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**PHÂN TÍCH TIỀM NĂNG PHÁT TRIỂN KINH TẾ BIỂN XANH Ở VIỆT NAM
TRONG LĨNH VỰC THỦY HẢI SẢN VÀ DU LỊCH BIỂN ĐẢO**

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Tóm tắt

Nền kinh tế biển xanh, mặc dù là động lực tăng trưởng kinh tế ở Việt Nam, vẫn đối mặt với vấn đề khai thác tài nguyên biển không hiệu quả. Báo cáo tập trung vào phân tích tiềm năng phát triển kinh tế biển xanh trong lĩnh vực thủy sản và du lịch biển đảo tại Việt Nam. Tác giả sử dụng phương pháp phân tích định tính và thu thập dữ liệu thứ cấp từ nguồn đáng tin cậy để chỉ ra tiềm năng cụ

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thể. Mặc dù Việt Nam có cơ hội phát triển nền kinh tế biển xanh, lo ngại về khai thác tài nguyên biển không hiệu quả vẫn tồn tại và có thể cản trở sự phát triển kinh tế bền vững. Báo cáo kêu gọi sự hợp tác của chính phủ, doanh nghiệp, chính quyền địa phương và người dân để thúc đẩy nền kinh tế biển xanh và tìm giải pháp khai thác tài nguyên biển một cách bền vững, đặc biệt trong bối cảnh biến đổi khí hậu và suy giảm tài nguyên toàn cầu.

Từ khóa: Kinh tế biển xanh, phát triển bền vững, Việt Nam, du lịch biển đảo, thủy sản

ANALYSIS OF THE POTENTIAL OF DEVELOPING VIETNAM'S BLUE ECONOMY: AN OVERVIEW OF THE FISHERIES AND ISLAND TOURISM

Abstract

The blue ocean economy, despite being the driving force for economic growth in Vietnam, still faces the problem of ineffective exploitation of marine resources. The report focuses on analyzing the potential for blue ocean economic development in the fields of fisheries and island tourism in Vietnam. The authors use qualitative analysis methods and collect secondary data from reliable sources to point out specific potential. Although Vietnam has the opportunity to develop a blue ocean economy, concerns about ineffective exploitation of marine resources still exist and could hinder sustainable economic development. The report calls for the cooperation of the government, businesses, local authorities and people to promote the blue ocean economy and find solutions to exploit marine resources in a sustainable way, especially in the context of change. climate and global resource depletion.

Keywords: Blue economy, sustainable development, Viet Nam, fisheries, island tourism

1. Introduction

According to the World Bank, the Blue Economy is defined as the sustainable use of ocean resources for economic growth, improved livelihoods, and the preservation of ocean ecosystems (UN, 2023). The worldwide ocean economy is valued at around 1.5 trillion USD per year (The Commonwealth, 2023), making it the seventh largest economy in the world, undertaking 5% of the World GDP. It is set to double by 2030 to 3 trillion USD. The total value of ocean assets (natural capital) has been estimated at 24 trillion dollars.

As a marine country, the marine economy is an important driving force for socio-economic development, environmental protection and international cooperation of Vietnam. Population in coastal provinces and cities accounts for more than 50% of those in the country, with the majority of the labor here working on marine economic sectors; 28 coastal provinces and cities contribute over 60% to the national GDP (UNDP, 2021). Accordingly, Viet Nam's Ocean Economy is expected to contribute up to 10% of GDP by 2030.

The Blue Economy is made up of five primary sections, including the harvesting and trade of marine living resources, the extraction and use of marine non-living (non-renewable) resources, the use of renewable non-exhaustible natural forces (wind, wave, and tidal energy), the commerce and trade in and around the oceans, and indirect contribution to economic activities and environments. In this particular research, we will focus on 2 vital industries of the Blue economy: fisheries and tourism. In the first 6 months of 2019, aquaculture production reached nearly 2

million tons (up 7.0% over the same period in 2018). In the same year, the tourism revenue of 28 coastal provinces and cities of Vietnam increased from 21.9 trillion VND in 2015 to 32.9 trillion VND in 2019, accounting for 71.8% and 74.4% of the total tourism revenue of the country.

However, the Ocean is facing increasing threats from climate change, natural disasters, environmental pollution, excess exploitation of natural resources, and unsustainable economic activities. This is why researching and promoting the sustainability of the Blue economy, particularly fisheries and tourism, is a vital priority of the Vietnamese government and organizations.

2. Literature review

2.1. Defining the Blue Economy

The 'Blue Economy' (BE) is a novel concept that encourages improved sustainability of our ocean and other "blue" resources. This concept aims to minimize environmental risks and ecosystem scarcities while advancing consumer welfare and social equity.

However, BE has not been able to find a universal definition. Thus, a useful working definition of BE can be taken from the World Bank as “sustainable use of ocean resources for economic growth, improved livelihoods and jobs and ocean ecosystems health”. It is fair to say that a universally agreed aspect of the definition of BE is a fluid concept, employed differently in different contexts and by different actors. Although common to all approaches is the integration of marine-based economic development that leads to improved human well-being and social equity, while simultaneously reducing environmental risks and ecological scarcities.

2.2. Previous research about Blue Economy in Vietnam

Vietnam is a coastal country with a long coastline and a large Exclusive Economic Zone, providing a wealth of marine resources. The blue economy has the potential to be a major driver of economic growth and job creation in Vietnam. Therefore, many studies have been conducted on the Blue Economy in Vietnam, which provide valuable insights into the potential and challenges of blue economy development in the country.

Studies by Vo (2023), Nguyen & Doan (2021) all support the equivalent conclusion that the maritime economy or the more recent "Blue Economy" is not formally defined in Vietnam's policy documents. The paper points out that Vietnam should improve the awareness of local authorities and people, strengthen institutions for blue economy development, and upgrade the capacity to forecast and warn of natural disasters and climate change at sea, including via international cooperation.

Likewise, according to Tai (2021), despite having a long history of utilizing marine resources and understanding the critical importance of the blue economy to the growth of the country, Vietnam's approach to the blue economy has not been appropriately fostered. This is a result of a lack of clarity and specificity in the definition of maritime economic spaces, the relationship and potential relationship between marine, coastal, and island economic sectors, as well as the activities of collecting and analyzing the statistics that provide context. Plans for the responsible exploitation of Vietnam's maritime resources are still in their infancy. To develop the blue

economy, the first and must-have step is to create a workable maritime spatial program built on solid foundations.

In such an effort, Vietnam has so far incorporated ecological system-based integrated coastal management for blue economy development, which has drawn the attention of several scholars to investigate its effectiveness. Notably, in a study, Vu (2017) provided a comprehensive overview of the potential of ES-ICM for the development of the blue economy in Vietnam. The study demonstrates that the ES-ICM's results are still relatively constrained by the law system and other legal documents governing operations related to the extraction of natural resources. The understanding of governed laws, the unsatisfactory financial mechanisms for those paying for environmental services and the current shortage of technical guidelines for the evaluation of ecological services suggests that the setups for the Blue Economy development should be continuously studied and applied.

In another study by Pham et al. (2021), it is emphasized that in the context of the Industrial Revolution 4.0 (IR 4.0), which is providing new opportunities for the development of the blue economy, such as the use of big data and AI to improve fisheries management, aquaculture, and marine tourism. Noticeably, the experience of Northeast Asian countries has illustrated that promoting the advantages of coastal areas will create a spillover force for domestic economic development, be a lever for effective and sustainable socio-economic development considered as one of the strategic breakthrough priority directions to turn Vietnam into a rich and powerful country from the sea, leaning against the sea and facing the sea.

3. Methodology

The proposed methodology for evaluating and advancing Vietnam's Blue Economy development comprises a comprehensive approach structured around three fundamental criteria. These standards act as the cornerstones for evaluating the Blue Economy's status on a national scale and developing strategic suggestions for both businesses and the government.

- **Defining the Blue Economy:**

The first criteria entails a thorough analysis of the Blue Economy's concept and terminology, building on prior research and literature. This stage strives to build a precise and thorough knowledge of what the Blue Economy entails, serving as a strong basis for further analyses.

- **Assessment of Vietnam's Blue Economy's Development:**

The emphasis of this criteria is on a thorough evaluation of the activities and projects related to the Blue Economy that are currently underway in Vietnam. It entails:

Analyzing statistical data and trends related to the Blue Economy, with a particular focus on key sectors such as Fisheries, Aquaculture, Seafood Processing, and Export, as well as Coastal and Marine Tourism.

Identifying and classifying Vietnam's Blue Economy's obstacles, which range from financial limits and geopolitical complications to technology shortcomings and environmental issues.

- **Spotting Opportunities and Making Suggestions:**

Using the knowledge learned in the earlier phases as a foundation, this criteria entails:

Determining viable regions within Vietnam's Blue Economy for economic exploitation and development, focusing on marine-related prospects that may make a substantial contribution to the country's economic progress.

Creating strategic proposals for both businesses and governmental organizations to solve issues and advance the Blue Economy's long-term sustainability. These suggestions cover changes to policies, activities to increase capacity, and tactics to encourage long-term growth and environmental sustainability.

4. The situation of Blue Economy in Vietnam

4.1. Achievements

Vietnam is creating beneficial projects and appropriate governance to ensure the sustainable development of its Blue Economy, which accounts for nearly half of its GDP.

Policies for the marine economy's sustainable development have yielded initial accomplishments, setting new orientations for economic development based on the sea's potential and advantages.

- In the 2011-2020 period, marine economic sectors significantly increased the country's GDP. In this period, the average annual growth rate of coastal localities climbed to 6.4%. In 2020 alone, the GRDP of the 28 coastal provinces and cities surpassed 4,040 trillion VND (approx. 168 billion dollars), accounting for more than half of the country's GDP.

- Currently, the country has 19 coastal economic zones and 241 coastal industrial parks and modern ports that can accommodate large-tonnage ships. Ministries and coastal localities have formed 16 marine protected areas (MPAs) for the purposes of both marine environment conservation and economic development.

- Investment has been made in the infrastructure systems in coastal areas and on islands, resulting in substantial changes in economic development.

In addition to these aforementioned policies, **Integrated coastal zone management (ICZM)** has also contributed to the Blue Economy as a dynamic, multidisciplinary and iterative process to promote sustainable management of coastal zones. The current MoNRE and the former Ministry of Science, Technology, and the Environment have worked diligently to introduce and implement ICZM in Vietnam over the past 20 years.

Altogether, with the timely implementation of marine policies and coastal development projects, Vietnam has experienced considerable improvements in the Blue Economy as a whole, and especially in the sectors focused in this study: ***Fishing, processing, aquaculture, and export and Coastal and Marine Tourism***. Accompanying the overall achievements are examples of best practices that transform the ocean-based economy to a more sustainable, innovative, resilient and inclusive development, i.e., blue economy.

4.1.1. Development of fisheries, aquaculture, seafood processing and export; Coastal and Marine Tourism

(1) Fisheries, aquaculture, seafood processing and export

Over the past years, the **Fisheries, aquaculture, seafood processing and export** sector in Vietnam has made strong strides, becoming an important industry and top exporter of seafood globally, contributing to the country's socio-economic development and creating jobs for 4 million people. This sector has also helped achieve sustainable development goals and increase the income of fishermen.

According to Vietnam Association of Seafood Exporters and Producers (VASEP), in the period from 1995 to 2021:

- **Fishing production:** Fishing output increased more than 4 times, with an average annual growth rate of 6% from 929 thousand tons to 3.9 million tons.

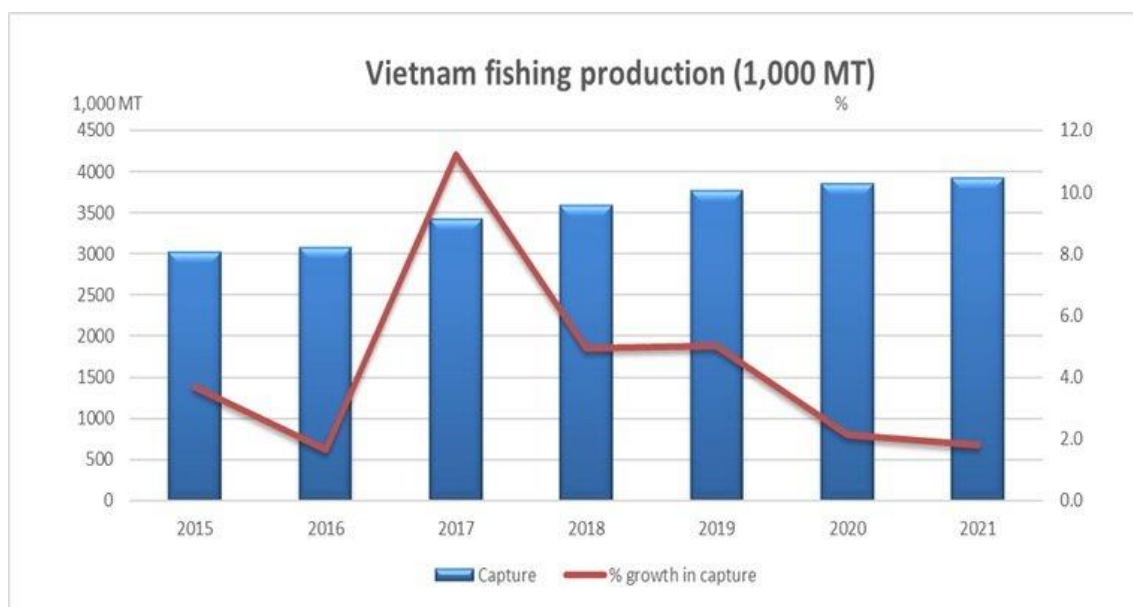


Figure 1: Viet Nam fishing production

Source: VASEP

- **Aquaculture and Processing:** Vietnam aquaculture production increased 11.6 times, the annual average growth rate of 10%, from 415 thousand tons to nearly 4.8 million tons by 2021.

- **Exporting:** Vietnam's seafood exports increased 11.7 times, with the average annual growth rate of 10% from 758 million USD in 1997 to 8.9 billion USD in 2021. Vietnam's seafood exports have increased continuously in past years.

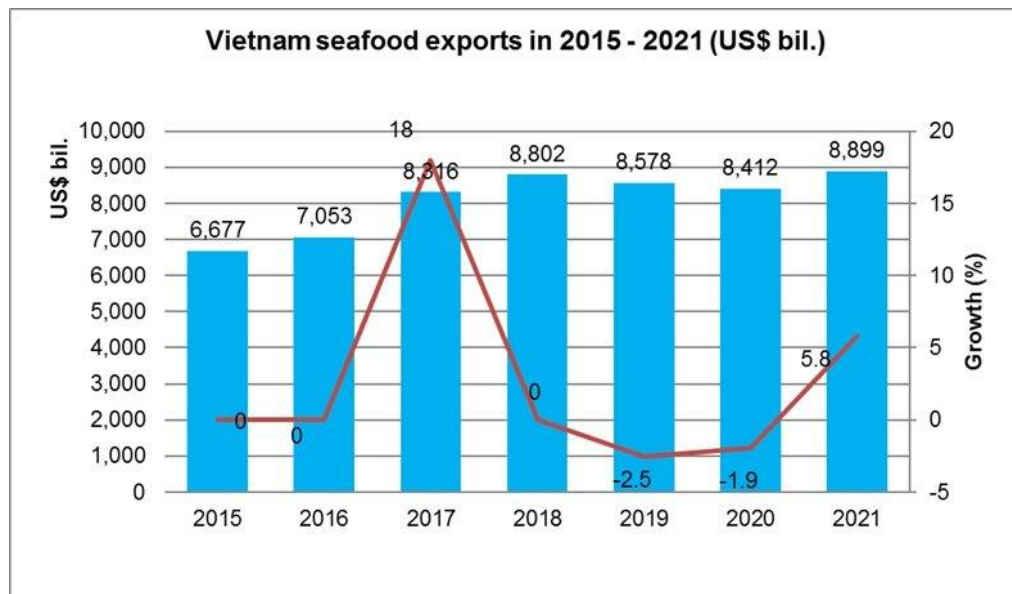


Figure 2: Viet Nam seafood exports from 2015 to 2021 (in USD)

Source: VASEP

- **Aquatic resources protection:** Over 200 co-management models between the government, NGOs and localities have been applied across the country, successfully conserving aquatic resources while also creating jobs for local residents.

Below are two examples of noteworthy practices on a provincial scale that foster the Blue Economy.

(1) Community-based Conservation and Sustainable Harvesting of *G. lalandii* crab of Cu Lao Cham, Quang Nam province

After the project's implementation in 2010 - 2012, 75% of *G. lalandii* crab populations were well protected on the island. On the economic side, the income of members at The Cham Islands' community group has increased as the price per kilogram of the crab has climbed from VND 200,000 to VND 500,000, VND 700,000 and VND 850,000 in 2013, 2014, 2015, respectively. Other marine protected areas in other islands have begun to adopt this model.

(2) Ecological Shrimp Farming Combined with Mangroves Forest Development - Mangroves and Markets (MAM) project

The project has successfully implemented organic shrimp farming in mangroves since 2012 with strict requirements for quality seeds, mangrove coverage and farming intensity. Until 2016, 80 hectares of mangrove forests have been additionally planted and the percentage of forest cover increased from 39% in 2013 to 44% in 2015. Currently, 25% of the total shrimp-forest area of Ca Mau has received international certification, and about 4,200 households have achieved prestigious certificates, resulting in higher prices for their shrimp. Shrimp farming in mangroves is now considered the most effective solution to restore, protect and develop mangrove forests in coastal provinces.

(2) Coastal and Marine Tourism

Marine tourism accounts for over 2/3 of the entire tourism sector and is increasingly vital to

Viet Nam's socio-economic development. From 2010 - 2019, the number of foreign visitors to coastal provinces has climbed by 13.6% annually, from 10.9 million in 2010 to 35.7 million in 2019. Likewise, 28 provinces have witnessed an increase in the number of domestic travellers from 44.0 million in 2010 to nearly 145.6 million in 2019. The total number of direct tourism workers in coastal provinces has increased from 219,156 in 2010 to 738,979 in 2019.

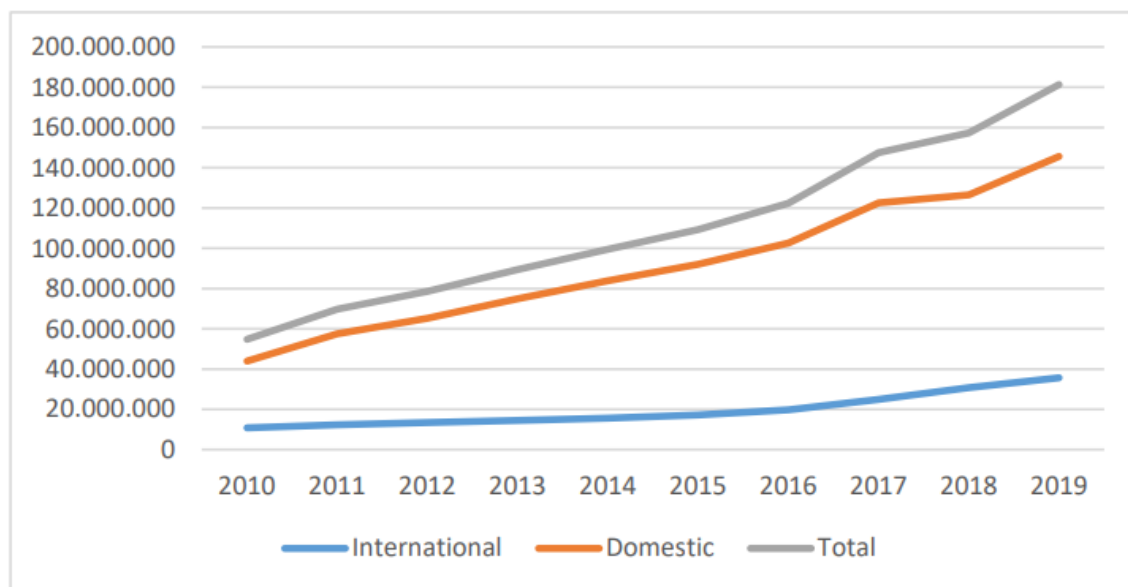


Figure 3: Viet Nam seafood exports from 2015 to 2021 (in USD)

Source: UNDP, statistics from provinces and cities

Besides, in order to protect the marine environment from pollution and degradation, a network of 12 out of 16 MPAs have been well established and operated with marine conservation components. The other four MPAs have completed detailed planning and are completing documents for planning approval.

Three top initiatives that are transforming the ocean-based tourism economy into a blue economy are illustrated below.

(1) Rehabilitation and Conservation of Nyapalms at Cam Thanh Commune, Hoi An City, Quang Nam Province

The project was carried out between 2010 and 2013 to conserve Cam Thanh nipa palms and sustainably use natural resources, and to prevent erosion in the Thu Bon River mouth. This led to the development of ecotourism, with around 50 households offering homestay services and selling unique products made from nipa palm and bamboo. Additionally, coracle rowing is a potential source of income, with households earning an average of 4.5 million VND per month compared to 3.7 million VND previously.

(2) Coral Reef Conservation Combined with Developing Community-based Ecotourism in Tam Hai Commune, Nui Thanh district, Quang Nam Province

The project from 2010 to 2013 successfully established a community-level coral reef ecosystem protection area covering 1700 hectares, including 50 hectares for tourist development. This protection area, with Cham Island's MPA and Cam Thanh Nipa Forest Protected Area,

constituted a marine conservation network in Quang Nam, contributed to the multiplication of conservation and enriched biological resources. Community-based tourism generated income for local residents, improving their living conditions.

(3) Green Fins, An Environment-friendly Diving Industry Support Tool

The Green Fins Toolbox, developed through a partnership initiative working with diving communities, has helped stakeholders in the tourism industry to implement the Green Fins approach. With guidance on coral reefs and the know-how in the diving industry, it helps SMEs to recognize the need for conservation and turn environmental risks into opportunities, ensuring a sustainable industry, and contributing to the 2030 SDG Agenda. Green Fins is being implemented in various localities in Vietnam.

4.1.2. Supporting SDG delivery

Developing the blue economy is essential for attaining ***Sustainable Development Goal (SDG) 14***, which aims to ensure the conservation and sustainable use of life below water. Two key areas in the blue economy which are ***Fisheries, aquaculture, seafood processing and export*** and ***Coastal and Marine Tourism*** have appeared to make significant progress towards this goal, but more policies are needed to promote sustainable development in Vietnam's blue economy. In particular, ending illegal, unreported, and unregulated (IUU) fishing and relevant subsidies for capture fisheries is critical to protect aquatic resources. On the other hand, as coastal and maritime tourism rely heavily on healthy marine ecosystems, it is needless to say that safeguarding and promoting life below water is 100% necessary for the future of this industry.

4.2. Limitations

The development of the Blue economy in Vietnam is subject to several limitations and challenges, which must be addressed to unlock its full potential and ensure sustainable growth. The general obstacles overlooking the entire blue economy development in Vietnam can be divided into six primary constraints:

- ***Geopolitical Challenges:*** The complex and prolonged disputes over sovereignty in the East Sea, including Vietnam's territorial waters, hinder the development of the blue economy.

- ***Limited Financial Capacity:*** As a developing country with a relatively low GDP per capita, Vietnam faces limitations in financial capacity, both in the public and private sectors. The transition towards "green" industries requires significant investment, which may be challenging for businesses and infrastructure development in the marine economic sectors.

- ***Limited Capacity in Marine Science and Technology:*** Vietnam has lower scientific and technological capacity, including in the field of marine science and technology. The lack of research and exploration of marine resources, weak production capacity for marine industries, and inadequate scientific institutions and personnel hinder the development of the blue economy.

- ***Limited Manpower:*** The maritime industry in Vietnam faces challenges related to the size and quality of its labor force. The workforce in sectors like fisheries, tourism, and marine industries (such as salt production) is limited and mostly unskilled workers. The aging population of fishermen and the decreasing number of young individuals entering the sector further impact the labor force in the marine economy.

- **Lack of unified management:** The management of Vietnam's sea, islands, and coastal regions is fragmented among various ministries, leading to bureaucratic uncertainties, conflicting regulations, and difficulty in enforcement. The absence of comprehensive marine spatial planning and unified management hampers effective governance and sustainable development of the blue economy.

- **Marine Environment Challenges:** Vietnam's marine environment faces issues due to climate change; moreover, overexploitation of marine resources and unsustainable fishing practices further strain the marine environment and impact the sustainable development of the blue economy.

When it comes to the challenges faced by specific sectors within Vietnam's blue economy, it is crucial to highlight the limitations experienced by both the seafood industry and marine tourism as these sectors play a significant role in the country's economic growth and environmental sustainability:

4.2.1. Fisheries, aquaculture and seafood processing

Hinders resulting from regulations of Decree 26/2019/ND-CP: Decree 26/2019/ND-CP, which guides the Fisheries Law 2017, introduced various regulations for the fisheries sector. However, two of these regulations have proven problematic and created difficulties for fishermen.

- The decree restricts fishing vessels with a length of 15m or more from operating in coastal areas and open areas as they did previously, requiring them to operate exclusively in high seas, resulting in obstacles in obtaining fishing licenses for these vessels.
- The requirement for fishing in high seas has led to safety concerns, as the vessels' registry and technical safety certificates were issued based on operating in safe waters, which may not be suitable for their fishing activities.

Inadequate quota for fishing licenses: The allocation of quotas for fishing licenses has been inadequate, causing some fishing vessels to abandon their licenses and leading to difficulties in fishery traceability. This has also contributed to illegal fishing activities. In 2017, the European Commission (EC) issued a "yellow card" warning to Vietnam for seafood products exported to the European market, resulting in a decline in seafood exports to Europe. The warning, along with issues in the certification and origin procedures of seafood, has negatively affected the seafood production and export activities of Vietnam.

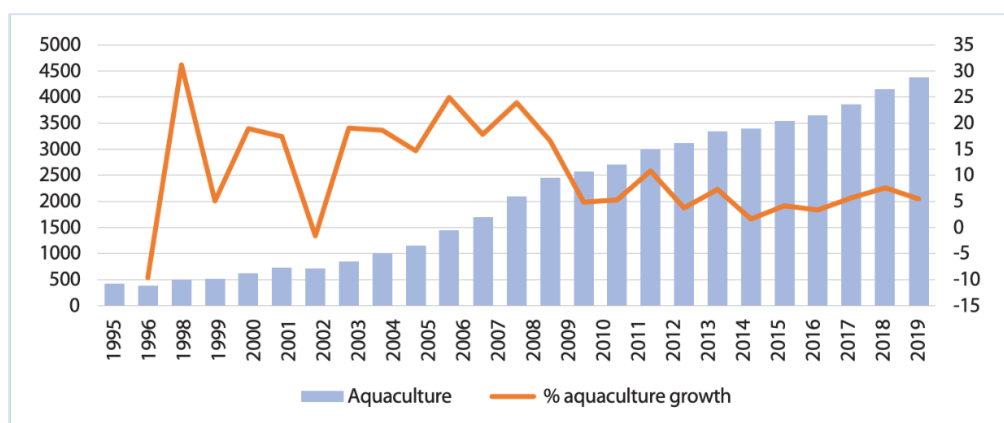


Figure 4: Vietnam's Aquaculture Production Volume (Thousand Tons) and Annual Growth (Percent), 1995–2019

Source: VASEP

4.2.2. Seafood export

Meeting requirements of major import partners:

The biggest challenge for Vietnam's seafood exports is to meet the requirements of major seafood import markets in the world, especially the EU, the US, Japan, and Korea. These countries all have strict requirements for quality control and traceability. This has made it difficult for Vietnam's fishing activities because it has to meet the increasing demands of importers.

Engaging in IUU practices: In addition, there is compliance with regulations against illegal, unreported and unregulated fishing (IUU). Four years since receiving a "yellow card", Vietnamese seafood export volume to the EU market declined by 3% during 2017-2021.

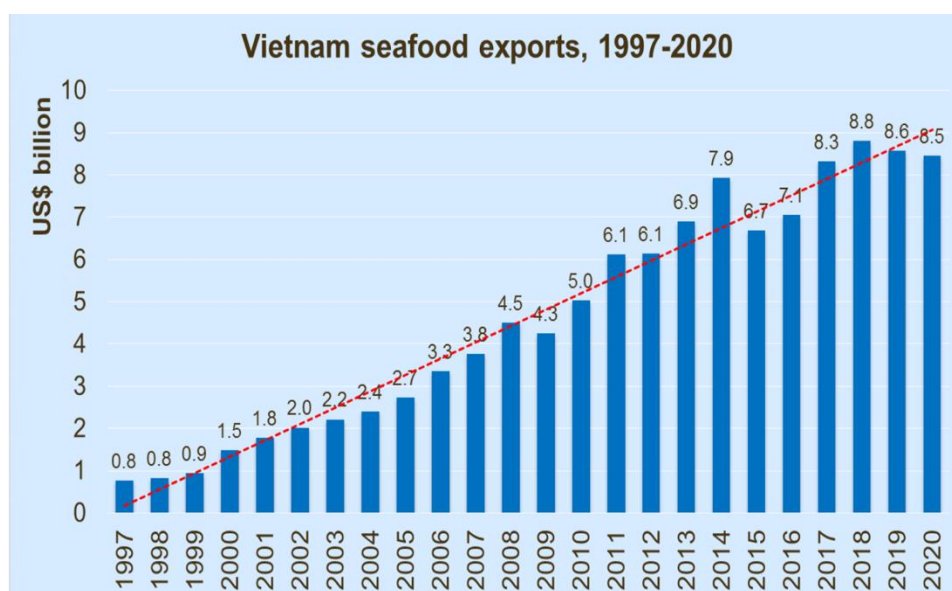


Figure 5: Vietnam seafood exports, 1997 - 2020

Source: SEAFDEC (2021)

4.2.3. Marine tourism

Limited invest capital: The investment capital for marine tourism remains limited, particularly in terms of budgetary resources allocated for upgrading tourism infrastructure and facilitating access to the country's marine tourism destinations and potential.

Lack of synchronization marine tourism development policies: Tourism development policies, including those concerning marine tourism, lack synchronization and fail to promote investment and growth, particularly in the high-quality marine tourism segment.

Depleting natural resources and pollution: The development of marine tourism faces the risks of depleting natural resources and environmental pollution, stemming from deficiencies in industry and territorial planning. Overlapping exploitation and inefficient management of tourism

resources exacerbate these challenges.

Climate change: Vietnam confronts significant challenges posed by sea-level rise resulting from climate change. Coastal areas, with their limited adaptability, will be particularly susceptible to the adverse impacts of rising sea levels and other climate-related effects.

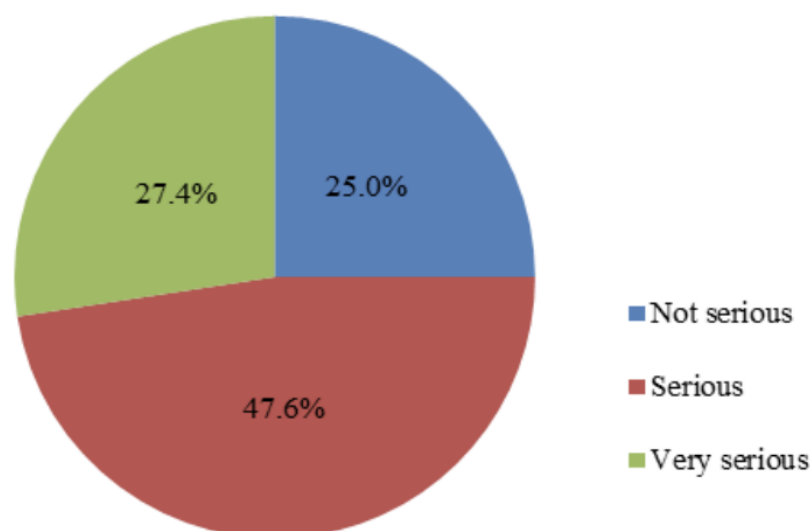


Figure 6: Answers from local people on the impact of climate change on local tourism (n=124)

Source: Impact of Climate Change to the Tourism Sector in the Vietnamese Mekong Delta (2019)

5. Opportunities

5.1. Opportunities for Coastal and Marine tourism

Island and sea tourism is now becoming an integral part of Vietnam's development as it has significantly contributed to its transformation into one of the key economic sectors, as well as contributing to the nation's GDP with 8% of the total GDP, and creating more employment for coastal inhabitants (Le, 2023). With such potential for the economic state of Vietnam, marine tourism has tremendous opportunities to grow and thrive in the future.

Attracting FDI Investment: In short, FDI and foreign investment areas undoubtedly created favorable conditions for Vietnamese blue tourism to expand and develop. Many efforts to attract FDI capital for the development of tourism have been constantly carried out by a large number of cities and provinces along Vietnam's coasts. As a result, various countries, including developed countries such as Japan, the US, the UK, and Canada, are currently promoting direct investment in Vietnam in the field of sea and island tourism.

4.0 industrial revolution technology applied in Vietnam Tourism: As of today, tourism is widely used to develop economies in most countries around the world (Huang et al., 2017). With the application of 4.0 Industrial Revolution technology, Vietnam's tourism can have a new image and hence, benefits the blue economy as a whole:

- Developing new, diversified, and attractive tourism products, especially using virtual technology.
- Advancement in the business of travel services, online sales and online payment, e-commerce, and online business, including travel business (Huang et al., 2017).
- Digitalization of tourism databases, such as the creation of human and natural tourist resources, destination maps, restaurants, hotels, and systems shall be made available in digital form.

In 2017, the Vietnamese government issued Directive No. 16/CT-TTg on capacity building for the 4th Industrial Revolution, in terms of prioritizing the development of smart tourism as a solution to proactively seize opportunities and optimize the positive impacts of the 4th Industrial Revolution on Vietnam.

Vietnamese government's support policies: In 2022, The Government has agreed with a proposal of the Ministry of Culture, Sports and Tourism (MoCST), and other public agencies on safely reopening tourism activities by air, road, and sea in a new normal condition starting March 15. In addition, The MoCST also agreed on tax reduction, deposit reduction for travel businesses; reduction of electricity and land tax for accommodation and resort businesses; support tour guides in difficulties due to the Covid-19 pandemic; implementation of the Pilot Plan to welcome international visitors to Phu Quoc (Kien Giang) and gradually bring tourism activities back to normal. For the international tourist policy, the government also announced the submission to the National Assembly of a draft law that would extend visa-free periods to 30 days and bring back three-month tourist visas, promoting the travel of worldwide guests, as the policy benefits them more as they spend more time in Vietnam. In addition, on October 22, 2018, the Government issued Resolution 36NQWT on the Strategy for the Sustainable Development of Vietnam's Marine Economy until 2030, with a view to 2045. In line with this strategy, marine economic sectors will be identified in the first priority order: sea tourism and services; coastal economy; exploitation of oil and natural resources for farming and industrial use; inland ocean industries by 2030.

Opportunities from FTAs and other countries: Thanks to being members of the CPTPP and EVFTA, these FTAs bring the prospect of bringing foreign tourists to Vietnam, which are visitor markets with high per capita income, with high demand for foreign travel.

In addition to the recovery of the number of international tourists, the flow of public tourism, tourism combined trade, labor, and MICE tourism coming from the member countries of the new generation FTAs is expected to increase, especially from countries with many business activities, investing with Vietnam now such as Britain, France, Japan, Malaysia, Australia, Canada, Mexico... The flow of high-end tourists is also expected to be attracted to Vietnam better when there are investments from senior hotel corporations. At the same time, the new generation of FTAs could also have a positive impact on aviation policy, creating an incentive to open direct flight routes between Vietnam and some distant markets.

New opportunities for ship voyage travel: Since early 2023, the tourism sector has welcomed various international voyages, carrying thousands of tourists to Vietnam. The data collected by the Vietnam National Administration of Tourism (VNAT) appears to show that in the first quarter of 2023, the tourism industry welcomed 33,7 thousand international visitors to Vietnam by sea, an

increase of 936,3 times over the same period in 2022.

5.2. Opportunities for Fisheries, aquaculture and seafood export

In 2022, seafood export revenue of Vietnam impressively reached the highest in recent years of 11 billion US dollars, and officially became the world's third largest seafood exporter. Vietnam's seafood exports contributed 7% to the global market share, just behind China and Sweden. Hence, Vietnam seafood sector is offered many opportunities to expand and develop:

Taking advantage of the status quo in the world market: Due to the trade war between the US and China, Chinese processors no longer purchased the US seafood. Therefore, Vietnam has the potential to boost the seafood export quantity to China thanks to the long-existing commercial relationships and its increasing consumption domestically. Besides, in the context of political issues between Russian and the ROW, China would import more Vietnam pangasius instead of white fish from Russia as usual. Moreover, the intensifying conflict between Russia and Ukraine forced Russian producers to stop trading with the world, especially the Western countries. Vietnam took advantage of this situation and fostered trade more openly with the Russian market in terms of fishery products, becoming the dominating source of pangasius in this market.

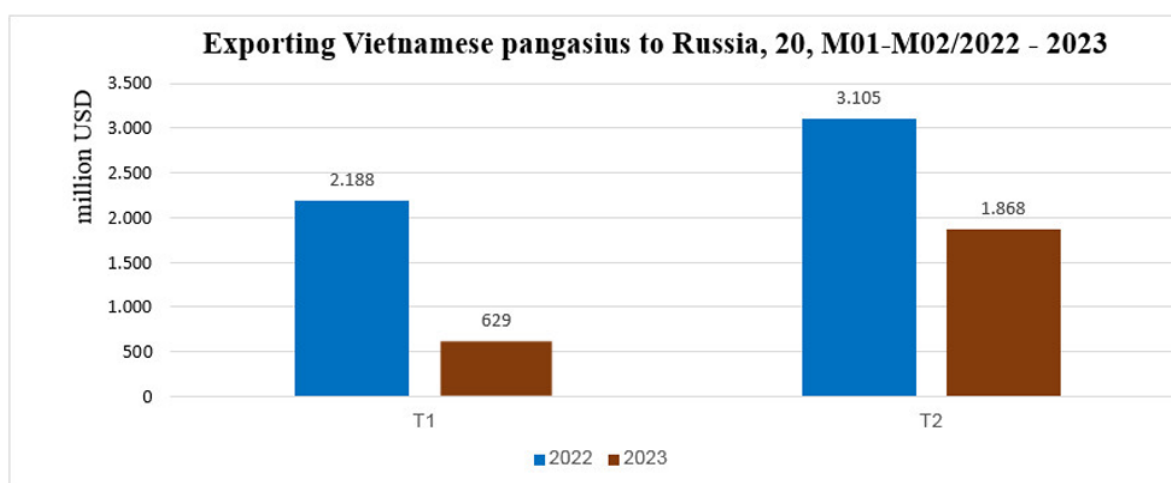


Figure 7: Exporting Vietnamese pangasius to Russia, 2022 to 2023

Source: VASEP

For shrimp products, Vietnam as well as other rival countries took advantage of the US doubling the anti-dumping duty on India's shrimp exports of around 7.15 percent in the late 2021, according to the U.S. Department of Commerce (DOC). In addition, the seafood industry in Vietnam is anticipated to witness a growth during the 2021-2030 period due to the global increasing demand for seafood consumption, addressed by the Organisation for Economic Cooperation and Development (OECD) and the Food and Agriculture Organisation of the United Nations (FAO).

Preferential treatment from FTAs: The enforcement of FTAs is believed to bring about opportunities and incentives for Vietnam in their economic development, especially in the seafood sector. To illustrate, Vietnam joining FTAs offers tremendous benefits from preferential tariffs or non-tariffs within the FTA members. To illustrate, Vietnam enjoys a tariff elimination rate at 91%

for seafood exports to Japan while in Peru, all Vietnamese seafood shipping products would be eliminated soon. Under the EVFTA, shrimp products exported to the EU from Vietnam, black tiger shrimp are taxed at zero percent, while the rate for frozen white-leg shrimp is expected to gradually decline to almost zero percent by 2025. The FTAs signed between Vietnam and its partners would ensure a leap in the seafood industry's development in the future, boosting the total national turnover of the seafood industry.

Achievement of food-related certification and upgraded facility for production: More importantly, the Vietnamese government has paid considerable attention to food security and taken responsibility for environmental and social affairs. Specifically, there is a growing number of plants and processing factories that have been accredited for such sustainable qualities as ASC, GLOBAL GAP, MSC, VietGAP, etc. Food processing takes advantage of modern technology and trained employees to create versatile products with great value added.

Establishment of cooperation with new markets: Vietnam also stood a chance of establishing cooperation with many other blue economies, namely Norway. The diplomatic relations between Vietnam and Norway would strengthen and promote marine production activities when the Ministry of Trade, Industry and Fisheries of Norway and the Ministry of Agriculture and Rural Development (MARD) of Vietnam signed a Letter of Intent in May 2021. This concerted action is aimed to improve bilateral collaboration in the blue economy.

Opportunities to expand seafood market share: The fishing sector in Vietnam has the potential to penetrate global markets and compete with other strong rivals in the Southeast Asian region. Specifically, Vietnam succeeded in exporting and producing seafood, especially the fish industry to the EU and the US market, which set high standards in safety requirements for imported goods. The senior economic affairs officer at UNCTAD praised Vietnam to be one of those developing countries with an excellent ability to comply with public and private standards. This achievement helped Vietnam increase its share in the world seafood proportion and resulted in a number of enterprises promoting shipment to China, the main export market of many Vietnamese seafood products. In February 2023, about 23 Vietnamese seafood processing facilities were given allowance to export to China, according to VASEP and the CIPHER system under the General Department of Customs of China, more than 800 Vietnamese enterprises are eligible to ship seafood to China, standing a chance of earning astronomical revenue from the market of one billion people which contributed to the world market share of this sector.

Opportunities from regulations by government: The Vietnamese government addressed the urge of shifting to a more sustainable and modern blue economy. This would require the focus on management of fishing activities as the country's fishing boats violated IUU regulations and received a yellow card as penalty. Under the Decision No.1664 in October 2021, the prime minister has approved the project of aquaculture development across coastal provinces until 2030. Its goal is to turn the national blue economy into a large-scale commodity production sector, which promotes efficiency, sustainability and security of the fishing industry.

6. Recommendations

6.1. Recommendations for Coastal and Marine Tourism

Given the fact that the blue economy provides a number of potentials for Vietnam's economy in general, and marine tourism in specific, there are several solutions that can be adopted by Vietnamese government, coastal tourism firms, localities and local residents towards sustainable development of marine tourism as follows:

Firstly, the government should consider upgrading national infrastructure and facilities, with the assistance of capital injection from foreign investors. In order for the Vietnamese marine tourism sector to develop rapidly, FDI ought to be allocated to (1) improve transport networks connecting major economic centers, industrial parks and urban centers around the country and maritime zones with seaports based on economic and natural ecosystems, thus concreting the North-South and East-West strategic connectivity among different regions in the country and between Vietnam and other countries in the world (Nguyen Hong Thao, 2022); (2) develop accommodation systems and ancillary services synchronously to extend the tourist stays and increase affordability, (3) develop a strategy of international cooperation among restaurant businesses and shopping complexes to meet tourist demands (Cong, L. C. & Chi, T. T. V., 2020), and (4) construct high-quality sea resorts in a number of key areas. As a result, businesses in coastal areas would face fewer hurdles in connecting, cooperating and exchanging experience with each other thanks to upgraded infrastructure; however, they should be encouraged to build typical local products and diversify eco-tourism products, which are aimed to minimize the exploitation of marine resources and protect marine ecosystems.

Secondly, Vietnam should take advantage of science and technological innovation in the 4.0 Industrial Revolution by strengthening human resource training for marine economic activities, which can be actualized through forming a team of experts to conduct in-depth research on how to harness the potentials of marine tourism without adversely impact marine ecosystems and biodiversity (UNDP, VASI, 2022). Meanwhile, promoting innovation, making use of scientific and technological advances as well as new sciences and technologies, and attracting leading experts and scientists and high-quality human resources from foreign countries are of great importance in boosting marine tourism in Vietnam (Nguyen Hong Thao, 2022).

Thirdly, efforts should be made to educate tourists and locals about local culture, arts, and history as well as to restore and conserve works of artistic and historical importance for tourism (Roe et al., 2014). This is a genuinely distinctive local tourism offering that will draw more visitors to the area. Such assistance could take the form of promoting tourism by establishing traditional craft villages, festivals, customs, and practices among locals as well as enhancing and modernizing ranked cultural and historical sites and innovative museums to match worldwide standards (Cong, L. C. & Chi, T. T. V., 2020).

6.2. Recommendations for exploiting, aquaculture, processing and exporting seafood

The seafood industry has been proving to be one of the economic pillars of Vietnam and will still be the spearhead economic sector until 2025. This calls for the need of proper oriented strategies to secure the sustainable development of the seafood industry. Within this paper, we propose some recommendations that the government and enterprises may prioritize to take full advantage of the growing potential of this sector.

Proposals for Government

Prioritize the practice following Decision No. 208/QĐ-TT: On March 10th, 2023, Deputy PM Tran Luu Quang signed Decision No. 208/QĐ-TT approving the Scheme on converting a number of fishing occupations affecting resources and ecological environment. This marked an effort of the Vietnamese government towards sustainable management of marine resources and economic development. Therefore, it is crucial for government to foster the practice of this Scheme, sticking towards:

- Hastening the development of recreational fisheries: According to EFD Vietnam (2020), there is a huge trade off between choosing coastal, marine tourism and fishing. With this Scheme, it promotes the conversion of coastal occupations into fishing services and recreational fisheries. Specifically, recreational fisheries will be promoted at the places where they initially have the potential and conditions for tourism. This opens up the chance to utilize the full potential of marine by developing parallelly fishing, tourism and other services.

- Promoting the conversion of fishing vessels to farmed fishing vessels: Overexploitation and depletion of aquatic resources are alarming problems in Vietnam, with one prime reason being due to destructive fishing means (Ojamaa, 2018). Perceiving this situation, the Scheme aimed for converting 2000 fishing vessels to fish farming vessels by 2025. This allows for the rebalancing of the fishing force in line with the resilience and regeneration of aquatic resources, along with improving the productivity, quality and efficiency of the fishing fleet in exploiting and protecting resources.

Attracting FDI in fisheries sector: According to the Department of International Cooperation - Ministry of Agriculture and Rural Development, the fisheries sector is currently attracting many foreign investors. However, the FDI inflows into the agricultural sector in general and into the fisheries industry in particular are still very limited. Particularly, FDI in the aquaculture industry mainly focuses on animal feed and seed supply. The attraction of FDI projects in the overall fisheries sector is still modest and not commensurate with its potential. Therefore, the government can help to attract more FDI capital by forming large fishery centers associated with key fishing grounds. This will promote the link in the supply and production chains, encourage foreign enterprises to invest in the entire procedure instead of operating according to the individual goals and needs of each enterprise.

Proposals for enterprises

Application of technology in enhancing export opportunity for seafood products: Big seafood import markets in the world such as the EU, the US,... require strict compliance with quality control and traceability. This has posed challenges for Vietnam's fishing activities to meet the increasing requirements of importers. An urgent measure of Vietnam's seafood is to strictly manage to improve the value chain and combine high technology such as RFID technology and blockchain to build a traceability system to make it easier to manage and check the origin of seafood; at the same time can strictly control the offshore fishing and effectively manage the aquaculture.

Seizing new generation FTAs: According to VASEP, with 2022's seafood export turnover reaching 11 billion USD, Vietnam has become the third largest seafood exporter in the world. However, due to the impact of inflation in key markets, seafood exports to key markets had

decreased sharply. Therefore, seafood businesses can seek to increase their export volume by finding new opportunities in target markets. Currently, the seafood industry can target potential markets in the Middle East and Latin America, utilizing the new generation FTAs (Vietnam - Israel FTA; Vietnam - UAE FTA)

7. Conclusion

The research conducted by the authors with an aim to evaluate the achievements and limitations of the situation of developing the Blue economy in Vietnam through two main fields: exploiting, aquaculture and seafood export and marine and coastal tourism. After that, we pointed out the opportunities offered for Vietnam to boost the development of the Blue economy. Even though there are many obstacles faced by the government and enterprises, Vietnam's blue economy sector still has ample room to develop. Lastly, we proposed some recommendations for the government and enterprises to take advantage of the situation. In short, the Blue economy will continue to be a field with abundant resources and potential. Along with this, much effort is needed from many stakeholders to secure sustainable development of the fisheries and tourism industry.

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