

**Capturing Revenue from the Tourism Industry for the  
Conservation of Hoi An's Built and Intangible Heritage**

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I come from the Hoi An Ancient Town, a World Heritage Site. Firstly, please allow me to extend my thanks to the Organising Committee which has invited me to participate and offer my experience in management, preservation of heritage at this important conference. Thank you again and I wish all delegates health, happiness and success.

I would like to present some issues regarding the capture and utilization of revenue from the tourism industry to preserve & promote Hoi An's cultural heritage.

**I/ Introduction of the heritage of Hoi An's old city**

*The Old city of Hoi An has its own particular characteristics as follows:*

1/ The heritage area is narrow, comprising about 30 hectares located in the centre of Hoi An city, Quang Nam Province, about 30 Km southeast of Da Nang city. Its geographic coordinates are 15<sup>0</sup>50' latitude, 108<sup>0</sup>20' longitude.

2/ There are people living in the heritage area. Currently there are about 16,000 residents staying in as well as conducting business and other activities inside the heritage preservation area. The residents' traditional activities are connected with trading and their old lifestyles are still maintained, richly preserved and intact.

3/ The heritage remaining within the site consists of many types of art, architectural vestiges, historical and archaeological artifacts with more than 1,100 different relics. This is the result of the process of economic exchange (barter trade) between Hoi An and Oriental countries like India, China, Japan, Southeast Asia and Western countries like Holland, Portugal, England, France... continuously through many centuries.

With the emerging value of globalization, the world heritage committee of UNESCO listed Hoi An on the World Heritage list on December 4, 1999. It was listed because it meets the 2 criteria:

*Criterion (ii):* Hoi An is an outstanding material manifestation of the fusion of cultures over time in an international commercial port.

*Criterion (v):* Hoi An is an exceptionally well preserved example of a traditional Asian trading port.

## **II/ Capturing revenue from the tourism industry to preserve and promote the heritage area:**

### ***1/ The impact of the World Heritage listing on the development of the local tourism industry***

The name of World Heritage has had a multi-faceted impact on Hoi An Ancient Town. Together with the common acknowledgement of the community about the value of the heritage area, opening up opportunities for interaction and international cooperation, the name of international heritage is also an important brand name convincing local people to make efforts in socio-economic development towards the direction of taking tourism & services to be the main economic industry. The rate of contribution to the city's GDP of this industry has grown steadily through the years and it increased especially quickly after the status of international heritage was attained. In the year 2008, the tourism-service industry accounted for 67% of the city's GDP.

With the attraction of the World Heritage Site and Hoi An's own special heritage attractions, the tourism-service industry in Hoi An has contributed significantly to push forward the local socio-economic development, bringing income generation which has added significantly to the income of the local people, especially those who living inside the heritage area. This in turn, creates the opportunity for them to participate in heritage preservation and promotion.

### **2/ Utilisation of revenue from the tourism industry for the Hoi An heritage conservation and promotion:**

The income from the tourism industry used to preserve and promote heritage was derived from tax imposed on organisations and individuals involved in tourism and from the sale of tickets at sight-seeing spots. The direct budget for heritage preservation and promotion is derived from the sale of tickets at sight-

seeing spots and tourism activities for all tourism routes and sight-seeing programmes. 75% of the collection from sale of tickets at sight-seeing spots is for heritage preservation and promotion and 25% of the collection is for the administrative mechanism. In the year 2008, the total collection from sale of tickets reached 28 billion VND, the equivalent of 1.6 million USD. This collection is allocated as follows:

**Table 1: making use of the collection from sale of tickets at sight-seeing spots for heritage preservation and promotion.**

STT	Nature of Work		Funds
1	Preserve, promote all tangible heritage.	Investment for restoring state-owned heritage.	75% derived from the ticket collection
		Assistance for restoring privately and collectively owned heritage.	
		Build, develop infrastructure, social welfare, preserve and promote the traditional villages.	
		Investment of other with the aim of protecting heritage from a distance.	
2	Preserve, promote the intangible heritage	Investment in reviving the annual festivals.	75% derived from the ticket collection
		Research on preservation and restoration of intangible cultural expressions	
		Revival of the heritage night; facilitating the old streets to be without noise pollution, i.e. prohibiting entry of motor vehicles (monthly).	
3	Operation of the sight-seeing tour guide and heritage sites, museums serving the tourism route.	Expenses for government-owned heritage sites & museums on the tourism route	25% derived from the ticket collection
		Expenses for the privately-owned and collective-owned heritage sites on the tourism route.	
		Expenses for the sight-seeing tour guide office.	
		Marketing, advertising and investment on transportation to serve the sight-seeing operations.	

### *2.1 Preserve, promote the tangible heritage including:*

2.1.1 Investment for restoring and preserving all state-owned heritage. Excluding funds from the central government and foreign sponsors, the budget from the city yearly is 2 billion to 4 billion VND (115,000 to 230,000 USD) to restore all the relics inside the heritage area. This amount increases yearly and it is derived from the sale of tickets at sight-seeing sites.

**Table 2. Sources of income for state-owned heritage restored in Hoi An****(Unit: USD)**

Year	Total of the state-owned relics which have been restored.		Local budget		Central and provincial budget		Foreign sponsors	
	Quantity	Budget	Quantity	Budget	Quantity	Budget	Quantity	Budget
2000	13	246,241	1	27,272	11	201,060	1	17,909
2001	32	371,370	27	163,812	3	130,558	2	77,000
2002	18	438,658	10	112,633	7	301,275	1	24,750
2003	22	522,416	11	96,400	10	369,776	1	56,240
2004	31	1,954,754	17	1,388,024	13	543,200	1	23,530
2005	16	924,028	16	474,028	1	450,000	-	-
2006	6	453,540	6	202,207	1	251,333	-	-
2007	2	29,129	2	29,129	-	-	-	-
<b>Total</b>	<b>140</b>	<b>4,940,136</b>	<b>90</b>	<b>2,493,505</b>	<b>46</b>	<b>2,247,202</b>	<b>6</b>	<b>199,439</b>
<b>Percentage %</b>	<b>100%</b>		<b>50,5%</b>		<b>45,5%</b>		<b>4%</b>	

2.1.2 Support for the privately-owned and collective-owned heritage which ranged from 40% to 70% depending on the value and location of the heritage.

**Table 3. Fund support to restore the private and collective heritage.**

Types of heritage	Along the main road		In the small lane	
	Support from the authorities (%)	Contribution from the heritage owners (%)	Support from the authorities (%)	Contribution from the heritage owners (%)
Special types	60	40	75	25
Types 1 & 2	45	55	65	35
Types 3 & 4	40	60	60	40

From the year 2000 to 2007, 128 relics (primarily buildings) were supported for conservation. The total cost reached 4.7 billion VND (equivalent to 279,000 USD) which was derived from the sale of tickets at heritage sites.

**Table 4. Source of funds for conservation of privately-owned and collective-owned heritage**

Unit: USD

Year	Private and collective heritage owners			
	Quantity of heritage	Budget	Support from the State	Contribution from the heritage owners
2000	4	3,409	3,409	0
2001	23	18,275	18,275	0
2002	7	4,466	4,466	0
2003	12	11,616	11,616	0
2004	5	5,845	5,845	561
2005	19	93,836	59,903	33,933
2006	40	223,175	124,732	98,443
2007	18	149,464	95,893	53,571
		105,177	68,119	37,057
<b>Total</b>	<b>128</b>	<b>615,263</b>	<b>391,697</b>	<b>223,565</b>
<b>Rate %</b>		<b>100%</b>	<b>63.6%</b>	<b>36.4%</b>

2.1.3 Besides conservation, this income is also used for the building of infrastructure, social welfare projects, preservation of traditional village skills in the nearby areas...

*2.2 To conserve and promote the heritage fabric:*

2.2.1 Investment to revive and organise the annual festival activities. In the year of 2008, 3.5 billion VND (equivalent to 202,000 USD) was allocated for these activities.

2.2.2 Investment to revive the heritage street by night cost 15 million VND per month and having streets without vehicular noise cost about 24 million VND per year (equivalent with USD 1,000 per month or USD 12,000 per year).

2.2.3 Investment for research, conservation and promotion of the local cultural activities. Normally it costs 600,000,000 VND per year (equivalent to USD 34.000 per year).

### *2.3. Investment for the sight- seeing mechanism:*

2.3.1. In 2008, the amount of 1.2 billion VND (equivalent to USD 70,590) was paid out to workers at all museums and heritage sites managed by the state.

2.3.2. The amount of 3.8 billion VND (equivalent to USD 223,530) was paid out to the tourism service team at the heritage sites in 2008.

2.3.3. 1,8 billion VND (equivalent to USD 100,000) was paid out to support the privately-owned and collectively-owned heritage on the tourism route in 2008.

2.3.4. Apart from the above, there are other expenses like those incurred for marketing, advertisement and purchase of transportation to serve the sight-seeing mechanism.

### **III. Lessons learnt:**

Through actual activities in tourism promotion and conservation in Hoi An, we have gained the following lessons learnt:

1. The local people will participate more actively in the direction and policies on heritage conservation and promotion if they benefit directly from the heritage. Therefore, the local authority should generate the opportunity for the people to benefit from the heritage sites directly through activities of service-tourism or through the allocation of income from the heritage.
2. In order to increase the positive and reduce the negative aspects of the tourism activities vis-a-vis the heritage, a professional system and suitable policies must be put in place, in which heritage conservation and promotion sustainability should be given priority.
3. There should be close and even cooperation between the various authorities and local departments in implementing the policies, decrees and regulations with regard to heritage conservation and promotion.
4. As with other heritage areas, the Hoi An heritage area has seen the negative impact of tourism exploitation and urbanisation rear its ugly head. Some obvious risks are: deforming heritage architecture due to the need to widen space for trading, environmental pollution, the undermining of the local people's traditional lifestyle inside the heritage site due to the impact of modernisation... These risks are being researched to determine the causes and solutions, one of the solutions being focused on is

education to raise the awareness of the community as well as the authorities, on these risks.

Generally, in the past years, the income from tourism was developed effectively and is being used more and more for conservation and promotion of Hoi An's heritage. Owing to that, many of the tangible relics were saved in time. Many traditional cultural activities and festivals have been restored and revived, generating new attraction for the heritage. However, in order to conserve and promote the local heritage in an enduring way, we desire to have an exchange and sharing of experiences, cooperation and support from the heritage managers, professionals, colleagues, and friends worldwide as well as the participants of this conference.

*Hội An, October 2009*