

*Meeting on the Trade and Development Implications of
Tourism Services for Developing Countries:
UNCTAD XII pre-event*

Geneva, 19-20 November 2007

COUNTRY CASE:

CAMBODIA

By:

*Semouth NEB
Ministry of Tourism*

The views expressed are those of the author and do not necessarily reflect the view of the United Nations.

Kingdom of Cambodia Nation Religion King



MINISTRY OF TOURISM

COUNTRY REPORT

ON

THE TOURISM SECTOR AND STRATEGY IN CAMBODIA

I- General Information:

- ◆ Cambodia is situated in Southeast Asia. It is bordered by Laos and Thailand to the North, by Vietnam to the East and South, by Thailand and the Gulf of Thailand to the West.
- ◆ Land Area : 181,035 km sq.
- ◆ Capital : Phnom Penh.
- ◆ Population : 14 Million (90-95% Khmer, 5-10% ethnic Chinese, Cham, Vietnamese and hill tribes).
- ◆ Language : The official language is Khmer.
English is rapidly gaining popularity, particularly among the young.
- ◆ Religion : The official religion is Theravada Buddhism
- ◆ Climate : Tropical Monsoon, Rainy season and dry season

II- Government Administration System

The Ministry of Tourism is the key government organization responsible for guiding development and managing all aspects of the tourism sector and has the task to govern the whole tourism field throughout the country like hotels, restaurants, travel agencies, guesthouses, etc.

The Ministry of tourism located in the capital city, Phnom Penh and has established office in each of 24 provinces- municipalities.

There are Dept. of Planning & Development, Dept. of Marketing & Promotion, Dept. of Tourism Industry, Dept. Education & Training, Dept. of Cultural Tourism, Dept. of Finance, Dept. of Administration, Dept. of Statistic & Tourism Information, Dept. of Human Resource), Dept. of International Cooperation and ASEAN, Dept. of Inspection and Legal Affairs Division.

III-Tourism Situation in Cambodia

- Tourism Resource:

Cambodia is rich in excellent tourism resources especially in archeological, historical and cultural heritage and nature beauty. The government has concentrated on **four priority tourism development areas** (Siem Reap, Phnom Penh, Sihanouk-Ville, North-Eastern provinces)

1. Siem Reap Angkor and its surroundings: Angkor temple complex and other temples around Seam Reap are the world's most magnificent historical monuments.

- Located close to the Thailand border, Preah-Vihear Temple Complex is a famous archeological monument, which can be accessed from Thailand.
- The other attractive natural resources are in the area surrounding the Tonlé Sap lake,

2. Phnom Penh and its surroundings: Other archeological and historical resources can be found around the capital.

3. South-eastern coastal areas: Marine and natural resources are mostly found in Sihanoukville, Kaeb, Kampot and Kaoh Kong, along the coastal area facing the Gulf of Thailand.

4. Eco-tourism destination in North-eastern areas:

Northeastern Eco-tourism area is covered 4 provinces including Mondulakiri, Rattanakiri, Stung Treng and Kratie, where have great natural tourist potentials.

- The area along Mekong River (Kratie, Stung Treng): *Dolphin River* is a new tourist destination in the country as well as in the region.
- Rattanakiri province is known for its isolated hill tribe. Mondulakiri province, located in the lower Mekong River basin, has many waterfalls and four national parks, which have potential for eco-tourism development.

- Tourism Performance and Strategy:

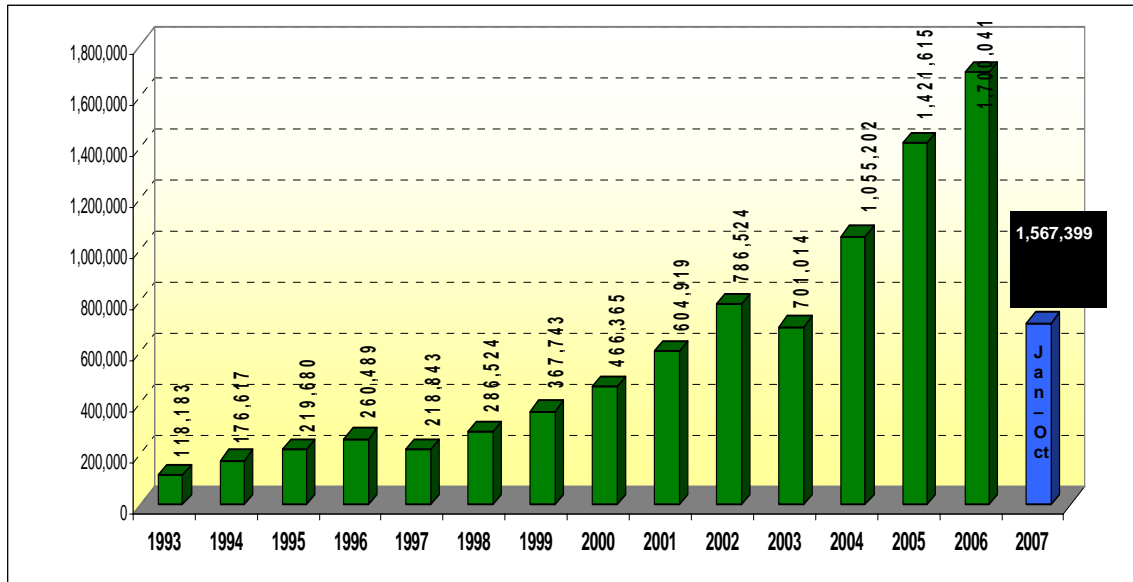
Tourism Performance:

Cambodia is now at full peace and actively engaging in the regional and international affairs. The Cambodian tourism sector is growing at a steady and exponential rate. This sector is second only to the garment industry in boosting economic growth and in providing employment to a large number of Cambodians in numerous related fields- hospitality, transport, and others.

As we are witnessing, for the last 10 years, the tourism sector has grown annually on average at 20% to 30%, for instance the year of 2006 was marked as another year of excellent achievement, which is at 19.59%. Moreover, in the same year, we witnessed over 1.7 million foreign tourist arrivals, of which 843,531 visited Phnom Penh, which increased to 13% and other 856,510 visited Siem Reap Angkor, contributing to the increase of 27% compared over the period of 2005. Likewise, for the ten month period of

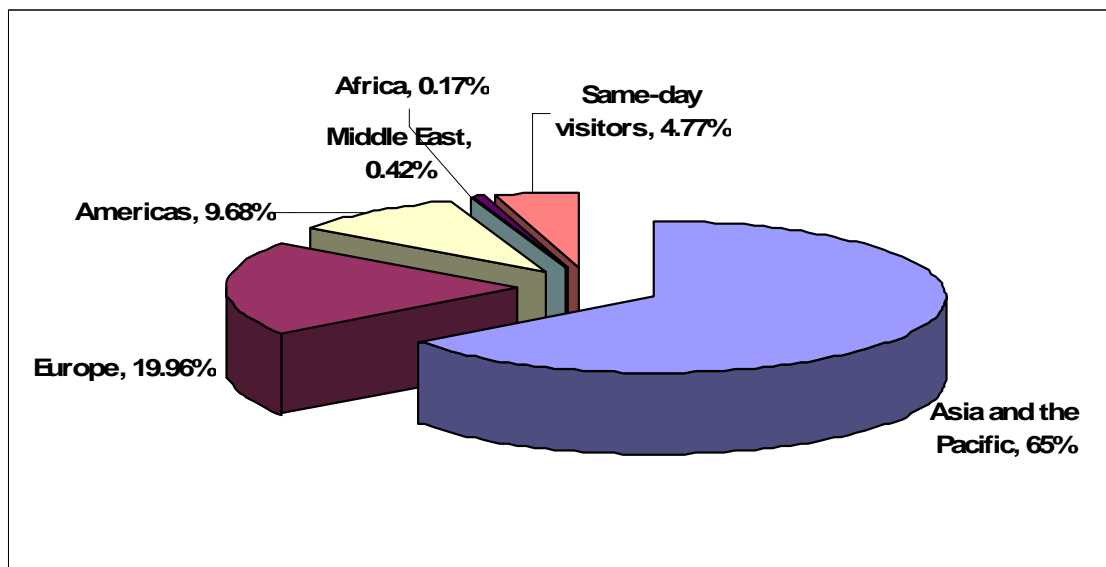
2007, we witnessed over 1.56 million international tourists with an increase of 18.54% compared to the same period of 2006.

International tourists arrival to Cambodia from 1993-2007



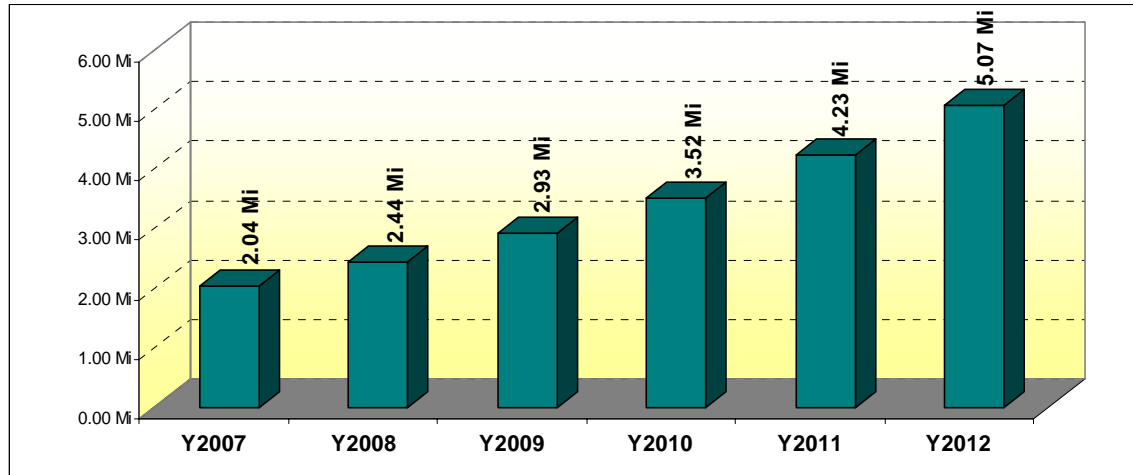
Actually, Cambodia received more visitors from Asian countries and the Pacific region (65%) than those from the European countries (20%) and the United States (10%) while only a small fraction of visitors arrived from Africa and the Middle-East.

Arrivals by Markets in the first ten months of 2007



Furthermore, based on our study, it is forecasted that by 2012 there will be over 5 millions tourist arrivals to Cambodia, of which over 3 millions will go to Siem Reap, particularly by Air.

Vision: International tourist arrivals to Cambodia (2007-2012)



Moreover, in 2006, the tourism contributed to 200 000 jobs and earned 1.049 Millions USD in the local economy. The tourism related revenues is expected to about 2.3Millions\$ and employed to 365 000 people by 2010.

Tourism Policy and Strategy:

For achieving this purpose, policies for tourism defined by the government are based on three basic principles:

- a- The development of tourism should be sustainable, anchored in the rich cultural heritage, history, and the exquisite nature of Cambodia's terrain, but more importantly, development that contributes to poverty reduction.
- b- Active and creative promotion of tourism to make Cambodia a preferred "culture and nature" tourist destination in the region and in the world,
- c- A part from increased tourist arrivals, increase the number of day tourists stay, and the amount they spend, in the country and diversify their destinations.

Important initiatives will continue to be:

- ***An open skies policy (overland and water):*** Since 1998, the government has adopted what is called “open sky policy” which allow foreign companies to compete with local firms in air transports resulting a better services and low travel cost. Consequently, the implementation of this policy has a very positive impact on the overall economic growth, thus boosting the civil aviation and tourism industry in Cambodia for the last ten years. As we are witnessing, for the last 10 years, the tourism sector has grown on average at 20% to 30%. As a matter of fact,
 - i. There have been 11 different international airlines transporting foreign visitors through Siem Reap International Airport.
 - ii. And direct flight to 9 destinations in 8 countries/regions is being currently operated from Phnom Penh International Airport, since the opening of the open-skies policy.
- ***Strengthening the facilitation of Travel:*** Several measures would be pursued to facilitate travel of tourists such as:
 - i. Make visa easily available on arrival.
 - ii. Provide Visa exemptions for the Cambodians oversea.
 - iii. ACMECS visa: Thailand and Cambodia agreed to implement ACMECS single visa whereby tourists are required to applying for a single visa when visiting Thailand and Cambodia.
 - iv. The E-Visa is actually implemented by the government to facilitate tourists’ travel.
 - v. The Government has continued improvement of physical infrastructure (roads, airports, and ports) as well as providing a climate of peace and law and order will facilitate more tourist arrivals.

Now, Cambodia has two major operating airports, Phnom Penh International Airport and Siem Reap International Airport (which received respectively 27% and 40% of international tourist arrivals to Cambodia). The other new Airport Kompong

Som (Sihanouk Ville) Airport will be operated in the very near future, in order to resume domestic flight and also international flight.

- vi. Establish Tourism Information offices or Counters at International border checkpoints (at International Airport or Inland Checkpoints- Bavet and Poi Pet).
- vii. The other strategic factors to develop tourism include:
 1. Continue to strengthen the security and safety of the tourists.
 2. Broadening the regional and global cooperation to develop human resources in both private and public sectors for sustainable tourism development.

Concluding remarks:

The Royal government continues to develop tourism sector, both cultural and natural tourism, more specifically, based on its tourism policy “**culture and nature**”.

As we mention above, the tourism is an engine of growth because the tourism brings about economic and social developments due to job opportunities which generate income, thus reduce poverty.

But, still a lot has to be done to sustain the tourism development in a competitive environment to achieve the Cambodian Millennium Development Goals and the Rectangular Strategy:

1. The Ministry of Tourism need to encourage extended stay (actually, only 6.50 days/tourist) and increased expenses by the tourists in order to increase more the contribution of tourism to the national economy.
2. Paying more attention to the reduce tourism economic leakage, which represent about 30%.
3. Besides the current four main tourist destinations, there are good prospects for diversifying tourism in the other areas in the country.