that time, but generally it's working quite well. Even Jacinda Ardern, the New Zealand prime minister said last week that they are really only a short-term expedient that going forward, it will be about vaccinated travel. I think that's the way that the Southeast Asia will be moving forward.

The terminology of travel bubbles will probably continue to get used, but I think we're looking more-- the reopenings that are being proposed are generally about vaccinated travel. Will they be with specific markets? Well, possibly yes, possibly no, but I'm not sure that's actually a travel bubble. As you say that's because both destinations are looking at absolute numbers, and they are worried about extrapolation of numbers. The problem with that is that doesn't really give anybody any confidence to travel because if you know that you're going to be traveling to a destination where you could get trapped and you wouldn't be able to get back or you're going to have to stay longer than you hoped for. I was listening to a podcast with Tourism Australia quite recently. They said one of the problems that the bubble with Australia, New Zealand is encountering at the moment isn't a fear of COVID. It's a fear of COVID outbreaks occurring in your home destination or where you're traveling to. You're going to have to spend a lot longer, and it's going to cost you a lot more money. That's the problem with bubbles when they're not vaccine related, I think.

In terms of Southeast Asia, I think that the trust between countries is so low right now. Whether we're going to have bubbles between countries is difficult. In Southeast Asia, we're so reliant on the Chinese market as well. We're so reliant on Japan and South Korea as well that those markets

are so vital in revitalizing travel in this region. Without them, even if you have a bubble between Southeast Asian countries, the way the economies are at the moment, the way the case numbers are, the way that the fear of the virus is right now, the actual travel flows will be pretty low. If you're going to open a bubble right now in the region, you've been looking at long-haul travels. You can look probably Americans or Europeans. We don't really know how long-haul travel is going to-- it's going to pan out right now. It's a very difficult situation. It's very difficult for governments. Governments do get a lot of criticism for the way they're managing this, but the other argument is that most Asian countries are being cautious. They are putting safety first.

[00:24:50] Kerry: What do you envisage then for Vietnam for the second half and first quarter of 22?

[00:24:55] Gary: I think in terms of domestic tourism, what we will probably see because of the-- I wouldn't say the fear factor, but I think the uncertainty that's been created by this new role as I think we'll start to see more shorter trips, probably day trips, driving trips. I think we'll see a lot more of that. Perhaps in the last quarter of the year, confidence will return, and you might start to see people flying a little bit further domestically. I think for the foreseeable future, there is going to be a bit of caution. I think the industry will have to build that in.

[00:25:27] Kerry: Even for the domestic traveler within Vietnam, the possibility that they could end up in 21 days quarantine. That would have to be a serious consideration for them as well because they wouldn't get that time off from their jobs, or they just wouldn't have the luxury of time or money to do that.

I think they would have to make a very educated guesses to where they would go for those trips. It would have to be 100% guaranteed, I think, for them to feel that they're not going to get trapped in that. Because as you said, Hannah, Vietnam took very decisive action very early on. If they even suspected for a moment that you could be a carrier or whatever, you were taken to the side of the road, and you were tested, or you were put in quarantine because I was there in March 2020. It was decisive action, and they're still doing it. They will do on-the-spot fines in Saigon if you are not wearing a mask. They deem it if they decide that that could be hazardous to people around them. Yes, it is going to be watching the clock.

I am concerned about the roll out of their vaccination. You're right, the population of 100 million, and in certain regions, how they would even get the vaccination to certain regions of Vietnam? Where some people-- I was talking to a guy yesterday said, "Some people work on one side of the border and live on the other." There is cross-pollination happening there.

We could sit here and talk, couldn't we? It's a full-time job. Let's face it.

[00:27:27] Gary: It really is. When you came onto our podcast a couple of weeks ago, Kerry, we threw a curve ball at you. We said, "What about international travel? When's that going to happen?" You answered it very, very carefully and very, very well. Since you've been on podcast, have you heard anything more-- what are people saying from your contacts about the likelihood of an international reboot?

[00:27:49] Kerry: From Australia?

[00:27:50] Gary: No, in terms of Vietnam.

[00:27:56] Kerry: Look. As I intimated at the beginning of the show, the indications are to me that Vietnam will, and doesn't at the moment, have as a priority travel, international travel. For their GDP, international travel, I think, ranges somewhere between, I don't know, 10-11%. Their manufacturing is going through the roof. Their financial investment is going through the roof. As

a country, they're doing really well. I just don't think they want to muddy the waters with international travel as dubious as it is at the moment.

So it's not a problem. It is a problem for the future for us who want to go back and travel, I think. What I'm also seeing is Vietnam working very hard at sustaining travel operators and travel businesses by incentivizing their domestic market. If you've got 96 million people being able to move around, you've got a very decent domestic travel market that hasn't really been nurtured in the past. I know Hội An was absolutely in jubilation with domestic travelers during Tết because they had the old town to themselves. It was back to being theirs 100%.

We weren't there. There are very few expats still in Vietnam, and not being encouraged to stay, I might add. I'm hearing lots of noise around people with Tourist Visas that are not being encouraged to stay or not being allowed to renew their Tourist Visa. As you say, it's a movable feast, that's for sure, and certainly, keeps me in a full-time role as I know it does you guys, too-
[00:29:59] Gary: (laugh)

[00:29:59] Kerry: -just to work out what next and try and to give people the insights that you hear and you find with some level of credibility, knowing that it could change in a heartbeat.

[00:30:12] Gary: I think you really nailed it there. One of the most difficult aspects of predicting or even looking at the way international travel will go in future is just this stop-start nature of domestic travel, until domestic travel is on a more even keel. It certainly isn't possible to consider international travel for a number of reasons, not just governmental, but just the comfort and safety and the confidence of local people. I think that is going to be absolutely vital in most countries, in Asia, how they deal with this going forward.

[00:30:43] Kerry: Absolutely, look, Gary and Hannah, thank you so much for being on the show. It's been a privilege to have you on, given your busy schedules. Let's hope our next chat will be about travel destinations opening up in the region and maybe thriving under some new sustainable travel models. I just want to say thank you again.

[00:31:04] Gary: Thanks very much, Kerry. It's great to be on the show.

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[00:31:07] Thank you for listening. Check out the episode notes for more information.

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