

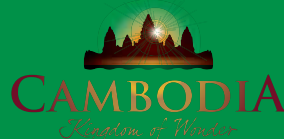


KINGDOM OF CAMBODIA
Nation Religion King

Royal Government of Cambodia

TOURISM DEVELOPMENT STRATEGIC PLAN 2012-2020

Was adopted in the Plenary Meeting of the Office
of the Council Minister, held July 20, 2012



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Message of Support
On
Tourism Development Strategic Plan 2012-2020
From
Samdech Akka Moha Sena Padei Techo HUN Sen,
Prime Minister of the Kingdom of Cambodia



In the name of the Royal Government of Cambodia, I have the great pleasure to convey message to all dear national compatriots about my will, commitment and intention in favor of the Tourism Development Strategic Plan 2012-2020. Truly, tourism, as a system, is the priority sector determined in the Rectangular Strategy of the Royal Government of Cambodia. Tourism greatly contributes to socio-economic development, job creation, income generation, improvement of people's livelihood and poverty alleviation.

Tourism Development Strategic Plan 2012-2020 showcases clear long-term vision for tourism development in Cambodia based mainly on the potentials of "Cultural and Natural" resources. Cultural tourism is highly prioritized for Cambodia tourism development while ecotourism, a vision for sustainable development, needs to be improved and developed as a new tourist destination, responsibly contributing to mitigating against climate change and toward building up green economic development.

It is projected in the Tourism Development Strategic Plan that in 2020 Cambodia will receive about 7 million international tourists together with approximately eight to 10 million domestic tourists. Whereby, the annual tourism revenue for national economy will soar up to 5,000 million dollars, which importantly plays main role in accelerating gross domestic product and creating around 800,000 jobs in tourism sector. Above all, it is a tremendous durable advantage that Cambodia itself can accomplish and creates new history for our national tourism. Hence, we all the Cambodian people who are the prospective beneficiary shall altogether support and get engaged in the cause.

Taking this opportunity, I wish to express my will and support with the aim to achieve the above-mentioned vision and ensure equitable tourism benefit sharing to all stakeholders, particularly Cambodia people. In this sense, five main fundamental principles have been set and rolled out:

- 1- The Royal Government ensures to provide full freedom for tourism business operation based on the principle of equal competition before the law and strictly

adhere to free market economy policy so as to increase better business conditions and attractively diversify tourist activities in a warm environment.

- 2- Encourage active implementation of various policies for tourism development, particularly open sky policy for air, water and overland in order to improve travel facilitation and tourist transportation.
- 3- Build on cooperation between the Royal Government and private sector, development partners to accomplace the Tourism Development Strategic Plan.
- 4- Through tourism development, it shall guarantee market for sale of products from local people since tourism is considered as on-site exportation sector. Encourage and afford any possibility for people to get engaged in tourism development, especially in various community-based tourism sites so as to ensure sustainability of development, protection and benefit sharing, job creation, reduction of migration and poverty alleviation for people.
- 5- Enhance effective law enforcement based on the fundamental legal documents to protect legitimate tourism benefit for all stakeholders and ensure quality tourism development in a responsible and sustainable manner.

In the name of the Royal Government of Cambodia, I highly appreciate the management, officials and all stakeholders of the Ministry of Tourism, Supreme Council of Economy, Committee for Economic and Financial Policy, Inter-ministries, Office of Council of Ministers for having collaborated to get the Tourism Development Strategic Plan successfully adopted by the Royal Government of Cambodia and that becomes the most valuable national document. Taking this opportunity, I hereby appear for all ministries, institutions, local authorities of all levels, development partners, national and international organizations as well as Cambodian people to further support and abide by the Tourism Development Strategic Plan 2012-2020 herewith.

I strongly believe that all stakeholders in the government, private sector, national and international organization, development partners will make use of this Tourism Strategic Development Plan as the roadmap for jointly accelerating quality tourism development in a sustainable and responsible manner so as to raise our national prestige in international arena and make Cambodia: Kingdom of Wonder become the world-class “cultural and natural” tourist destination.

Phnom Penh, September 04, 2012
Prime Minister

(Signed)

Samdech Akka Moha Sena Padei Techo HUN SEN



KINGDOM OF CAMBODIA
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MINISTRY OF TOURISM

Thanks Letter
From
H.E Dr. Thong Khon, Minister of Tourism



On behalf of the Ministry of Tourism, management and officials, I would like to extend my profound thanks to the Royal Government for support and adoption of the Tourism Strategic Development Plan 2012-2020. This strategic plan is the important document for the country and is a roadmap showcasing quality tourism development in a responsible and sustainable manner.

Tourism has been determined by the Royal Government of Cambodia as the “Green Gold” which is an important element of green economy, whereby tourism revenue was immediately inducted into the national economic current, contributing to accelerating gross domestic product. Sustainable and responsible tourism development contributes to the development, preservation, protection and conservation of cultural, historical and natural resources. Moreover, the progress of tourism enhances national prestige in international arena, strengthening friendship, solidarity, cooperation and Cambodia integration into the region and the world.

Royal Government, under the sound and brilliant leadership of **Samdech Akka Moha Sena Padei Techo HUN Sen, Prime Minister of the Kingdom of Cambodia**, has always paid greater attention on, led, supported and encouraged tourism development to accomplish various subsequent achievements. The Royal Government has rolled out policies, measures and strategy to encourage tourism development, particularly open sky policy and rectangular strategy of the Royal Government of Cambodia.

In fact, Cambodia: Kingdom of Wonder has diverse potentials for tourism development based on the “cultural and natural” resources, national unity, political stability, peace and good security. The Tourism Development Strategic Plan 2012-2020 is the necessary document showcasing the strong will of the Royal Government of Cambodia in sustainably developing Cambodia tourism and prioritizing tourism as an important sector toward building up socio-economy in Cambodia.

The Tourism Development Strategic Plan herewith clearly shows the vision for future tourism development in Cambodia based on six strategic directions, namely: tourism product development; tourism marketing and promotion; connectivity and travel

facilitation and tourist transportation; tourism safety system; negative impact management; legal system and management mechanism; and human resource development. In addition, this strategy also shows the study on challenges, risk, strenght, opportunity and setting out strategy, measure and planning and implementation mechanism.

Once again, on behalf of the management and official of the Ministry of Tourism, I would like to extend my heartfelt thanks to **Samdech Akka Moha Sena Padei Techo HUN Sen**, Prime Minister of the Kingdom of Cambodia for always concentrating, supporting and encounging tourism development in Cambodia. In particular, Samdech Techo Prime Minister and the Office of Council of Minister adopted the Tourism Development Strategic Plan 2012-2020 in the plenary meeting held July 20, 2012 at the Office of the Council of Ministers.

My thanks also go to the ministries, institutions and all relevant authorities, private sector, national and international organization, development partner for providing comments and various cooperation in preparing this tourism development strategic plan. On behalf of the Ministry of Tourism, I hereby seriously commit to increase cooperation with all ministries, institutions and all relevant authorities, private sector, national and international organizations, development partners to further carry out the Tourism Development Strategic Plan 2012-2020 to achieve very positive outcomes.

Phnom Penh, September 03 ,2012
Tourism Minister

(Signed)

Dr. Thong Khon

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Tourism Development Strategic Plan 2012-2020

I. Introduction

(1) Tourism, as a system, has been identified as one of the priority sectors in the Rectangular Strategy of the Royal Government of Cambodia. The tourism sector plays an important role in contributing to socio-economic development, job creation, revenue generation, the improvement of people's livelihood and poverty alleviation. Tourism is essentially considered to be **“Green Gold”**, a major element of green economic development, since the sector revenue is instantly inducted into the national economy, thus enhancing Cambodia's gross domestic product (GDP). In this way, the development of sustainable and responsible tourism actively contributes to national development: the preservation, protection and conservation of cultural, historical, and natural resources, and mitigation against climate change. In addition, tourism growth helps promote national prestige in the international arena, strengthening and expanding friendship, solidarity and cooperation with other countries, and Cambodia's regional and international intergration.

(2) The **Kingdom of Cambodia** has diversified potential for tourism development based on its abundant cultural and natural resources, especially while the country is seen to possess national unity, political stability, peace and security. The Royal Government of Cambodia strongly pledges to further encourage the implementation of the Second Phase Rectangular Strategy and various strategic plans for the purpose of socio-economic development, and thereby encourage tourism development aiming at strengthening the country's economic stance and alleviating poverty. To achieve the goal, the Royal Government has been subsequently set out policies, strategies, plans and measures in order to achieve further implementation in a responsible and efficient manner, particularly the Tourism Development Strategic Plan 2012-2020.

II. Tourism Situation

1. World tourism situation

(3) The tourism industry provides around 75 million direct jobs and 100 million indirect jobs, particularly job opportunities for the young and women. In 2009, tourism revenue recorded more than 852 million dollars. Tourism contributed to approximately 30% of service exports and surged up to 45% in developed nations.

(4) According to the World Trade Organization, in 2009 more than 880 million people traveled as tourists, a decrease of 5.8% due to the negative impact of global economic crisis. World tourism grew in 2010 in line with the world economic recovery, with 935 million tourists in that year, an increase of 6.7% on the previous year. That year, Asia Pacific tourism surged 14%, Europe 3%, Africa 9% and Middle East 16%. According to predictions, global tourism will grow to 1.6 billion people in 2020.

2. Regional Tourism Situation

(5) The Asia Pacific region has encountered various crises greater in scope than other regions. One of the major factors in maintaining tourism stability is intra-regional tourism, since Asia-Pacific region has greater population and economic stability, with good transport connectivity between nations.

(6) ASEAN has the fastest growing tourism industry in the world. In 2009, despite global economic turmoil, tourism remained positive with approximately 65 million tourists, an increase of 0.19%. ASEAN intra-tourists and travellers have grown remarkably to be 45% of total tourists, whereas European tourists comprised around 10% of total tourists to ASEAN. ASEAN received approximately 15 million tourists from China, Japan, Korea, and about 1.9 million from India. In 2010, ASEAN achieved tourism growth of around 10%, most of which is the surge in intra-tourists and arrivals of Chinese (4.4 million), Korean (2.8 million) and Japanese (2.8 million).

(7) In 2011, ASEAN tourism grew 7.4% with tourist arrivals of 81.23 million, in which Brunei received 0.26 million, Cambodia: 2.88 million, Indonesia: 7.60 million, Laos: 2.76 million, Malaysia: 24.7 million, Myanmar: 0.81 million, Philippines: 3.92 million, Singapore: 13.2 million, Thailand: 19.09 million, and Vietnam: 6.01 million.

3. Cambodian Tourism Situation

(8) **Cambodia-Kingdom of Wonder** has been influenced by the global economic crisis, the spread of the A/H1N1 virus and political crises in neighboring countries in the region. Such crises are a barrier against tourism growth in Cambodia, which nonetheless experienced a double-digit growth in tourism year on year. Under the brilliant leadership of Royal Government and all-corner efforts, particularly the on-going promotion of Cambodia-Kingdom of Wonder, the competitive movement “Clean city, Clean resort, Good service” along with the seven key Strategies of the Royal Government, the industry not only bared these crises but also encouraged 2,161,577 tourists to the country, an increase of about 2% in 2009.

(9) In 2010, Cambodian tourism has been seen in progression during the stage of world economic recovery. It is apparent that Cambodian tourism underwent a trend of recovery approved by arrival of 2.5 million tourists in the whole of 2010, an increase of about 16%. In 2011, tourist arrivals to Cambodia recorded 2.8 million, an increase of 14.9%. It should be noted that tourists from neighboring countries and the region increased remarkably. Vietnamese tourists ranked the first with an increase of 19.4%, followed by Korean tourists (increased by 18.3%), Chinese tourists (39.2%), Japanese tourists (6.6%) and Laotian tourists (39.3%). Long-haul tourists from Europe showed an increase of 15%, despite Europe’s economy remaining in a difficult situation.

(10) Air tourist arrivals surged around 17% both in Phnom Penh and in Siem Reap. This trend contradicts 2009’s which went down 10.3% (7% decrease in Phnom Penh and 12% drop in Siem Reap). The emerging trend of air arrivals caused various challenges, such as trouble in access to booking air tickets to Cambodia. Meanwhile, overland and waterway tourist arrivals made an increase of around 16.4%, which shows a positive sign for Cambodia’s tourism growth.

(11) Domestic tourist activities grew up remarkably. 2011, inbound tourist activities in the country recorded around 7.9 million, an increase of 4%. The trend contributed to internal economic activities. The increasing domestic tourists even made it clear that Cambodia enjoys political stability, security, safety, well-developed infrastructure, resorts. Tourism services have been progressing in development while the country’s economic situation ensures stability.

(12) Moreover, ecotourism and community-based tourism development in rural areas and mountainous zones are captivating and ascertain that touring Cambodia-Kingdom of Wonder is truly peaceful and safe. Overall, this trend of Cambodian tourism will further grow in the future, since there is total support from the Royal Government of Cambodia and stakeholders while the country is peaceful, safe, politically stable and developing.

4. Tourism Revenue

(13) Tourism is directly and indirectly conducive to society, the economy, culture and environment. Tourism is a main factor driving economic growth through instant flow of foreign currency (tourism revenue) into the domestic economy, which accelerates economic activities, improves GDP, and creates and increases jobs, occupations, incomes and poverty alleviation.

(14) Tourism revenue grew in the Cambodian economy, which is based on a free-market economy, Tourism becomes an economic efficacy multiplier, expanding revenue and providing a basis for potential public and private investment. Tourism is considered an export industry that mitigates against commercial imbalance and improves Cambodian competitiveness.

(15) According to research, tourism earned around 1560 million dollars (2009) and about 1700 million (2010) in Cambodia economy with a double efficacy multiplier. The findings testify that tourism revenue grew upward to 3000 million dollars in the broader economy. At the same time, it should be noted that there was approximately 25% leakage in tourism revenue, mostly through foreign importation and supply of goods for the growing tourism industry. The leakage can be undermined through availability of domestic supply of goods and services such as vegetables, fruits, fish, furnitures, labor and Cambodian expertise.

(16) Tourism employs a large segment of the population and improves people's livelihood and poverty alleviation through income generation. In 2010, tourism created around 30,000 direct jobs and several thousand indirect jobs. Tourism employees can financially support a family with few members. During the crisis, it was found that no tourism business operations took actions to close or minimize staff, instead reducing hours of employment. Moreover, fired employees in other sectors took up tourism-related jobs, particularly in tourism entertainment services.

III. Tourism Vision

(17) The main vision is to encourage nature and cultural tourism development in a responsible and sustainable manner, in a way that tourism benefits socio-economic development, job creation and poverty alleviation. In this way, tourism development shall focus on both quality and quantity and utilise all existing potential capabilities based on the spirit of conscientiousness and appreciation of the cultural value of the whole nation. Along with this, it shall push ahead with competitiveness, idealism and enhancement of Cambodian prestige in the international arena by means of regional and international intergration, aiming at turning Cambodia into a destination of international Standard, a "cultural and natural" tourist destination which is attractive, secure, safe and comfortable for tourists from all walks of life, as well as promoting reliable investment environment. Tourism development shall also ensure the high priority of managing and preventing any

negative impacts on the economy, culture, society and environment.

(18) Cultural tourism is prioritized for Cambodia tourism development in concurrence with the development of appropriate tourism products, namely ecotourism, community-based tourism, recreational tourism and sports tourism beneficial for social development. The sustainable tourism development dovetails with the idea of “quality tourism” while, at the same time, catches up with new tourism trends which are required to be properly managed.

(19) In order to achieve this goal, the Royal Government of Cambodia has targeted 2020 as a focal year to attract approximately 7 million international tourists to visit Cambodia, which would thus transform Cambodia into a world class tourist destination. If the target of 7 million international tourists in 2020 is achieved, Cambodia would earn 5 billion dollars in revenue, and it will reach 10 billion dollars yearly if this included the double economic efficacy multiplier. This will play important role in GDP, growth which may add up to 400 dollars for each person in the country. In this sense, Cambodia may be released from the list of the world’s poor nations.

(20) To ensure this strong committment, particularly to ensure allocating tourism benefits to all stakeholders, namely Cambodian people, based on principles of equity, the Royal Government undertakes to implement 5 principles, as follows:

1. Stating the intention to open free tourism business operations in favor of equitable competitiveness before the law, and sticking to the market economy policy in order to improve the business environment and attract tourism activities in Cambodia.
2. Encouraging comprehensive policy on tourism development, particularly open-sky policy both overland and on waterways, so as to improve travel facilitation and tourist transportation.
3. Enhancing cooperation between government and private sector and development partners in order to further accomplish the stated policy of tourism development.
4. Encouraging and facilitating as well as supporting tourism development activities of people, particularly community people in tourist destinations, to ensure sustainable tourism development, protection and benefits in the form of new jobs, decreased migration and poverty alleviation.
5. Intensifying law enforcement based on legal framework, in order to protect legitimate tourism benefits for all stakeholders and ensure quality tourism development in a responsible and sustainable manner.

IV. Objectives and Goals

(21) Tourism Development Strategic Plan 2012-2020 is the common strategic planning framework document which determines the vision, principles, goals, strategies and major plans in managing and developing Cambodian tourism in a responsible and sustainable manner. The strategic plan herewith has been thouroughly developed in parallel with national policies, particularly tourism national policy and the Law on Tourism. In addition, the Tourism Development Strategic Plan is the key document and roadmap toward achieving

tourism development goals, contributing to socio-economic development and poverty alleviation.

(22) The strategic plan shall be used, on the one hand, as the basis for analysis and decision making related to the responsible tourism management and development, and on the other hand to call for participation of all stakeholders, including the public sector, private sector, development partners and people.

V. Strategic Analysis

(23) Cambodian tourism has been developed at a fast-growing pace with the umbrella of peace and stability under the sound and brilliant leadership of the Royal Government and with participation of all stakeholders, the private sector and people. However, where there is development, there are also challenges and risks which require a timely control and solution.

Challenges in tourism development have been analysed and identified as follows:

1. Tourism Products

(24) There is a part of the past and current tourism growth depending on the newness of Cambodian tourism, products which mostly attract premier visitors. However, this trend will be changed in the future when the tourism products are more widely used and if there is no appropriate development preparation or further enhancement of quality. The circle of tourism products are the same as the generation of human beings which evolves from younger to older, and the attractiveness of the products is also reduced following that. Moreover, the strong dependence on just one cultural tourism product will also lead Cambodian tourism growth to be reduced.

(25) The decline in product quality will be reducing competitive capacity, which is an obstacle for tourist attraction. Cambodia is still facing problems regarding cleanliness, sanitation, tourism product improvement and arrangement. The arrangement and implementation of product and tourism service quality standards are still limited, which has a negative effect on tourism growth over a long-term period.

(26) Human resources in tourism, especially in professional sectors, lack the ability to serve and support tourism development in a sustainable manner. We do not yet have enough professional tourism training schools for making a preparation for the future human resources to be ready for greeting 4-6 million tourists—requiring at least 500,000-700,000 skilled workers. The training cannot be carried out in a short timeframe; it requires full qualification preparedness in advance.

(27) The price factor is also a problem. Airfares especially cost more than others in the region. The price increase following seasonal requirements becomes a problem because the need for growth is more than the supply, especially in each tourism season.

2. Marketing and Promotion Study

(28) According to the research, 80% of international tourists have visited

Cambodia one time, and only 20% have visited more than one time. This is a challenge because if we maintain the share of visitors visiting more time, the tourism growth will be rapidly increased by combining new tourists and old ones. This case is caused by the tourism products, services or promotions, and limited marketing activities which cannot attract tourists to visit more than once. To be clear about this case, the tourism survey is very important to collect tourist information about satisfaction and dissatisfaction.

(29) Tourism marketing studies are still limited. Namely, it is not yet analysed in details about the marketing parts, types, or needs. The lack has pushed Cambodia's promotion not to be correctly targeting tourists to not be deep enough into the tourist market as yet. The limitations of budget and human resources have also contributed to the limit of marketing study and Cambodian tourism promotion. Furthermore, the private sector contributions to promotional activities are still limited, and the public and private sectors mostly carry out separate promotional activities.

(30) Tourism promotional facilities are still limited to quantity, quality, and accredited languages. The promotion via internet and information technologies remain weaker compared to the region and the world. Cambodia has not yet had tourism representative offices in the priority tourism markets, but there are some tourism promotional representative offices at some markets through using the private representatives, where there is less activity.

(31) The promotion within the country is the proper pursuit, but it is not strong yet, and not yet intertwined with other means of promotion. Some areas already have tourism information centers but other areas do not, especially along the main national roads, bordering gateways, and tourist destinations. The local tourism promotion mostly contains activities on education, raising awareness through spots, songs, or music – but the market feature is not yet active. Thus, the local tourism promotional facility remains limited.

3. Connectivity and Travel Facilitation

(32) We still face certain challenges for the connectivity and travelling facilitation which is an obstacle to tourist flow. In ASEAN, Cambodia does not yet have flight connectivity with Indonesia, Brunei, Myanmar, and the Philippines. The absence causes Cambodia to lose the opportunity to directly attract tourism from these markets, especially Indonesia and the Philippines, which have a combined population of approximately 330 million people. Cambodia does not yet have a regular flight from Japan—the main source of tourism in the region, which has approximately 20 million Japanese outbound tourists each year. There is not yet any connectivity with India, Saudi Arabia, and Russia.

(33) The challenges for Cambodia are the narrow gateways of the flight connectivity. Totally, there are 4 main issues: 1- There is no direct flight from far away tourism market sources. 2- The local connectivity remains limited. 3- National airlines which have just been established are still limited. 4- Travelling by flight takes long time,

together with high airfares.

(34) The attraction of access flights of the big airlines can be difficult because Cambodia has not yet become a core point in the region, and the big airlines have been operating their connectivity with Vietnam, Thailand, and Singapore amongst other countries. Apart from that, the capacity of the Cambodia's three international airports is still limited. In this case, Japanese airlines used to mention about the small size of landing runways, which are different from the standards required for Japanese airlines.

(35) The direct flight plan of French airline to Cambodia is a bright light on the path to long distance connectivity. But, in order to ensure the achievement of this plan and the sustainability of flights, joint marketing and promotion need to be more active in further attracting tourists.

(36) Access to tourist transportation by air is very limited and the growth is slow, which cannot allow Cambodia to achieve tourism goals of 4 million tourists in 2015. In this case, it is clearly shown through the analysis of capacity limitation of loading all flights to Cambodia, which is composed of about 150 flights per week. The number can load tourists not exceeding over one million (regardless other general passengers) per year.

(37) On this basis, even if there is no addition to flights to Cambodia, the tourist flow by air is certain to reach the limitation of decline, regardless of high priced air fares or other challenges, including the difficulty of finding flights suitable for tourist requirement. This case used to happen to Japanese tourists, who were required to book air tickets to Cambodia at least six months in advance to get an appropriate flight.

(38) The limitation of flights causes a problem in that the need is higher than the supply and this allows airfare to be increased, which causes the reduction of the flow of tourists. The price factor is also found in high charges of landing or other tax payments in the airports or flights in Cambodia, which need to be reconsidered.

(39) The solution to the above problem to rely on the capacity building of the national airlines to increase both local and internal flights, especially to build up Cambodia's competitive capacity in the region. Also, the Cambodian Airline Association has not yet been established. In this case, the private sector is a preparer of this association.

(40) The Preah Sihanouk international airport has already been restored, but there are not yet regular flights. There is a need to meet tourist demand, but there are not yet both inbound and outbound connectivity flights. This is a problem for Cambodia, because (1) The likelihood of added construction of airports in Cambodia can decline (2) the connectivity strategy between Angkor or other coastal destinations has not yet been achieved (3) Tourism destinations of neighboring countries remains more advantageous

because of the connectivity of their coastal areas with Angkor by air. In the future, there will be further proposition for the connectivity between Angkor with island areas which are not far from the Cambodian coastal areas.

(41) Certain international bordering gateways have not yet been properly arranged in terms of facility, infrastructure, and hospitality service, namely there are not yet passenger buildings, appropriate working places for authorities, tourism information center, or adequate pure water, electricity supply and so forth. In some cases, there are still problems about untidiness of transportation, overcharging visa fees, fraudulent money exchanges by intriguing persons and so on. Nevertheless, the problems are reduced through efforts to implement from the authorities at all levels, particularly under the inter-ministerial commission's mechanism.

(42) The other main matter is the unsmooth border passage of private tour buses (family) because it requires a wide variety of complicated application forms, such as requirements for financial permits at bordering gateways and if they get access through any one gateway, they need to come back through the same gateway, which is opposite to the trends towards tourism development.

4. Tourism Safety Systems and Impact Management

(43) In general, Cambodia is recognized as a safe and secure tourism destination nationwide. Nevertheless, there is still certain inaction on some issues, such as the activities of robbery along the public roads, tourists' loss of possessions in accommodation, or fraudulent cases through forcing tourists into using the transportation means or buying goods while taking an overwhelming commission.

(44) Food safety is still a problem as well, in particular lack of sanitation in food sales to the public, monitoring systems for food standards and sanitation, and other contamination epidemics which can infect tourists.

(45) Rescuing systems for tourists in danger are still limited, particularly along the further tourist destinations in the forest or sea areas.

(46) Tourism development cannot avoid the growth of the forms of negative effects of tourism, which is a challenge for Cambodia. With the label of tourism, some negative activities including prostitution, sexual trafficking, human trafficking (particularly women and children), traffic, and drug use, or illegal activities which are serious challenges needing prevention strategies in order to stop the diminishment of the reputation of Cambodian tourism destinations.

(47) The economic leakage is a major issue for the economy. Namely, the leakages are mostly caused by the import of goods and labor forces to serve tourism development. The returns of most foreign currency (tourism income) will push forward Cambodian tourism development without sustainability because local people will get less tourism

advantages. According to the study of Cambodian tourism, income has leaked out at the approximately rate of 25% of the total income. But this trend can be changed if we still depend on the imports from the foreign countries, even vegetables, flowers, or meats that we can produce.

5. Legal System and Management Mechanism

(48) The limitation of regulation, planning, and implementing bases are important issues which cause irresistible risks and challenges in the future. These problems are included in unfair competition in tourism, the anarchy of tourism operation, exclusive seizure of tourism destination management in violation of the local community, illegal coastal land or tourism destination seizures, running a race towards tourism requirements and tourism trends of extreme “Nationalism”.

(49) There are various other risks identified and needing to be solved:

- Non-standard operations involving mine exploration and sand dredging might be harmful to the environment and tourist destinations;
- Environmental pollution by solid and/or liquid wastes, lack of infrastructure, insufficient clean water supply and over-pumping of water from the ground might affect tourist destinations;
- Some approved investment projects have not been implemented;
- A mass of tourists travelling to one destination, which is not yet properly managed, might cause negative impacts on environment, social norms as well as cultural and natural resources;
- The need to meet tourist demand can affect tourist destinations and tourist products, leading to the undermining of the quality of tourism;
- Insufficient management and human resources can lead to improper management of tourist activities;
- Unequal benefit sharing among local people would not meet the sustainable development goals;
- Climate change, natural disasters, epidemics and terrorism also cause negative impacts on tourism development, although Cambodia has never encountered such acts.

(50) The above identified challenges require institutional mechanisms, fundamental legal documents, planning and responsible action to prevent their enactment and render solutions. Cambodia shall avoid the negative experiences of tourism development that have occurred in the region, thus it is necessary to learn both negative and positive experiences that have occurred in countries in the region.

VI. Strategic Direction and Strategies

(51) The Tourism Development Strategic Plan 2012-2020 shall be enhanced and focused on six main strategic directions, namely:

- 1) Tourism product development and product quality improvement

- 2) Marketing and promotion
- 3) Travel facilitation and transportation, and regional and international connectivity
- 4) Tourism safety system and management of tourism's negative impact on society, culture, environment and economy
- 5) Legal systems and management mechanisms with effective implementation
- 6) Human resources development

1. Tourism Product Development

(52) Either soft or hard tourism development, concentrated on cultural and natural resources and other soft potentials, is the main foundation for sustainable tourism development. The main purpose of tourism development is to strengthen and expand tourism products to supply proper market needs in order to attract either first-time or second-time tourists. Product development shall focus on diversification and quality improvement of the existing products and invention of new products in accordance with the market need to ensure sustainable tourism and tourism benefits for the nation. The major keys to achieve this is to allow all stakeholders, the private sector, development partners and people to partake in tourism product development and maintenance of already accomplished achievements.

(53) The Royal Government has subsequently set out policies and regulations such as the "Tourism National Policy" to facilitate and ensure participation of stakeholders and steer responsible and sustainable tourism development with efficiency.

1.1. Priority-Sector Tourism Development

(54) Tourism product development shall be identified in accordance with product variety and geographical area or main corridors through specific analysis on the source of resources, relevant attractiveness potential and impact on the economy and society. Prioritized tourism sites shall be determined as follows:

- Cultural tourism sites in Siem Reap-Angkor, linked to Preah Vihear temple and the Anlong Veng historical site, Great Lake and its peri-zone;
- Phnom Penh (and its peri-zone) which is a famous capital city in South East Asia and is a political, cultural and commercial tourism hub, particularly the four-converging rivers and its tourism potential;
- Southern tourism corridor (coastal zone) is categorized for its ecotourism potential and strong attractiveness, especially connectivity with the Angkor area, Phnom Penh, Vietnam and Thailand. This area includes Cardamon mountains, which is rich in the biodiversity essential for ecotourism.
- Northeast ecotourism sites disclose its uniqueness, including Mekong river dolphins, natural spectacles and the culture and tradition of ethnic populations.
- Great lake peri-zone which is known for ecotourism potential along with culture and tradition of local people's livelihood, particularly agriculture,

fishery and traditional handicrafts;

- Areas along Mekong rivers stretching to the Great lake and Bassac river blessed with cultural and ecotourism potential, as seen the attractive waterway journey;

(55) These areas consist of a mixture of tourism potential including culture, nature, history, adventure tour, activities and new invented products which are captivating to domestic and international tourism markets. Moreover, most areas have good infrastructure, security and safety where millions of residents can be considered as a labor source and development toward poverty alleviation in accordance with the Millennium Development Goals and the committeemen of the Royal Government.

(56) In order to further support tourism development, and equity of tourism benefits to these areas, the Royal Government has made a greater effort in encouraging infrastructure development, especially improvement of roads connecting to attractive tourism sites to become tourism sites. Regular enhancement of tourism product quality, tourism services through setting out and implementing tourism standards and competitive movement “Clean city, clean resort, and good service”, human resource development seminars from national to local levels, in which “smiley hospitality” is taught.

(57) Strategically, tourism product development is not separable from marketing and the situation of regional and international tourism. Product development shall conform to markets, but shall not entirely follow market needs because some market needs result in negative impacts on Cambodia’s economy-society.

(58) The Royal Government has put greater emphasis on urging tourism product diversification and development based on cultural and natural resources in a responsible manner as stipulated in Tourism National Policy and Law on Tourism. These resources can be distinct in case of no limit and clear plan, and that not full capacity utilization leads to loss of opportunity in developing economy-society. Thus, the Royal Government has stuck to the policy “Cultural and natural development and conservation shall go together”. It means that “Conservation is not a barrier to development and shall not cause destruction on natural and cultural resources”.

(59) Cambodia has great potential for tourism development, especially in the area of ‘culture and nature’. In term of ancient temple, Cambodia is the only one country in Asia that has the most historical sites of more than 1000 temples; all are more than a thousand years old. This number excludes the historical hillocks of deteriorated temples. Only about 10 percent of these historical heritage sites have served as tourism destination while the other 90 percent are secluded from development, leaving the local people very poor. Therefore the development of these damaged historical areas is crucial in order to transform them into tourism destinations by allowing local people to partake in the development, conservation and poverty reduction process.

(60) The Royal Government of Cambodia has been working actively to improve the existing tourism products by strictly implementing the standard systems of those products to meet the requirements of tourists in accordance with ASEAN standards. Those standard systems are namely hotel classification, accommodation services, resorts, cities as tourist attractions and so on. Moreover Cambodia is also working to establish and implement other standard systems which apply to restaurants, transportation, tourguides, and tourism

communities. Meanwhile, Cambodia is also working to promote competitive movement called ‘clean city, clean resort, good service’ and ‘green tourism’ by awarding certificates, giving prizes, and implementing other strategic plans to strengthen services in the tourism industry.

(61) Tourist attractions and their surrounding areas must appear with the cleanness, hygiene, and beauty. Especially, those places should be green and kept in order. The tourist attractions should be in good arrangement and if possible should have tour guides, materials, and technologies that can provide information for tourists. The people who are in charge of tourist attractions need to study the demand of tourists and provide the right tourism products to ensure stability and sustainability for each tourist attraction. Excessive number of tourists flocking in a certain attraction should be avoided because it can create negative impacts.

(62) Creating new tourism products is very important to support the existing ones. In response to the strategic plan, creating new tourism products can provide more opportunity for tourists to visit, prolong their stay, and spend more. Hence it can boost employment rates and the country’s economy. Depending on the rising fame of Angkor Wat or Phnom Penh alone cannot give enough strength for Cambodia to fulfil its vision in the year 2015 of vowing to attract more than 4 million tourists per year. Angkor Wat, which received more than 2 million tourists every year, has suffered from cultural and environmental damage even though the duration of stay for each tourist is not long.

(63) However, Angkor Wat still remains a hub or a strong ‘magnet’ that pulls tourists not only to Cambodia, but also to the surrounding countries.

1.2. Angkor Wat and its peri-zone

(64) Developing tourism products and creating new attractions around or linked to Angkor can provide long term benefit to socioeconomic status of locals and reduce the overcrowding impact at the Angkor heritage site. For instance, the development of tourist attractions such as the floating village in Chong Kneas and some areas of the Tonle Sap Lake have given fruitful results which are important to local people, boat communities, and other services. According to the studies, approximately 40 percent of the tourists visiting Angkor in Siem Reap have been to Tonle Sap Lake. Beside Chong Kneas, other potential tourism areas are also working to establish their tourism communities and tourist attraction in order to get visitors. Those areas are Kompong Pluk, Kompong Klaing, and Prek Toal.

(65) Linking Angkor with other tourism destinations should be done in five directions (represent by Angkor Wat five tops) with availability of all kind of transportation and proper infrastructures.

Linking directions include:

- The southern Angkor can be linked to Tonle Sap Lake and other important provinces such as Battambang, Pursat, Kampong Chhnang, Sihanouk Province’s airport and the rest of the coastal zone.
- The northern Angkor should be linked to Anlong Veng, Dorn Rea Mountain, and the famous Preah Vihear temple. It can extend the link to Wat Phou Temple through the ancient road across Preah Vihear Province, and then build a connection to Stoeng Treng and the northeast area which is home

to natural resources and rich in the cultural treasures of ethnic minorities.

- The eastern Angkor can use national road number 8 to connect to Kampong Thom, which is geographically located at the heart of Cambodia. This province has potential cultural and natural resources, especially Sambor Preyku temple, the ancient capital city during pre-Angkor era, which attracts many tourists. Using the same road, Angkor can line to Kampong Cham, Kandal province, and Phnom Penh.
- The western Angkor also has great potential. Uddor Meanchey and Banteay Meanchey province have abundant cultural and natural attractions such as Ang Trapaing Thmor, ancient temples, and an old bridge. The important feature includes the link from these areas to the former Khmer temples in Thailand via King Chayavaraman VII road.
- Angkor has been linked to the world by roads, waterways, and airways under the ‘open sky’ policy issued by the royal government of Cambodia. Many countries in the region have been received positive externalities from Angkor. Because of the transportation connection, other countries have opportunity to welcome the international tourists who aim to visit Angkor; for instance, the direct flight from Samuy Island, Singapore, and Vietnamese beaches, to Siem Reap.

(66) The Royal Government has paid greater attention to setting out and further rolling out the open sky policy (air, overland, water) and strategy determining “Angkor as priority pole” in order to supportively encourage tourism development in Cambodia. Moreover, the Royal Government has actively collaborated with development partners, the private sector and people involved in the development of tourist destination, tourism products around the site or connectivity between Angkor and other destinations to meet the main goal, the sufficient use of the existing resources in a responsible manner for the sake of tourism development contributing to socio-economic development and poverty alleviation for local people. All sites rich in cultural and natural potential shall be developed as tourist destinations, widely promoted as captivating destinations and requiring on-site management and development mechanisms, whereby it is better to create tourism community in order to provide local people and communities with possible means, capacity, knowledge and basic advantages;

(67) The Royal Government has facilitated all possible means for people via encouraging, initiating, creating or inventing, thus developing as new products based on existing basic resources:

- Creating and promoting craft souvenirs as tourist souvenirs reflecting culture and tradition of people in various geographical areas;
- Showcasing art performances, traditional dance and music, food and fruits to tourists visiting all tourism communities;
- Influencing or allowing tourists to engage in various proper activities related to the real lifestyle of community people, namely: cultivation, fishing, festival and rituals so tourists will experience these activities satisfactorily. In this case, it can be linked to “rural tourism” which is successfully implemented in Baray

district in Kompong Thom province;

- Tourism contributes to development such as the encouragement of tourists to plant trees in the “One Tourist-One Tree” or “Planting Tree Starting from You” programs, building pumping, houses, schools, hospitals or humanity purposes;
- Encouraging people to create tourist-oriented market products, namely vegetables, fruits, flowers, fish, meat, furniture necessarily needed to meet the growth of tourists, whereas presently some of these products have been imported. The increment of domestic supply will undermine exportation and economic leakage, thus encouraging small and medium enterprise activities;

(68) The aforementioned activities and results are important to promote tourism development and poverty reduction. This is the main goal of the royal government of Cambodia and it is parallel with the rectangular strategy of the government and in line with the United Nations Millennium Development Goals.

1.3. Phnom Penh and its peri-zone

(69) Phnom Penh is the heart of Kingdom of Wonder as a political, business, cultural and tourism center. It is one of the oldest capital cities in Asia. It is located in the junction of four rivers. Phnom Penh has transformed itself from the name ‘zero’ city that entirely destroyed by continuous war and genocide to the developing city in every sector. Phnom Penh has been connected to the world by road, waterway, and airway. The Phnom Penh international airport has been linked to the world. Through its active role, it received more than 1 million tourist arrivals every year.

(70) Phnom Penh is the center for treasure, and many cultural heritage sites which play important roles in attracting tourism. The National Museum, Royal Palace, historical sites, Wat Phnom, and colonial architecture are the main features of the city. Nowadays, Phnom Penh has developed into a skyscraper city, a luxurious hotel at the international level, and many tourism services accompanied by public decoration making this city a popular tourism destination. Around the city, the tourism potential is the link between city’s tourism to rural tourism bridging culture and nature together. This type of tourism is suitable for city dwellers and international tourists. Tourism destinations around the capital city of Phnom Penh that have been developed are Udong Mountain, Baseth Mountain, Kob Sroeu, Koh Dach, and eastern area of Phnom Penh. The links between this capital city to Kandal, Kampong Speu, Takeo and Tonle Bati are important. Kap Srov area shall be developed to be a recreational area in Phnom Penh.

(71) Concerning the increasing pollution in Phnom Penh, due to 1 million vehicles and a population of 2 million people, the environmental pressure has a push factor for inbound tourism activities. Because of this growing trend, tourism products around Phnom Penh should be developed to respond to demand and to provide income for local people.

(72) Phnom Penh and the surrounding area have great potential for tourism development. It is good enough to make tourists extend their stay to enjoy the cruise ship along Mekong River and visit communities, handicraft and weaving villages, traditional silversmiths, agritourism, and cultural heritage, strolling along Chaktomuk River, night markets, exhibition centers, and common markets that are claimed to be fully safe.

(73) Phnom Penh has been expanded its territory to the extent of a developed city in Techo's time, including satellite cities of world-class standard connecting to itself. Those satellite cities have resident zones and tourism products for city dwellers. The outskirts of the city, like Kob Sroeu and riverside, have potential for ecotourism. These places can be turned into recreation for tourists and residents. Moreover, tourism products should be strengthened in order to make Phnom Penh become a lively city in term of tourism activities and job opportunities.

(74) Phnom Penh should be developed according to master plan of city development so that it will become the 'Pearl' of Asia for its beauty, green spaces, and public order. Phnom Penh is ready to be a host of international forums, meetings, and conferences. It is expected to receive 3 million international tourists by 2015. This number excludes the number of local tourists which come flocking into Phnom Penh every day. It is required that this city should have good infrastructure and many tourism facilities in order to be appealing for tourists. The airport road, clean water, and energy are important. In the next 10 years, the capital city of Phnom Penh will need a huge international airport in order to stay connected to the world. This enormous airport should have a capacity to hold more than 7 million people every year. With this structure, Cambodia will no longer be a mere supporting destination. It will then become one of the first tourism destinations in the world. Hence, the plan for building a new airport should be commenced from now, since the year of 2020 will be coming soon. If Cambodia misses this chance, the opportunity will be gone.

1.4. Tourism development at coastal zone

(75) The coastal zone or southern tourism corridor includes the provinces of Kep, Kampot, Preah Sihanouk, and Koh Kong, which are becoming important tourism hubs that attract local and international tourists. Preah Sihanouk was entitled as the rising 'south star' for its natural beauty and good infrastructure including the road, airport, and international seaport which link this province to the rest of the world.

(76) The Cambodian coastal zone has many natural resources in which some are untouched, so this area is good for tourism development and has great potential for tourist attraction. The coastal zone has been under the framework of economic cooperation with Vietnam and Thailand (via road 33, 3, and 48) and has good waterways. In the future, there will be a flight connection in this area of the three countries. The coastal zone was not very far from Angkor tourism hub which has received 2 million tourists every year. It is also close to Phnom, with 3 million people including city dwellers, tourists, businesses, and employee expatriates working for international organizations. The coastal zone is also connected to Phnom Penh by railway, which will become a major means of transportation in the future.

(77) The Royal Government of Cambodia has vowed to promote responsible tourism development at the coastal zone and develop tourism products to provide tourists more options. The government also supports the connection between the coastal zone to the cultural tourism at Angkor and other areas in order to give a balanced impression of nature and culture in the kingdom.

(78) Linking southern Vietnam with the coastal zone is the key strategy in order to promote the rising fame of Cambodia's beaches. The connection between Kep city,

Kampot, and Bokor Mountain will result in an outstanding tourism destination. These areas will be linked to the Mekong Delta and Phou Quoc Island (Koh Troal in Khmer) and other islands, especially, creating a prioritized destination. Vietnam has set out the strategy that giving Phou Quoc Island a status as the most important southern hub that is expected to draw 2 millions tourists annually by 2013. This island has been opened for visitors along with a non-visa policy. The island is also invested to create huge international resorts and casinos. Phou Quoc Island is about only 45 minutes on a speedy boat ride from Kampot province. The pulling power of these two tourism hubs can create a perfect tourism connection in the future. In addition, the Mekong Delta, and Ho Chi Minh which has 30 millions city dwellers, is a good tourism market for the southern provinces of Cambodia as well as the whole country.

(79) The key factor in the development of this area is infrastructure. National road number 3 and 4 that links to Cambodia have been improved a lot. Energy and clean water supply is no longer a problem due to the hydroelectric power plant at 'Kom Chay Mountain' and other sources of energy. The port and airport in Sihanouk Province has enough capacity to be at international standard. The essential factor for accelerating the process of development is new tourism products, ecotourism, leisure tourism, and culture-nature tourism by linking the history of the attraction to its beauty. For instance, Bokor Mountain will become natural resorts and leisure compounds, including a world class casino to attract Asian tourists, who make up 60% of the total number of tourists visiting Cambodia.

(80) Preah Sihanouk province is the core of coastal zone, which is the international checkpoints, industrial centers and emerging international tourist destinations famous for its natural beauty and improved hospitality infrastructure, particularly transportation means, an airport, and an international seaport for accessibility and links from Preah Sihanouk province and the coastal zone to other areas in and outside Cambodia.

(81) Koh Kong Province played an important role in ecotourism development because this province is part of the Cardamom Mountains, which are rich in biodiversity with good protection. The potential for ecotourism includes the scenery of the mountains, the river, islands, beaches, wild animals, history and culture of the local people and thousands of hectares of mangrove forest. The beauty of natural streams, beaches and islands have made Koh Kong famous for ecotourism at the southwest bay of Cambodia. Moreover, Koh Kong acts as a bridge that connects coastal zones with the mainland Cambodia and southeast Thailand that is full of people and received 4 million tourists every year. This area is also linked to Bangkok, which attracts about 10 million tourists every year, especially its huge international airport, which is the hub connecting Southeast Asia with the world.

(82) It is necessary for Koh Kong to invest in and renovate its own airport and develop the beach area to attract cruise ships to visit the cluster of islands and ecotourism communities. Koh Kong airport will become a bridge that links Siem Reap, Phnom Penh and other provinces, and link to the world once it has been improved to an international standard in the future.

(83) Kampot province is considered as the center for agricultural crop processing and production with high-end technology. It is also known as the regional and international

commercial and economical center, and is the unique cultural, historical and natural tourist destinations due to the good geographical conditions, aquatic resources and cultural heritage, Bokor resorts, agricultural land and specialty of agricultural products such as durian, pepper, salt farms and aquatic products;

(84) Kep province is known as the tourist destination for holiday, health and for environment loving tourists. These magnificences make the four coastal provinces intergrated as the Cambodian Bay as the arc of coastal zone linked from Koh Kong province to Preah Sihanouk, Kampot and Kep provinces with ASEAN Highway 123 and to Phnom Penh through the arc of Phnom Penh and Preah Sihanouk through Highway 11. Along with this, it is significantly seen to have fast development of urbanization and construction such as hotels, guesthouses, restaurants, entertainment centers, resorts playing important role in improving people livelihood along coastal zone and is instrumental to scaffolding other sectors. Overall, private investment has been accerlerating in the coastal zone. Approved investment projects accounted 117 projects with total capital investment of 10,701 million dollars, equivalent to 41.6% of the country's total investment projects;

(85) Strategically, an international tourism port should be built in Kampot province to enable the influx of tourists. It should be connected to Phou Quoc Island and Bokor Mountain as the two bays are close. Besides, cruise ships itinerary around the cluster of islands and along the beach should be encouraged along with built resorts, sport activities (especially golf) and other forms of leisure activities. Kampot also has potential to attract tourists who are looking for better health, spa and massage services. Long and short stay accommodation can be improved by being equipped with health care to attract more tourists. This kind of market is the current tourism trend in Asia due to the good climate, nature, security, safety and relatively limited expenses.

(86) Even at the moment, the number of tourists to the coastal zone makes up only 10 percent of the total number of tourists visiting Cambodia, but the trend indicates a dramatic increase in the future when the infrastructure is ready. Actually, the demand of ecotourism in the world is about the same as the demand for cultural tourism while the whole world turns their attention to the global warming. For Cambodia, the upward trend for ecotourism demand will be more certain in the future. At the moment, the coastal zone received more local tourists than international tourists because local people usually visit for leisure purpose since they have a lot of annual holidays, while international tourism advertising is limited. In the future, this trend will change when the Sihanouk airport, Koh Kong airport and Bokor resorts are fully operational. Moreover, when Cambodia's bay, which has already become a member of the most beautiful bay in the world, is more widely known to the world, the trend will move upward quickly.

(87) However, Cambodia's coastal zone should be developed with great attention, clear plans, and practical mechanisms to avoid negative impacts like other countries. Security, safety, and well-being must be paid attention to, in order to make the coastal zone become a tourism hub at the international level, proving itself as a qualified member of the most beautiful beaches in the world.

1.5. Northeast zone

(88) The northeast zone includes Kratie, Stoeung Treng, Ratanakiri and Mondulkiri. This zone has potential as an ecotourism base on the theme 'culture and

nature'. Since it is home to many ethnic minorities, their culture and tradition should be marketed in tourism products. Moreover, this area also has freshwater dolphins which are a rare species in the world. Besides, the northeast is also abundant with biodiversity, protected zones, and many national parks such as Vireak Chey and Riemsar. Because it is home to many different species of wildlife; these resources will be in the spotlight to attract tourists to safari tours like the ones in Africa.

(89) The northeast zone will be improved through tourism development projects in line with the royal government's policy 'growth of effective work and balance'. The goal should be aimed at helping the local people in the communities to improve their living standards and protect their culture.

(90) The Royal Government of Cambodia understands clearly the importance of community-based tourism in order to reduce poverty. Until recently, the northeast zone had six communities that were created and operated by its members. There are also other communities that fall into these categories: forestry communities and fishing communities. They have been included tourism plans in their daily work for additional income. The successful practice in community-based tourism has made the remote northeast zone become a developing area. The resources were also turned into tourism products. Local people who used to cut down wood and hunt animals became tour guides that lead tourists to see forests and wild animals. With their current job, they can earn more than their previous jobs of hunting and cutting trees. This case clearly reflects on the trend that uses tourism as a tool to reduce poverty and encourage local people to protect the environment.

(91) The northeast zone is a prioritized point of development. It gives a good lesson of development for the other regions. Moreover, the northeast zone was in the 'triangular development Cambodia-Laos-Vietnam' cooperation, making the governments of the three countries prioritize development in this region. The tourism activities are encouraged by allowing border passes for a short visit. Other public investment includes infrastructure. Although the number of tourists at those areas is not high, there was 30 percent growth in numbers in 2010. The demand from local tourists increased noticeably after the completion of national road 7 to Mondulkiri and Sekong Bridge, which links to Stoeung Treng Province. The growth causes some difficulty and creates some problems due to the lack of accommodation in the northeast province.

(92) The priority factors in developing tourism products for these areas are community-based ecotourism and responsible leisure tourism that require tourists to take care of the nature, culture, and contribute to tourism development. Small-scale infrastructure that links tourism destinations must be improved in order to connect rural areas and make them become tourist attractions. Tourism accommodation such as hotels, guest houses, and home stays will benefit local people with this kind of responsible development. Large-scale investment must be welcomed while the small and medium investment should be considered, giving these enterprises to the community to manage or operate. For instance, the bad experience at Bousra waterfall shows the failure of private investment and finally it was handed over to the tourism community instead.

(93) The northeast zone requires some investment to build more infrastructures in order to bring full capacity to this area to attract local and international tourists. By doing so, it will become the magnet of the triangular zone. An international airport should be built in this northeast region, more specifically in Ratanakiri, in order to fly tourists, goods,

agricultural products and mining products. This airport will play an important role in the triangular zone because none of the three countries has an international airport in this area as yet.

(94) A project for building a small airport for domestic flights should be considered at Kratie, Stoeung Treng, and Mondulokiri. Among the three provinces, Kratie is the most suitable for this renovating project because it has freshwater dolphins and it is very distant from Ratanakiri when comparing the two provinces. This small airport will provide domestic flights to Phnom Penh, Siem Reap, Preah Sihanouk, Koh Kong, Battambang, and Preah Vihear in the future.

1.6. Tonle Sap Peri-Zone (The Great Lake)

(95) Tonle Sap Lake is not only home to abundant fish species, but also an area that provides many tourism services relating to culture and nature. The link between Angkor and the biodiversity at Tonle Sap is the perfect resource. Tourism and biodiversity relate and support each other. It means that the development of tourism contributes to raising awareness on environmental and cultural conservation. It encourages people to love and protect biodiversity.

(96) The World Tourism Day which celebrates on September 31, 2010 (instead of September 29) also mentioned the relation between tourism and biodiversity like what was stated in the letter of congratulations of Samdech Techo Hun Sen, Prime Minister of the Kingdom of Cambodia.

(87) Tonle Sap Lake is surrounded by five provinces; Siem Reap, Kampong Thom, Kompong, Kampong Chhnang, Pursat, and Battambang. Besides the famous Angkor, these provinces are the biggest ecotourism areas and have a great potential for development. It can be turned into a tourism destination at international level. There are five main potential means of developing this area. Firstly, it has good infrastructure, road, waterway, and airway. The national road numbers 5 and 6 links Phnom Penh to the Thai border. Secondly, cruise ships can be arranged to visit the life along the water, the fishing villages, floating villages, forests, and wild animals. The tourism development should include an international standard cruise ship which provides leisure tours around Tonle Sap Lake with beautiful scenery. It should also add new options for the tourists. Thirdly, new tourism communities should be created and existing communities should be introduced to a tourism program so that they are able to create products and services to draw additional income to support their daily life. Fourthly, beside Siem Reap which has been actively developed, the other provinces also have much potential for development. The people from other provinces need motivation to initiate new tourism products. The other provinces should become tourism destinations that support Angkor. The provinces located along national road number 5 are important zones for the ASEAN highway which will link Phnom Penh, Bangkok, and Ho Chi Minh City together. Battambang province is the magnet that can pull in a lot of tourists because it has old temples in Banon District, traditional Khmer houses, historical architecture (from the feudal and colonial era), sightseeing, Boeng Komping Pouy, Chrolong Pupata resort, and so on. Battambang province is the core zone that can combine the cluster of provinces including Pailin and Banteay Meanchey which are important points along the border.

(98) Pursat province and Kampong Chhnang at the moment are only bypass provinces when tourists travel from Phnom Penh to Battambang. These two provinces are

not fully developed. In fact, these provinces have plenty of untouched resources which have not yet been transformed into tourism products. The resource include historical and cultural sites, namely clay pot and jug handicrafts, souvenirs made from fine stone and metals, inundated forests, fishing villages, communities living above water and beautiful scenery. Especially, the Cardamom area has hydroelectric power plants in Pursat which will become a highly attractive ecotourism area. Tonle Sap Lake is the home of rice, vegetable, fish, fruits and so on, which can compete with imported products. The well-known delicious rice from Battambang, the Pursat orange, the fresh fish from the great lake, and other unique products will help this area to attract millions of tourists, either local and international or expatriate.

(99) However, in order to visualize the 2020 vision, the area surround Tonle Sap Lake should be paid attention on sustainable tourism development with high responsibility from all stakeholders. The development project should have clear planning and implementation in order to avoid the possible negative impacts in the future. The Ministry of Tourism, cooperating with local and international NGOs, especially UNESCO, with the support from Australian government, has been working on a master plan for sustainable tourism development around Tonle Sap Lake.

(100) The strategy to be implemented in this area should focus on some necessary infrastructure in order to respond to the future demand of tourists. The supporting infrastructure is the following. First, there needs to be a tourism port in Battambang, Pursat and Kampong Chhnang. Second, there should be some bus stations along national road number 5 and 6 in addition to the current construction project in Pursat (funded by Japanese aid). Third, Battambang airport should be renovated and connected with domestic flights that link Phnom Penh, Preah Sihanouk, Siem Reap, Preah Vihear, and the Northeast zone. The first step is to develop some stations along the road, and then help improve the living conditions of people in terms of hygiene, quality, and beauty in order to attract tourists. Fourth, the environment in the towns and city center should be improved, especially the system that filters waste and dirty water. Clean water in Battambang should be prioritised in the development plan.

1.7. Areas along Tonle Mekong, Tonle Bassac

(101) Like the other areas, Mekong River zone has strong potential for “cultural and natural” tourism which has not yet developed to absorb full benefits from tourism, such as ancient temples and historical areas in Kompong Cham province, including Wat Nokor temple, Han Chey mountain, Phnom Pros-Phnom Srey mountains, Luong Preah Sdech Kan area, and so on. Takeo province located in former Angkor Borey, the first capital city of Khmer Empire, Phnom Chiso mountain, Tonle Baty river, ancient Bayangko mountain in Kirivong district are all potential tourist attractions.

(102) Apart from this, these areas remain a traditional and cultural tourist attraction as most people are farmers and community people living along rivers in Kompong Cham, Kandal, Prey Veng, Svay Rieng and Takeo provinces which can provide tourists agro-tourism products and examples of a simple lifestyle.

2. Marketing and promotion

(103) This section is a vital means of encouraging tourism growth, particularly by attracting national and international tourists and the enhancement of the competitiveness

of Cambodia in the regional and international arenas. However, marketing and tourism promotion of Cambodia is quite limited, whereas mechanisms and joint activities of the public and private sector have enhanced Cambodian prestige in the international arena, in which the promotional campaign “Cambodia-Kingdom of Wonder” has been supported worldwide.

(104) There are four elements to Marketing and promotion of Cambodia tourism while engaged with internal and external factors: (1) tourism products, (2) product prices, (3) market, and (4) promotion. These factors are fundamental for tourism development, leading to the accomplishment of the aims of transforming Cambodia into a world-class destination and achieving tourism development goals with efficiency and sustainability.

(105) Tourism product development has been mentioned earlier. Sale price of tourism products is the push-up factor to urge tourism growth and attract tourists to revisit Cambodia. Overall, Cambodian tourism products are newly recognized, whereby tourist expenses are reasonable compared to other tourist destinations in the region. Cambodian package tours (excluding international air fees) are lower than neighboring country by approximately 10%, and accommodation services are evaluated reasonably and with good quality. Food has similar prices with neighboring countries, with the exception of imported food and beverages. Transportation services have competitive prices, but domestic air transportation fees are complained about because of above-average prices and limited services.

(106) However, most package tour to Cambodia are linked with tourist destinations in neighboring countries with access of direct flights such as Vietnam, Thailand and Singapore. Thus, it possesses high price because of international airfares and some difficulty in accessing bookings for some flights to Cambodia, particularly in high season. This case can be a barrier against tourist flow and tourism growth because tourism market share to Cambodia by air increases to around 40% of total tourists.

(107) Price factor still has some challenges such as seasonal price increases or duing festivals when there are a lot of tourists. Though this high price is the price regulation, “Demand is higher than supply” is also a factor, causing a negative impact on tourism growth and requiring a proper solution. Season is also a problem. It means that the annual tourism trend is quite similar in high season (from October to March) and in low season (from April to September). The solution rendered for such seasonal problems will help solve problems of price increases in high season and increase tourist flow in low season, resulting in a situation where the number of tourists is similar throughout the whole year.

(108) Strategically, the solution against high prices shall focus on (1) reduction of space between supply and demand. The solution for seasonal problems is to increase proper tourism supply, (2) strengthening management, launching measures and ensuring thorough implementation. Though in the context of market economy the state has no direct intervention on price limitation, the way toward socio-market economy requires clear management and direction from the state and participation from stakeholders regarding the price and the influences of price on tourism is indispensable.

(109) Remarkably, price factor is operated accidentally in competitiveness to catch

growth demand in term of price deduction to increase sale quantity, resulting in tourism services and products facing loss of quality or leading to the undermining of the attractiveness of Cambodia as a tourist destination.

2.1. Tourism Market

(210) The tourism market varies and is influenced by social, economic and environmental factors. The economic crisis has undermined world tourism progress, particularly the chronically affected local region.

(111) According to statistics on international tourist arrivals, Cambodia's tourism market comprises 50 countries in the world. The result of the last 10 year tourist arrivals have shown similar market trends, meaning that tourism from Asia and Pacific share around 69%, Europe 20%, America 10% and the Middle East 1%.

(112) The tourism market is considered a priority market, mixed markets and emerging markets based on five indicators, namely (1) population, (2) market share, (3) outbound population, (4) economic-social situation, and (5) market need. Besides, the study shall focus on distance and connectivity of markets to tourist destinations as well as economic-social relations and relevant factors between markets and tourist destinations.

(113) However, the attraction of tourist destinations via promotion, travel facilitation, easy access to entry sites and better connectivity between markets and tourist destinations are the main priorities of rising tourism trends and leading to set specific main tourism markets.

(114) The tourism market's needs vary in accordance with 3 main factors: (1) internal situation of direct market in term of socio-economic and political situation, population change (or market share), (2) external impact on market pertaining to promotion and attractiveness and connectivity, (3) internal situation in tourist destinations which focus on tourism services and products, geographical identification, history, security and safety, etc.

(115) Tourism market research to identify market types toward setting up strategies, plans or measures shall be based on the above foundations and this requires detailed analysis based on various supporting information sources.

(116) The prioritized tourism market is the Asia and Pacific in the same geographical area with a large population, good connectivity and better economic situations. ASEAN member states, particularly Cambodia's neighboring countries, Vietnam, Laos and Thailand are attractive main market sources while China, Japan, Korea and India, which are not far from Cambodia, are the biggest tourism markets for Asia and the world in present and in future. These four countries have a total population of 2000 million, a better economic situation and a high outbound profile. China is both a tourism market and a world-class tourist destination since China receives several million tourists per year and China will become a core connectivity between various tourist destinations and Cambodia;

(117) Chinese outbound tourist numbers are estimated at around 100 million per year from 2020 while India outbound around 50 million, Japanese outbound about 30 million and Korean outbound is estimated at least 20 million per year.

(118) Intra-ASEAN tourist movement will become more activated, particularly from 2015 when the region becomes the “ASEAN Community”, which will be largely integrated and open. ASEAN either the tourism destination or tourism market receives international tourist arrivals of approximately 80 million per year, in which intra-ASEAN travellers share about 45%. Chinese, Korean and Japanese arrivals occupy market share of 15% and European tourists share 10% of total tourists in ASEAN.

(119) The uprising trend of ASEAN tourism has become a stimulus driving fast-growing tourism development due to the existing main fundamentals including tourist markets and destinations, whereas ASEAN’s good cooperation framework set forth in the strategy to attract tourists, “ASEAN-Feel the Warmth” ,and better connectivity are prioritized.

(120) ASEAN tourist arrivals to Cambodia registered around one million in 2011, an increase of 20%, in which Vietnamese tourists ranked the first. Such a trend mirrors the influence of better connectivity between markets and tourist destinations “Vietnam and Cambodia” in conformity with the Agreement on Cross-Borders Transportation by all means, overland, waterway and air transportations, as well as formal facilitation such as visa exemption.

(121) Vietnam, the neighboring country of Cambodia, enjoys a good economic and social situation with a population of 80 million. It is seen that overland transportation is increasing in line with air transportation; whereby, accommodation and expenses is upward in line with the economic situation as well. Remarkably, during the crisis Vietnamese tourists are considered as a tool against a drop in local tourism since Vietnamese tourist numbers grew around 40%.

(122) It is better to maintain and accelerate Vietnamese tourist growth, tourists from neighboring countries including Thailand and international tourists visiting those countries. It is the main strategy to stabilize the tourism situation and further achieve the tourism development outlook. Vietnam and Thailand together have a population of more than 150 million, of which outbound tourists are about 10 million, excluding short-term cross-border tourists for entertainment purposes along border such as casino visits. Cambodia and Lao have not less than 40 “Casino Entertainment” destinations along borders which are attracting Vietnamese and Thailand tourists, and other tourists, in the order of 3-4 million per year. Besides, both neighboring countries receive approximately 20 million yearly (Thailand gets 10 million and Vietnam obtains 5 million) which is a main market source near Cambodia.

(123) The European market is the main market for Cambodia, although Europe is in economic hardship. The economic crisis, at this time, causes negative impact on the tourism sector, but Cambodia was still an attractive destination, increased by 5% and received market share of 20% of total tourists while ASEAN as a whole received only 10% market share.

(124) The strength of Cambodia in attracting European tourists comprises (1) cultural tourism potential, ancient temples and historical culture as well as colonial architecture (2) political stability, safety and good security (3) High currency of Euro against dollar encourages low tour package price compared with the price of Euro and (4) joint promotions to attract tourists. However, the European market remains challenging in term of no direct flights from Europe to Cambodia, high air ticket price, long-distance

travel or various regulations in Europe such as increase of passage tax (Germany), prohibition against direct flight without transit for environmental purposes and tourist destination competitiveness in which the African continent has strong attractiveness.

(125) It is recognized that European market share will contract slightly while ASEAN tourist activities surge. However, the European market remains above average and tourism from this location is increasing.

(126) To encourage attractiveness of European visitors, there shall be focus on 7 main factors (1) critical study and market identification with information collection from many sources (2) a market penetration strategic plan and promotion (3) selection of proper promotional channels in accordance with each market, particularly use of promotion channels close to clients, including advanced technical systems (4) selection of market share appropriate with Cambodian tourism products, in which cultural tourism is prioritized (5) travel facilitation and transportation connectivity in terms of encouraging direct flights from Europe to Cambodia (Air France and Air Berlin are scheduled to operate direct flights to Cambodia) or air connectivity from Europe to the region with Cambodia since many major international airlines have been operating direct flights to the region such as Vietnam, Thailand, Singapore, Malaysia, Hong Kong and China. (6) Product and service arrangement and formality, order, and sanitation to attract European tourists. Tour circuit shall be ordered so as to avoid overlapping of several tourists, causing chaos at public gatherings (7) security and safety is the main important factor since current trends show concerns about terrorism and safety which is a barrier against tourism development progress, in conjunction with political and economic crises and natural disasters.

(127) Attraction of tourists from European market shall focus on price index (product and service prices) and comparative force of Euro or Pound (England) against dollars as the US dollars shall be based for product, service or package tour in Cambodia. Apart from the above-mentioned tourism market, emerging markets such as Russia, Australia and Middle East are also subject to attentive development. Russian tourists visiting Thailand are around 50,000 annually while Cambodia has only received Russian tourists of about 20,000 per year. Direct flight from Russia to Cambodia is a vital means of accelerating tourism growth. Direct flights used to be operated in 1980, and thereafter were stopped. Currently, Russian airlines operate direct flights to Vietnam and Thailand, whereas Cambodia shall consider the flight reconnection.

(128) The Arab market is an emerging market which is economically strong. Cambodia has good relations with Arab countries in all sectors, but the means of attracting people from the region to Cambodia are quite limited, and no direct flights operated although an Air Agreement has been reached. The Arab market, generally, requires three types of destinations including (1) visiting cultural and natural tourist destinations, in which agro-tourism, plantation or perfume-wood products, rice production, and rain are drawcards (because it rarely rains in the region) (2) shopping and souvenirs (3) middle and high class holiday destinations.

(129) Cambodia welcomes tourists from all walks of life in accordance with National Tourism Policy and Law on Tourism. Besides the physical markets, Cambodia is looking forward to grab the “MICE” market including conferences, exhibitions, the hosting of tourism events and investment incentives. Encouraging product development as goods and tourist souvenirs and incentives through the “low price and good quality”

method is the main attraction of shopping tourists, particularly women. A trend is emerging where tourists enjoy shopping in traditional markets, supermarkets, and night markets, which escalate tourist activities and share benefits with local people and tourists by enhancing Cambodia to be a shopping destination for tourists.

(130) The tendency will be increasing in the future if tourists are allowed to purchase and use goods produced in Cambodia (such as clothes) for overseas exportation. It should be noted that if every tourist buys a set of clothes in Cambodia, thus Cambodia can sell at least 2 million sets of clothes per year through tourism, excluding exportation, and encourage the garment industry and other labor work. Besides, tourism movement “shopping”, overseas exportation will be growing like the other countries in the region are achieving in this sector such as Thailand and Hong Kong.

(131) Tourism markets of “entertainment” are big in potential, particularly in populated areas of Asia. Malaysia is also authorised to operate Casino in the mountainous area of Ginting which attracts many tourists, especially Asian tourists. Singapore, suppressing this several years ago, has amended the law and thus authorized two big casinos to operate. Currently, the trend turns positively as Singapore attracts many tourists, including Singaporean tourists who used to make overseas visit. Consequently, Singapore enjoyed 30% tourism growth in terms of accommodation and transportation.

(132) Another success refers to Macau, whose Chinese government has developed as a huge tourism destination for casino entertainment in the world. It receives over a million tourists per year and gains a thousand million dollars in revenue though it is a small island with only 50,000 people.

(133) Over the last period of time, Vietnam has also allowed for the tourism activity of “**Lucky Draw Relaxation**” with casinos in certain marine areas, namely Phou Kouk island (Trol island), and allowed of relaxation service characterized as “**Slot Machines**” along the big hotels at international standards for foreign tourists’ relaxation.

(134) Furthermore, Cambodia has also been gaining the tourism growth of “Lucky Draw Relaxation” – type, namely in Phnom Penh, Preah Sihanouk, and along Thai and Vietnamese-Cambodian border areas. The future of such tourism activity should be developed along the coastal areas, islands, or encouraged areas in line with development plan and not being permitted for development in cultural tourism destinations. Nevertheless, for the allowance of the tourism type of “Lucky Draw Relaxation”, it must prepare the management of the law and firmly implement the law to prevent the negative impact on Cambodian society.

(135) Youth and cruise ship tourism markets have also been growing speedily in line with the growth of sport tourism type, especially golf sport, religious tourism and medical tourism. Moreover, Cambodia shall undertake to conduct feasibility studies to grab the “Second Home” tourism policy, which is successfully conducted in Malaysia, and also consider some aspects of the law in order to implement this tourism policy qualitatively and economically.

(136) Cambodia has another main source of tourism market—the so-called Khmer

National Community abroad with millions of people, namely in Europe, the United States of America, Australia, and the Asia-Pacific. Under the brightness of peace and development, Cambodians from all political tendencies get together and Cambodia has widely opened the gateway and other work relations in line with the open sky policy. Moreover, the Royal Government of Cambodia completely allowed visa exemption for Cambodian nationals abroad to visit Cambodia. The policy has an influence and fruitful results—attracting approximately 100,000 tourists each year. Some of Khmer nationals abroad are foreign citizens.

(137) The market has gradually become bigger according to the size of Khmer community abroad and economic factors. According to the study, such a type of tourism has mostly provided income for the Cambodian economy with approximately \$200 million each year. The income has mostly reached the local people’s hands even through direct aid from the Khmer national abroad.

(138) Based on the potential of ecotourism, Cambodia has the complete possibility and capability of attracting tourists, developing ecotourism linked with cultural tourism and other types of tourism. The ecotourism market has also been developed gradually, especially when the whole world is now aware and actively contributes to a movement towards “Greenness” in terms of work performances, living standards, and tourism activities. The movement has mainly been contributing to tourism encouragement and tourism destinations aimed at joining hands in developing ecotourism which is a main part of natural tourism in a responsible and advantageous manner.

(139) The global ecotourism market has similar proportion to cultural tourism. Both tourism requirements are the core of tourism as a whole. That’s why it is a great opportunity for Cambodia, which has powerful potentials of both types of tourism and which will be simultaneously developed (mutually favorable) as “**Green Gold**”. Beside the international markets, we have clearly seen and recognized the efficiency of actively speeding up the local tourism market. With approximately 14 million people who have better living standards together with the economic growth, political stability, and improved infrastructural system, Cambodia has established and encouraged the local tourism market with up to 6 million tourists a year. In addition, there are also many foreigners performing their work and legally living in Cambodia, which has also promoted internal tourism activities. Through this market, tourism destinations, products and services are regularly strengthened. Especially the development of new tourism destinations are leading to continuously attract international tourists.

(140) It is also remarkable that the local tourism market, at every crisis stage, has helped to prevent the tourism situation from falling down and sustained “**persistence**” of tourism until completely passing the crises. Local tourism has increased the national income by approximately US\$300 million per year—contributing to encouraging internal economic activities, namely to promoting the activity of the small and medium

enterprises, utilizing local products, creating jobs and alleviating poverty. Apart from, the local tourism movement has helped in improving the education, raising awareness, promoting friendship, and linking the cities and public gathering places with remote areas or tourism destinations, as well as improving the health sector.

(141) To achieve the objectives, it has strategically paid additional attention to strengthening and improving tourism quality, services, and products, in addition to solution to other problems aimed right at encouraging the internal and local tourism activities. It mainly depends on 5 points as follows:

- Strengthening and expanding tourism destinations throughout Cambodia to absorb tourist growth.
- Each tourism destination should be well managed with an appropriate mechanism. It should be orderly, tidy, and hygienic.
- Solve problems such as insufficient supply caused by high prices and anarchy along the tourist resorts.
- Strengthen security, safety, and other preventive measures to help in intervening upon the occurrence of any problems.
- Planning regulatory frameworks for development.

2.2 Tourism Promotion

(142) Relying upon the clear market research, laying down the market strategy and setting up the priority market and promotion are the implementation activities to reach the target. There are various types of promotions and ways according to market situation and trends as well as tourism destinations; it is also dependent upon the possibility of financial and human resources.

(143) The promotional strategy of “**Cambodia: Kingdom of Wonder**” has globally been recognized and strongly enhances Cambodian tourism’s competitive levels in the region and the world. The campaign should be promoted regularly to make the influence of Cambodian tourism promotion increasingly felt in the global tourism market. Even though Cambodian tourism promotion has been recognized as being limited, the influence of regular promotional activities of both public and private sectors have significantly been contributing to the speed of Cambodian tourism development. It is clear that Cambodia is a new tourism destination with potential, especially the famousness of cultural tourism of **Angkor** which has a dramatic effect on the international market. It means that **Angkor** has mostly promoted itself and played a key role in attracting tourism. Aside from this, Cambodia is located in the Southeast Asia region, which has been dramatically-developed, and the region has been promoted to significantly attract tourism in the world. Anyway, when Cambodian tourism destinations

have been more developed, especially to reach the future concepts, it will require the improvement of promotional levels in order to further increase the competitive strength and to make Cambodia become a world-class tourism destination.

(144) According to the study, the growth strength of Cambodian tourism promotion needed is about 10% annually and the level will be lower when the number of tourists become bigger. In this sense, the growth circle will fall down if there is no support of market activities and appropriate promotions. In this case, it has already been reflected through the past history of Cambodian tourism needs, which is firstly used to have the growth of over 30%, and then a decrease of more than 20%, and sometimes it remains only one digit growth. We had agreed that the growth has been decreased because of other factors including the economic crisis. However, if there are no market activities and promotions, the growth will be more reduced.

(145) Tourism promotional activities we has been implementing are appropriate for the trends and tourism situations both at developed and crisis stages. That's why we have to encourage increasing the promotional activities more actively and deeper into tourism markets, such as the dissemination through a propagandistic system including televisions, newspapers, magazines, and participation in events, as well as exhibitions and soforth. The promotion through newly developed technical system (tourism websites, promotion, and communication via the internet) is the best choice because the way provides high efficiency which is more quickly reached into all market compositions and low expenditure compared to other promotions.

(146) Cambodian embassies or consulates in foreign countries are the main promotional networks. Besides, the promotional activities have to continuously encourage utilizing the tourism representatives abroad which are properly-arranged companies or tourism agencies. Meanwhile, it should take account of the setup of tourism representative offices along the priority tourism markets in Europe, the United States of America, and Asia. Namely, in the neighboring countries with tourism potentials, it should firstly set up the representative. The promotional tools should contain a wide variety types, languages, and attractive styles; especially it should lead to the priority market. The use of foreign languages of direct priority markets is encouraging tourism and causing an increase in the efficiency of tourism promotion such as Chinese, Japanese, Korean, French, Spanish, Germany, Arabic, and Russian languages.etc.

(147) Local promotion also needs to encourage additional activities, especially the attraction of national and international tourists living in Cambodia and international tourists to Cambodia from abroad. The tourism information centers in provinces and capitals that have been built and operating should strengthen and enlarge propagandistic

activities of tourism, and should intertwine, attracting tourists to more places and prolonging the tourists' stay. Other new tourism information centers have been established along the bordering gateways and main roads (tourism stations), cities, public gathering places, and tourism destinations.

(148) Promotional activities and raising-awareness about local tourism which has an influence in public should increase additional activities. Namely the tourism songs, educational spots, tourism programs and so on, have highly been appreciated being a catalyst of the local tourism development. This way will be enlarged further into the international market, especially the Khmer community market abroad. Apart from this, sporting activities, festivals, tradition and religion are also major parts of the promotion for attracting tourists.

(149) The other key factor in the marketing strategy is the promotion through visiting tourists who become messengers for helping promoting tourism by continuously spreading stories from one person to the other. In this case, the strategy should be to improve tourism products and services and improve the level of hospitality to build up the tourists' satisfaction. It should also be noted that the tourists can bring and spread the messages of unpleasant things about Cambodian tourism destinations as well.

(150) The strategy of increasing market activities and promoting tourism can not cut off from the financial possibilities and human resources because the marketing works require the cost share of approximately more than 20%-30% of the whole operational cost of general affairs. In the past, Cambodia has spent US\$ 2 million each year on tourism promotion regardless of the private sector's cost in order to attract more than 2 million international tourists. The neighboring countries in the region that have strong tourism development have utilized a budget of approximately US\$10 million or more to attract tourists. The different level is mainly caused by the differences of marketing activities and promotions which these countries adopted. In addition, Cambodia will reach the same level to enlarge the market of competitive power and tourism growth in the future.

(151) Due to necessity, the goal in establishing marketing research and tourism promotion is to be set forth at the right time and strategically characterized for the long term. The board is stipulated in the law on tourism (Article 20) in line with the Royal Government of Cambodia's political will. The establishment and operation of the board will show the closer unity between the public and private sectors, both financial resources and human resources to build up the strength and efficiency of marketing affairs and Cambodian tourism promotion. According to the preliminary study, the financial basis of approximately US\$10 million each year will be collected to push forward the marketing activities and promotion, namely from the public and private sector and other

development partners. Nevertheless, the new mechanism setup is not easy because Cambodia is not used to carrying out this process, even though the public-private cooperative mechanism has been fairly developed in Cambodia.

3. Connectivity and Facilitation of Travel and Tourist Transportation

(152) Cambodia is located in Southeast Asia, which has a good connectivity of land, waterway, and airway. Furthermore, in this geographical area, Cambodia is in the heart of the region between Vietnam and Thailand with a total population of approximately more than 150 million people and international tourists of approximately more than 20 million per year. Cambodia is not far from Malaysia which has more than 25 million international tourists each year and it takes only one hour for connecting by air to Singapore which has many international connectivity networks and has been a tourism source of 10 million tourists each year.

(153) Besides, Cambodia is next and has the connectivity with China, Hong Kong, Taiwan and Korea, which are the main and big market sources of the region and the world. Moreover, these points are the connection from other regions to Cambodia and Asia, namely from Japan. The trends towards the connectivity have been further broadened regularly through the open sky policy, land, waterway, airway and the regional integration. In the European region, ASEAN is leading to the goal of achievement of the ASEAN community in 2015, which makes the whole region become closer in all sectors, namely making the tourism connectivity and activity more speedily developed.

(154) Cambodia has rapidly been evolving, and the communications system is a priority key to developing tourism in the aftermath of war. In the decade of 1980, there was only two-flight connectivity with Moscow per week; however it has currently increased up to 150 flights per week to the region and the world. The flight connectivity from the regions has become more active both in regular flights and charter flights. Furthermore, low cost airlines have also become better.

(155) The two international airports (Phnom Penh and Siem Reap) have actively served more than 2 million travelers including approximately 1 million international tourists. The Preah Sihanouk international airport has been restored and put into operation both locally and internationally. The airport is the other new gateway in Cambodia. Especially in potential coastal areas, the attractiveness of visits by cruise ship linking with airways is also encouraged.

(156) In addition to airways, Cambodia has the best connectivity by land, waterway with the neighboring countries in the region and the world. Cambodia-Vietnam has 8 international gateways of various bilateral bordering gateways. Cambodia has one

international gateway and other 3 bilateral bordering gateways with Laos, and 6 international gateways and other bordering gateways with Thailand. In the spirit of the best cooperation, all bordering gateways have active export-import activities which attract 1 million international tourists each year.

(157) The trends towards the travelling by land, and waterway have been more speedily increasing than by air, especially both at crisis and post-economic crisis stages. In 2010 (11 months) the arrivals by land and waterway consisted of 48% of total arrivals and increased more than 18%. As for this, the airway with a share of 52% increased more than 17%. This case has clearly been reflected through an increase in Vietnamese tourists by land, excluding the passengers across the borders that come to visit the Casino areas along the borders. Thai tourists have the same trends in the forthcoming while the Cambodian-Thai relationship improved, especially visiting Angkor through Poi Pet gateway and visiting Preah Vihear temple.

(158) Travel facilitation across the border is paid greater attention to and regularly improved, especially under the Ministry of Tourism-led commission for facilitation of travelling and transportation over the border's mechanism. The arrangement, order, manner, and going in and out, as well as the transportation across the border have improved, which solved inactivity on issues such as visa overcharge, passenger seizure or other anarchies.

(159) Tourism facilities along the border are improved, in areas such as information center signs, passenger buildings, and connecting roads to the tourism destinations and so forth. Transportation services are more orderly through the right turn changes, and drivers are clearly identified. Under the Cambodian-Vietnamese agreement on transportation, there are 150 tourist buses per day from each party being able to transporting tourists across the border to the other side's fixed destination. The number has been increased up to 300 tourist buses per day and it will be increased in the future. The best implementation will be giving the benefits to tourism activities and this case will be increased further when Cambodia-Laos and Cambodia-Thailand implement such bilateral agreements.

(160) Arrivals by waterway are speedily increased as well, including main access roads along the Mekong river from Vietnam to Phnom Penh, and to Siem Reap or Kampong Cham, up to Kratie and the Preah Sihanouk gateways. The huge cruise ships transporting approximately 500-2000 tourists are docked at the Preah Sihanouk seaport almost every week, especially in dry season. In 2010, the seaport received more than 30 cruise ships with a total of more than 3 million tourists. The number will further be increased when the Preah Sihanouk international airport is completely put into operation

in the future because tourists will be able to visit Angkor.

4. Tourist Safety System and Tourism Negative Impact Management

4.1 Tourism safety systems

(161) Safety is a main factor in attracting tourists and a positive feature of each tourism destination. At present, terrorism, disease epidemics, and natural disasters such as tsunamis, are the issues threatening and causing major worries for tourists. Besides, tourism safety is also included in food safety, accommodation, transportation and visit, without physical threat. For Cambodia, the political stability, security, and safety factors are highly appreciated over the period of the past few years through providing tourists with a safe visiting atmosphere.

(162) Security and safety are routinely strengthened by the serious security systems including police (namely tourist police), raising awareness along tourism destinations and communities with the participation of the people's spirit of "A People, A Protector". Foreigners are also permitted to contribute to the mechanisms of protection, prevention, orderly strengthening along tourist sites and bases of business, and tourism services which are operated by the foreigners. With this regard, we will be able to ensure the sustainability of tourists' visits in a secure, safe, and comfortable manner and Cambodia will become a world-class tourism destination with the safest standards, which is a main competitive advantage for Cambodia when certain parts of the world are decreasing in safety standards.

(163) Nevertheless, a certain set of problems having an effect on tourists' safety remain such as robbery along the roads, loss of possessions from accommodation, duping tourists into buying fake things, and forcing tourists to use certain transportation means. However, the authorities at all levels make efforts to solve and take action to protect and gradually eliminate them.

(164) The basis of tourism safety is the strengthening and enlargement of managing and implementing mechanisms in line with each tourism destination, together with the firm implementation of laws. Violators should be punished by laws and in some cases; disobedient tourists would also be punished following the abuse size without the amnesty such as tourists committing theft.

(165) The other main factor is a preparation for facility, technical bases and appropriate means to help solving problems when tourists face such as medical center setup or first aid place, transportation means, or relations along tourism destinations in order to help tourists when they are in danger. It should train the relevant stakeholders, especially tour guides about first aid or quick information and preparedness for prevention

against other possible issues. Moreover, the tourists should also be provided with detailed information about travelling, accommodation, foods and visits.

(166) To avoid accidental issues, all tourism destinations need to contain hotlines and routine staff to provide and receive quick information in case tourists have problems, and propose intervention assistance on time. Tourism policemen need to be developed to become a standby center for this job.

(167) For Cambodian people who visit abroad, there is a need to pay attention, protect, and safely improve travelling, accommodation, and visits abroad. In this case, tour mediators have firmly been managed and take an appropriate action to protect and settle these problems.

(168) The coastal zones and other island gatherings are able to gain many national and international tourists, who can also be in danger. Attention to the areas need to be safely paid through requiring for a provision of regular information, signs, signal flags, standby staff, and equipment used for patrolling or first aid. The staff have been trained and strengthened about protective and rescuing people both on land, and in the water; in addition, they need to be aware of common languages spoken by tourists.

(169) Optional main point is a solution to traffic jam in tourism destinations or on the ways to tourism destinations or the events. The jam of overloaded tourist gatherings causes a risk, for example the Diamond Bridge jam on Diamond Island during the water festival in 2010, causing hundreds of dead and injured.

4.2. Negative effect management

(170) Tourism brings both negative and positive effects on the economy, society, culture and environment, which is required to be well managed in order to enlarge the positive achievements while reducing and eliminating the negative effects. The negative impact can be described as economic leakages, foreign cultural imitation, drugs, prostitutes, human trafficking, and environmental pollution. In general, tourism does not require these things, however in the form of tourism; these activities can be carried out. In order to prevent these cases, it requires a firm legal system.

5. Legal System and Management Mechanism

(171) The legal system and management mechanisms for implementation are the strategic direction for ensuring the sustainability of tourism development. Cambodia consists of a variety of laws and regulations, namely the law on tourism has been containing the regulatory power over the implementation in which the law frameworks helped enlarge the tourism management aimed at reaching future concepts.

(172) Nevertheless, Cambodia requires other regulations and implementing mechanisms to be in line with the scale of gradual development of tourism. It is clear that we have not yet had the law on tourism in the form of relaxation casinos and other relaxing services when those services have significantly been developed. We have not yet had a law on the tourism community which helps to protect the people in these communities, preventing from abuses from other sections and preserving the advantages of community for a long-term development.

(173) We have many tourism mechanisms at the national, capital, and provincial levels but the local level of district and commune have not yet had strong activity in this area. Some mechanisms have no action, and others are not smooth and not matched with each other. Cambodia has governmental and private mechanisms that are properly carried out, however there is not yet a national tourism board. The board is established to play an important role in leading and facilitating the relevant stakeholders for tourism development in Cambodia. Besides, the private mechanism is not yet firmly in which the communities are required to be strengthened under the umbrella of the tourism taskforce of the private sector. Certain services have not yet been combined as the association such as airlines, souvenir sellers.etc.

(174) Another main factor is to establish the National Tourism Institute as stipulated in the law on tourism. The institute is the research center for tourism and directions for Cambodia's tourism development in the future. It also requires the mechanism and implementing procedure reforms in an appropriate manner in line with the rapid development of the tourism sector including infrastructure reforms, civil servants and all ranking officials' capacity building.

6. Human Resource Development

(175) Human resources are a priority factor for responsible and sustainable tourism development in Cambodia. Since tourism has been restored from a zero point, there are insufficient human resources although the government and private sector has actively encouraged human resource training and capacity building. In addition, tourism's fast-growing development requires both a quantity and quality of human resources in all levels in keeping with this trend.

(176) The current main challenge is the lack of tourism professionals that are needed to meet the market. In average, one tourism professional is needed to serve ten tourists. Therefore, in order to ensure the quality of hospitality for the arrival of seven million tourists, it requires additional 500,000 tourism professionals, in which women are encouraged as approximately 55% of the labor force in tourism sector. To develop

tourism professionals, training in a specific period shall be needed, thus requiring educational establishment, mechanisms and proper infrastructure. Currently, a National Tourism Professional Institute has yet to be established, so it is necessary to conduct feasibility study for the creation and functioning of a National Tourism Professional Institute (in accordance with the Law on Tourism), at the same time further supporting the existing private educational establishments. The State's National Tourism Professional Institute will play a core role in fostering human resource development in accordance with the strategic plan and tourism development policy, particularly integrating Cambodia into ASEAN and the world. The implementation in accordance with the ASEAN Mutual Recognition Arrangement (MRA) actively contributes to human resource development and mobility of tourism professional in ASEAN in the future. In this regard, Cambodia has prepared the mechanisms for management and process.

(177) The Ministry of Tourism has been cooperating with various development agencies to conduct feasibility studies for the creation of National Tourism Professional Institute and to seek donations for a tourism training school in Cambodia. According to previous studies, it shall be favored by the government, development partners and private sector in all forms such as the granting of scholarships, fellowship for poor students or the creation of student foundations.

(178) Internal human resources in the Ministry of Tourism (including Tourism Departments) shall be strengthened in order to ensure the effective management. Contemporarily, capacity building for officials shall be enhanced; new young officials shall be recruited in line with tourism development. As a long-term strategy, special domestic and overseas training courses for senior and mid level officials shall be needed in order to support and encourage competitive advantages;

(179) Strategically, sustainable tourism development requires two basic roles, the joint development from all stakeholders and equity benefit sharing to all stakeholders, particularly people. The private sector is the important partner of the government in developing the tourism sector because the private sector is the main player in operation of tourism industry and is a tool for pushing up the sector's growth. The government has strictly adhered to the market economic policy by allowing the private sector to fulfill its function and carry out activities toward tourism development and receive proper benefits from this sector. The private sector is the operator of tourism business and service governed under the law in force. The private sector partakes in all tourism activities and is a big source of tourism investment. The government has undertaken to further encourage public-private partnership via public-private working groups, in which there is also tourism working group;

IV. Planning and tourism development encouragement mechanism “Green Gold”

(180) Upon the tourism situation, trends, strength, and challenges, an addition to achieving the concept of tourism development as “Green Gold”, the Government has taken action to gradually encourage the tourism activities and to implement them in a responsible manner. The following actions are the newly added political wills to encourage Cambodian tourism development in line with the determined strategic directions. The implementation of strategic measures must depend on two processes, namely (1) For the short term (2011-2013), with making efforts to immediately get advantages and (2) For the long and medium term, to ensure the sustainability of long-term tourism development. The implementation is required for the active contribution from the relevant stakeholders both the public, private sectors, the people, and development partners under the Royal Government’s leadership.

1. Planning and measures to encourage tourism product development

A. For the short period of time

(181) Strengthening, enhancing tourism product quality and important measures below:

- All capitals and provinces must strengthen tourism destination arrangements, tourism products and services through carrying out studies about the need and supply and managing mechanism arrangements directly in place with the participation of the relevant stakeholders.
- Further encouraging people, especially the local communities, to contribute to the tourism activity and to get tourism advantages such as strengthening and enlargement of tourism community to provide the opportunity for producing and selling tourism supplying products in order to prevent from migrating to work at the other places and to preserve the cultural and natural resources in each community area.
- Promoting the movement of “Clean City, Clean Resort, Good Service” and initiating as well as speeding up the implementation of measures leading to “Greenness”, Cleanliness, and Sanitation.
- Along the roads, public gathering places, and tourism destinations should be clean and beautiful, especially with regard greenness, orderly arrangement, and arrangement along the public.
- Further encouraging the activities of tourism standard implementation to enhance the tourism product quality. Providing an incentive to masterpiece

staffs or locality. Legally punishing any abusers.

- Encouraging the training and enhancement of capacity and human resources for tourism including the public and private sectors and local people.

(182) Tourism product development

- It should enlarge and produce added tourism products in line with tourism planning and requirement, especially the connectivity with tourism destinations which has been developing.
- The Ministry of Tourism and the Secretariat of Civil Airline have to push forward the cooperation with the National Airline or other airlines aimed at flying, linking Angkor with Preah Sihanouk province and the Cambodian coastal areas.
- The Ministry of Tourism has to cooperate with the relevant ministries, the private sector and development partners on speeding up the implementation of strategies on the linkage of Angkor with other areas in line with the determined direction.
- Strengthening and enlarging tourism destination and tourism community surrounding Tonle Sap Lake, in particular in Chong Kneas, Kampong Phlok, Kampong Khlaing, Prek Toil, and other community establishment in this area. It should solve inactive problems in Chong Kneas.
- Rounding up development aid from development partners to develop and support the tourism product development, tourism facilities, and human resources.
- It has to establish the national tourism professional training school, universities and the national institute of tourism to build up human resource capacity and to do research for development.

(183) Supporting infrastructure

- It must push forward the maintenance and continue expanding tourism supporting infrastructure such as roads (particularly the road to tourism destination), ports (especially the coastal areas), airport or landing field restoration, pure water systems, electricity, solid and liquid waste systems and telecommunication systems.
- It must solve the traffic jam problems in the tourism destinations, especially the linkage to get access to the main gateways such as airports and ports.

(184) Encourage small sized financing for tourism development

- The relevant institutions-ministries, particularly the financial institutions must facilitate and encourage providing the credit at appropriately low interest for tour operators and people living in tourism communities to develop tourism products and tourism service business.

B. Planning and the medium-and long-term measures

(185) Enhancing tourism products to reach the international standard level and making Cambodia become the world-class tourism destination.

- All tourism products and services must contain national standards and international recognition.
- It has to attract investment and the world-class tourism supply such as well-known hotel networks, resorts or huge tourist clubs in the world.
- Human resources in tourism must be highly competent in knowledge, skill, and languages. The national tourism education establishment must play a pivotal role together with private establishments in achieving the concept.

(186) Pushing forward both public and private investments in tourism products and supporting infrastructure development:

- Building and extending the roads in the public gathering places (tourism gathering areas), the roads to tourism destinations including tourism destination along the areas nearby the border.
- Carrying out a study and planning for added construction or restoration of airports, landing fields, ports, pure water supply systems, and solid and liquid waste management systems in accordance with tourism development trends in line with the direction of strategies.
- As a priority, it has to study and arrange to construct a huge international airport (loading approximately 10 million people a year) no later than 2020.
- Developing the coastal areas to reach an internationally recognized level requiring a master plan and proper infrastructure support. Making the coastal areas become two big tourism poles following Angkor.
- Studying the establishment of a tourism development bank to be a financing mechanism for tourism development.
- It must encourage an attraction of investment in tourism products development to meet the future needs. Following the study in 2015-2020, it shows that Cambodia needs:
 - Hotels of approximately 30,000-50,000 rooms (we had 20,000 rooms in

2010)

- Approximately 10,000 tour guides (in 2015) to 20, 000 tour guides (in 2020) through detailing the main markets and depending on the tourist growth. Besides, Cambodia needs the investment in infrastructure, tourist sites, casinos, golfing fields and human resource training.

(187) Making the tourism sector become the export sector in a place which is important for a contribution to speeding up the implementation of Cambodian export policy, in particular the export of rice, agricultural products, and clothes:

- Regarding rice: according to the research, one tourist has eaten approximately 2.5 kg rice on average in the period of his visit. That's why, from 2015 onwards, the rice needs for international tourists to Cambodia will be approximately 10-20 million kilograms per year, which contributes nearly 10% of Cambodia's rice exporting plan of 2 million tons in 2015. An addition to rice, there are also vegetables, fruits, fish, eggs and so forth, which are possible to supply tourism markets already in place and there is no need to export.
- With regard to clothes: Cambodia—a nation in the region has the production for cloth exports to the world's markets with tax favorable system or other incentives. However, tourism has already brought approximately more than 2 million tourists a year, and it can be increased up to 7 millions in 2020, which is a big market source. Following the research, one tourist has spent (approximately US\$ 100) at an average rate of 20% of total expenditure for buying goods or souvenirs including clothes. That's why, if one tourist buys a set of clothes, then it will require approximately 4-7 million clothes to be sold to the foreign tourists in the locality and there is no need to export. This case will further encourage the local textile industry, assisting workers and the whole society. Nevertheless, we need to adjust certain regulations to allow the production to be possible to locally sell for the international tourism markets.

2. Planning and measures to tourism marketing and promotion

(188) A. For the short term

- Continuing pushing forward the promotional campaign of “Cambodia: Kingdom of Wonder” both locally and internationally.
- It must determine the priority market for Cambodia, which requires research about needs and tourism development trends.
- It has to seize Asia and Pacific markets, particularly the neighboring countries in ASEAN market areas, Chinese, Korean and Russian markets.

- It must encourage Indian, Middle-Eastern, and Russian markets.
- It has to encourage attracting tourists from European market, especially French and German airlines and others directly flying to Cambodia.
- Even though the American market was affected by the economic crisis, the market is still an important market and contributes a large number of tourists to Cambodia. The American market will be speedily recovered in the aftermath of crisis stage.
- It must encourage attracting the Cambodian nationals who live abroad into a visit their homeland. This market provides best advantages for economy through bringing foreign currency and knowledge to Cambodia. The Ministry of Tourism cooperates with the Ministry of Foreign Affairs and International Cooperation in pushing forward the promotional activities deeper into the Khmer community abroad. And by this way, we are also able to attract foreign tourists.
- Cambodian embassies and consulates abroad are the places for providing information and assisting in tourism promotion. Business representative offices must continue to attract tourists and investors actively.
- The Ministry of Tourism must monitor and improve the private tourism representative offices abroad through making the existing representative offices more active and arranging for more representative offices along each tourism market.
- Encouraging rounding up the contribution to market affairs and promotions from the private sector, development partners and relevant institutions. Namely a mechanism of cooperation between the public and private sectors must be strengthened and enlarged.
- The Cambodian marketing research and tourism promotion board with a combination between the public and private sectors must be established and put into operation as stipulated in the law on tourism.
- Speeding up the production and disseminating a wide variety of types and languages (in the priority markets) of tourism promotional documents and equipments. The dissemination needs to be deeper into the markets after clearly carrying out market analysis.
- Encouraging activities and enhancing the efficiency, planning the promotion through information technology system (e-marketing).
- Further encouraging local tourism promotion through existing information centers, arrangements for further construction of up-to-date information centers

and networks, setting up tourism representatives along bordering gateways and producing promotional documents and equipments for the local tourists.

- Making cooperation on cultural-sport event organization to build up national and international tourism capacity.

(189) B. Planning and the medium and long-term measures

- Setting up tourism strategic plans and promotions for medium and long term period of time along each priority market.
- Building up capacity and the efficiency of the marketing research and tourism promotion board, which is an efficient marketing mechanism for the future of Cambodia's competitive power at international stage.
- Continuing human resource development to serve tourism marketing affairs and promotions.
- Planning for setting up tourism representative offices along the important priority markets and strengthening and building up the representative offices' activities.

3. Planning and measures related to the connectivity and travelling facilitation of tourism transportation

(190) A. For the short period of time:

- Encourage solving the challenges to facilitate tourism travelling and transportation and the extension of Cambodian connectivity with the region and the world.
- The Ministry of Tourism and the Secretariat of Civil Airline must further foster the cooperation with ASEAN country on the flight connectivity. Namely it has to achieve direct flights to Cambodia with Indonesia, the Philippines, Brunei, and further increase in flights from the regional countries. It must increase flights from China, Korea, and Singapore. It must encourage attracting direct flights from Japan, Russia, India and Saudi Arabia.
- Pushing forward the operation of both local and international flights of the Preah Sihanouk international airport in cooperation with SCA to monitor and facilitate the encouragement to the airlines.
- Building up the national airlines' capacity of quantity, quality, and safety systems to operate in the locality and to the world.
- Continue the open sky policy through allowing airlines to operate in Cambodia both locally and internationally. The incentive policies need to be considered to

achieve the goal.

- Regularly pushing forward the implementation of widely opened policy on land, waterway, especially the continuation of implementation of incentive policy on the huge cruise ships' access.
- Encouragement and attraction of the flights of the low cost airlines to Cambodia, especially the operation to the new destinations such as Preah Sihanouk.
- Continuing to push forward the implementation of the protocol and agreement with the regional and international nations to facilitate tourism travelling and transportation, in particular with the neighboring countries adjacent to the border.
- The Ministry of Tourism cooperates with the relevant institutions, especially the General Department of Customs and Excise on application facilitation in order to allow all types of tour buses to be possible for easily going in and out. The Ministries of Public Works and Transportation has to further set up the traffic signs, and other information signals (Containing into international languages) to make facilitation for travelling.
- Along the main national roads, it must set up tourism parking, landscape visiting places where are able to be the place for relaxing, having a meal and buying souvenirs which are produced and sold by the local community people.
- Continuing the construction and facilitation of connectivity from the bordering gateways or national roads to tourism destinations and tourism communities to send tourists to the destinations.
- All bordering gateways need to be clean, orderly, and well arranged, as well as comprised of enough facilities for both working place and tourism service provision such as passenger buildings, and parking. It must eliminate all inactivity on guest seizure, fraudulence or duping of guests. At the same time, it must raise awareness about tourism, hospitality, greeting, smiling and making tourists feel the warmth when tourists arrive on the border. The bordering gateways also need to be monitored in opening and further developing. These works must be led and implemented by the inter-ministerial commission for facilitation of tourism travelling and transportation.
- With regard to visa, it must continue implementing the policy of the provision of visa on arrival. The visa is provided along the Cambodian embassies and consulates abroad and provided by the electrical system as well. The Ministry of Tourism has to cooperate in encouraging single visa arrangements and

implementation with certain countries in the region to attract international tourists who have already arrived in those countries.

- The policy on visa exemption needs to be continuously encouraged. It must monitor and carry out the study about exemption within the framework of ASEAN and then towards ASEAN+3 (China, Japan, Korea) as well as certain priority markets. It should consider the visa exemption for the French market meanwhile French airlines directly fly to Cambodia, or for European people travelling by French airlines.
- Carrying out the study about visa charges of only 50% for the international tourists who have been visiting the neighboring countries of Cambodia and continuing their visits to Cambodia. The policy will be able to attract more tourists to Cambodia amongst tourists visiting Vietnam, Laos, and Thailand which is more than 10 million people a year.
- Encouraging the further successful implementation of the policy on the authorization for using the border passing card of the people living in the provinces adjacent to the border to visit Cambodia.
- It must pay attention to visiting encouragement by waterway of both the Mekong River and marine gateways where cruise ships are docked to visit. The tourists by marine cruise ship are encouraged through reducing 50% of visa fees or free of charge. Besides, The Ministry of Tourism, the Ministry of Public and Transportation in cooperation with the relevant institutions push forward the construction of more tourism seaports along the coastal areas, particularly in Kampot province.

(191) B. For the medium and long period of time

- It must carry out the study about the possibility of capacity extension of Cambodian airports both in Phnom Penh, Siem Reap, and Preah Sihanouk in order to attract the direct flight of huge airlines in the world. Carrying out the study about the possibility of the construction of a new international airport in Phnom Penh or in Siem Reap which is competent to load approximately 10 million tourists per year. Moreover, it must push forward the restoration and construction of the airport or landing field in Preah Vihear, Battambang, Kratie and Ratannakiri provinces in order to make connectivity and to encourage the internal tourism activities.
- The Ministry of Public and Transportation, the Ministry of Rural Development, the relevant institutions, and the local administration of capitals and provinces must make cooperation in improving and establishing the infrastructural system

such as roads, electricity and water supply systems, ports, solid-liquid waste cleaning systems and telecommunication systems to support and encourage tourism development in a sustainable manner. The solution to accidents, traffic jams and social arrangements, as well as maintaining public order is a must.

- All international gateways are required for enough tourism facilities and internationally-recognized standards. The order and arrangement management must be clearly that it is properly complete and there is not any inactivity. The management, monitoring must use the updated information technology system and there must be managing mechanisms which are more effective.
- The visa exemption can be considered providing visa exemption for almost markets. And the use of monitoring technology system in the border is further pushed forward broadly, in particular from 2015 onwards.
- The transportation by air, waterways and land has become more intertwined and active. In this case, it requires all relevant institutions to set up managing legal systems, development plans, and firmly implementing mechanisms to ensure development efficiency and sustainability.

4. Planning and measures for strengthening tourists' security and safety

(192) A. For the short term

- Continuing to strengthen tourism security and safety systems and further extending this to the new tourism destinations, particularly at nighttime and following major tourism events.
- The Ministry of Tourism cooperates with the Ministry of Health and the relevant institutions in arranging for the strengthening and extension of the healthcare system along the tourism destinations starting from the national class to the local tourism community. Using the mechanism and basis of the existing facilities such as health centers, clinics, and hospitals, through adding emergency or first aid in case guests are in danger, and setting up an appropriate arrangement mechanism on time.
- Training how to rescue in an emergency to all relevant sections serving tourism including tourism community people, tour guides, tourist transport groups and tourism police.
- Supplying appropriate tools, equipment and means to rescue in an emergency and proceeding arrangement in case a tourist is in danger.
- Strengthening and increasing police, especially tourism police along tourism destinations from the bordering gateways to the inside of the country.

- The authorities at all levels must cooperate with each other in taking actions to eliminate the anarchy of tourists' transportation, tourists' seizure, and dupes to tourists. It must arrange for all transportation means management and identification of owners or drivers and firmly implement the law.
- Strengthening tourists' safety during travelling, visit and stay. All business owners need to be responsible by law for tourists' safety in their business place. The staying guest needs to be clearly identified.
- Paying priority attention to food safety and sanitation, especially at tourism destinations. Namely, the Ministry of Tourism, the Ministry of Health in cooperation with the relevant ministries and institutions must contain managing and monitoring mechanisms to regularly educate along the food selling places and restaurants.
- It must eliminate the fraudulent production and souvenir sales or goods along the tourism destinations. The Ministry of Tourism cooperates with the relevant institutions in taking measures to manage all tourism souvenir sales and punishing abusers through the law. It must set up a souvenir seller community.
- The local authorities cooperate with professional authorities to regularly manage and strengthen the basis of tourism business service, the local tourism community and to take immediate action in case there is a problem related to guest safety.
- The Ministry of Tourism must seriously manage tour mediators, tour agents, especially sending of Cambodian tourists abroad to ensure that they are safe for visiting and must take actions on time in a necessary case to ensure tourists' safety.
- The Ministry of Tourism cooperates with local authorities and relevant institutions in setting up a coastal tourism development master plan and properly implementing measures in conformity with the master plan. The coastal areas must contain a firm tourism safety protection system and appropriate human resources.
- A commission of tourism safety must be established and led by the Ministry of Tourism and participated by the relevant institutions, the local authorities and the private sector.

(193) B. For the medium and long term

- Setting up the long-term plans about tourism safety system prevention, and strengthening through setting up the long-term implementing mechanisms.

- Setting up the infrastructure of tourism safety systems along the priority tourism destinations which are intertwined nationwide, such as modernization and reconstruction of health centers or clinics, modern rescue means and human resource development for this work.
- A management of tourists' identification, tourism business basis and transportation means by the newly available information technology systems which are intertwined nationwide.
- Carrying out the study and arrangement for the implementation of tourism insurance systems to build up further confidence in the visits to Cambodia.

5. Planning and measures for law enforcement and applied Mechanisms

(194) A. For the short term

- Strengthening of the implementation of effective laws, especially the law on tourism, and other regulations to ensure the tourism management and development in a sustainable manner.
- On a basis of this law, the Ministry of Tourism cooperates with the relevant stakeholders in enlarging more regulations in a suitable way and on time for tourism development including the tourism-type service of casino lucky draw, tourism community management and development, tourism safety, management of business, service and tourism income.
- Strengthening and pushing forward the existing mechanisms more active, particularly the public and private taskforces.etc. It must encourage setting up more newly appropriate mechanisms such as the establishment of a tourism marketing and promotion board, managing mechanism enlargement, and the implementation of the local administration, in particular districts, communes and the community bases.

(195) B. For the medium and long term

- The Ministry of Tourism must encourage establishing a national tourism institute and national tourism training establishment to encourage research and human resource development in tourism.
- It must establish the national tourism board with the participation of the relevant ministries and institutions. This board must be led by the Deputy Prime Minister to lead and encourage tourism development, which has been a systematic sector, in a sustainable manner.

6. Human Resource Development

(196) A. Short-term

- Encourage both domestic and overseas training and enhance tourism development capacity for tourism sector in terms of private, public and local people. It is also to inspire local and overseas human capital including overseas Khmer community to join hand developing Cambodia tourism.
- Encourage tour guide training and tourism professionals. The studies show that the need of tour guide estimates around 10,000 (2015) and up to 20,000 (in 2020) and an additional tourism labor force of approximately 500,000 (2020).
- Encourage implementation of agreements on tourism development and mobility of ASEAN tourism professionals (MRA) and various cooperation measures.
- Mainstream the awareness on tourism among students and people via promotion and all forms of raising awareness and incorporation in the study curriculum.
- Strive to seek support from development partners, national and international organizations in order to encourage human resource development and enhance capacity building both in training and curriculum from overseas best practices.
- Encourage the private sector, particularly tourism services operators, to actively carry out on-the-job training policies.

(197) B. Long-term

- Encourage the establishment and function of Tourism Professional Training Institute and national tourism education establishment as stipulated in the Law on Tourism in cooperation with relevant institutions and development partners.
- Enhance capacity building for tourism and management of tourism officials and staff working in the tourism sector.
- Undertake to further implement various agreements based on regional and international cooperation on human resource development and the mobility of tourism professionals, particularly the implementation of MRA in the ASEAN framework.
- Conduct feasibility study to create a foundation for helping poor students to study tourism skills.
- Develop plans focusing on market needs and labor supply as well as the need of human resources in the tourism sector.

VIII. Financial Resources

(198) Financial resources to support this strategic plan can be provided by the national budget and financial support from the private sector, including investment by development partners and various financial sources. The National Committee for Tourism Development shall prepare an action plan by engaging budget plans or financial sources for each activity to be implemented.

IX. Review and Assessment

(199) Tourism is a priority sector contributing to socio-economic development, promotion, raising Cambodian prestige internationally, and connecting Cambodia with the world. Tourism is an action of the people living through the development of society and is closely linked with culture and nature. The sustainable development of this sector contributes to protection, prevention, and preservation of the cultural and natural resources as well as climate change mitigation.

(200) Tourism is an export market, leading tourists to buy and use the goods and services in the nation and replacing overseas exports. This action strongly encourages the contribution to strike a commercial balance, macro-economic development, and provision of job opportunities for local people. Moreover, systematic tourism assists in encouraging the sectors including communications infrastructure, telecommunications, agriculture, commerce, the environment, and banking.

X. Conclusion

(201) Tourism is the priority sector contributing to the development of the economy and society, enhancing Cambodia's prestige in the international arena and integrating Cambodia into the world. Tourism in a modern social environment and adheres closely to preserving culture and nature. The sustainable development of tourism plays a vital role in maintaining, protecting and conserving cultural and natural resources, as well as mitigating against climate change.

(202) Tourism is considered an on-site export industry as it brings international tourists to buy and use products or services in the country in addition to overseas exports. These activities contribute to maintaining a commercial balance and stability, economic growth and job opportunities for the local population. Moreover, tourism as a system accelerates other sectors such as transportation infrastructure, telecommunications, agriculture, commerce, the environment, banking and particularly conservation and development of Cambodian culture;

(203) The Royal Government is strongly committed to encourage the tourism development in a high quality and sustainable manner in the atmosphere of peace,

stability, safety, and development. The Royal Government has laid down and implemented the regulations, measures, planning, and strategies to reach the concept of Cambodian tourism development “Tourism, Culture and Nature,” in addition to making the Kingdom of Wonder become a world-class tourism destination. Nevertheless, the concept can be achieved through requiring the contribution of all relevant stakeholders, the private sector, development partners, and the people, as well as joining hands in solving areas of inactivity. At the same time, it also requires reforms of certain necessary systems, particularly financial and labor sectors, strengthening the existing mechanisms of operation, and establishment of newly appropriate mechanisms to implement this more efficiently.

(204) In conclusion, this stage is certainly a new opportunity for Cambodia to take advantages from tourism development to channel into socio-economic development, while other regional countries are also seizing this opportunity.

(205) For Cambodia, the concept of 7 million international tourist arrivals in 2020 bringing an income of approximately US\$ 5,000 millions a year will clearly appear, which will raise up Cambodia internationally, and tourism certainly deserves “**Green Gold**”.

ANNEXED

**Major Plans for Enhancement of Tourism Development
2012-2020 in line with the Strategic Direction**

No.	Priority Plan	Short-term 2012-2014	Medium/Long Term 2015-2020	Leading Institution
	Tourism Product Development			
1	Strengthen and diversify tourist destinations nationwide as well as enhance effective and sustainable development	×	×	Ministry of Tourism/Provincial – Municipal Tourism Development and Management Committee
2	Competitive movement “Clean City, Clean Resort, Good Service”	×	×	Ministry of Tourism/National Committee for Clean City Assessment
3	Encourage tourism standard development to improve product quality	×	×	Ministry of Tourism
4	Tourism Development Plan for regional, national and sub-natural levels	×	×	Ministry of Tourism/Provincial – Municipal Tourism Development and Management Committee
5	Supporting Infrastructures			
	5.1. Road leading to tourist destinations	×	×	Ministry of Rural Development/ Ministry of Public Works and Transport/Ministry of Tourism
	5.2. Tourism dock at main tourist destinations in coastal area along Tonle Sap Lake		×	Ministry of Public Works and Transport/Cambodia Mekong River Committee/Tonle Sap Authority/Ministry of Tourism
	5.3. International airport for 7-10 million passengers per year		×	National Secretaria for Civil Aviation/Ministry of Tourism/Ministry of Economy and Finance
	5.4. Expand international airport in Preah Sihanouk province		×	National Secretaria for Civil Aviation/Ministry of Tourism/Ministry of Economy and Finance
	5.5. Restore airport or runway for airport in Ratanakiri, Battambang and Koh Kong provinces		×	National Secretaria for Civil Aviation/Ministry of Tourism/Ministry of Economy and Finance
	5.6. Clean water systems, electricity and unclean water systems at tourist destinations in priority municipalities		×	Ministry of Public Works and Transport/Ministry of Industry, Mine and Energy
	5.7. Encourage tourism investment, particularly transportation, hotels and international level resorts	×	×	Council for Development of Cambodia/Ministry of Tourism
6	Encourage product development of domestic consumption and exportation via tourism such as food, souvenirs and clothes	×	×	Ministry of Commerce/ Ministry of Cults and Fine Arts/Ministry of Agriculture, Forestry and Fisheries
7	Encourage coastal zone tourism development	×	×	National Committee for Management and Development of Coastal Zone/Ministry of Tourism
8	Encourage tourism development plan “Second Home”		×	Ministry of Tourism/ Ministry of Interior
II	Tourism Marketing and Promotion			
1	Detailed study of Tourism Marketing Strategic Plan, identification of market type and implementation activities	×	×	Ministry of Tourism
2	Strengthen quality and efficiency of promotional materials, means and tourism promotional activities	×	×	Ministry of Tourism

3	Setting oversea tourism representative offices		×	Ministry of Tourism/Tourism Marketing and Promotion Board
4	Expand Tourism Information Centers at provinces-cities and enlarge promotional activities through information centers	×	×	Ministry of Tourism/Provincial-Municipal Tourism Development and Management Committee
5	Create and encourage the process of Marketing and Promotion Board between private and public	×	×	Ministry of Tourism/Private sector
III	Facilitation of Travel and Tourist Transportation			
1	Increasingly link Cambodia into region and internationally via overland, water and airways	×	×	State Secretariat for Civil Aviation /Ministry of Public Works and Transport/Ministry of Interior/Ministry of Tourism
2	Study on visa and other forms of facilitation for the arrival and departure of tourists	×	×	Ministry of Foreign Affairs and International Cooperation/Ministry of Interior/Ministry of Tourism
3	Improve efficiency of tourist transportation management and enlarge tourism facilities at border checkpoints	×	×	Ministry of Tourism/Ministry of Interior/Ministry of Public Work and Transport
4	Strengthen and enlarge cooperation in the region and interational for tourist travel facilitation	×	×	Ministry of Tourism/Ministry of Foreign Affairs and International Cooperation
5	Strengthen capacity of National Airline both quantity and quality for domestic and overseas operation	×	×	State Secretariat for Civil Aviation/Ministry of Tourism/National Air Comapny
IV.	Tourist Security and Safety and Impact Management			
1	Strengthen and expand tourism security and safety systems at tourist destinations, particularly tourist police	×	×	Ministry of Interior/Ministry of Tourism
2	Improve health system facilities and equipment at tourist destinations	×	×	Ministry of Health/Ministry of Tourism
3	Strengthen tourist safety both travel and accommodation	×	×	Ministry of Interior/Ministry of Tourism
4	Study and prepare tourist insurance system to make both inbound and outbond tourists fully confident in their visit	×	×	Ministry of Economy and Finance/Ministry of Tourism
5	Feasibility study for establishment of Tourist Safety Committee with participation of relevant institutions	×	×	Ministry of Tourism/Ministry of Interior/Ministry of Health
6	Strengthen public orders at various tourist destinations	×	×	Ministry of Interior/Ministry of Tourism
7	Prevent any negative impacts on tourism and impacts from tourism onto economy, society, culture and environment	×	×	Ministry of Tourism/Ministry of Economy and Finance/ Ministry of Culture/Ministry of Environment/ Forestry Administration
8	Minimize economic leakage in tourism sector	×	×	Ministry of Tourism/Ministry of Economy and Finance/ Ministry of Culture/Ministry of Environment/Ministry of Agriculture, Forestry and Fisheries
V.	Leagal documents and applied mechanism			
1	Strengthen law enforcement, particularly the Law on Tourism and other legal documents	×	×	Ministry of Tourism/Ministry of Justice

2	Enhance preparation of law and legal documents such as tourist entertainment management, community management and development	×	×	Ministry of Tourism/Ministry of Justice
3	Strengthen existing tourism development and management and expand new mechanism such as Regional Tourism Development and Management and mechanism for sub-national implementation	×	×	Ministry of Tourism/Ministry of Interior
4	Establish National Tourism Institute as the Tourism Research, Study, Analysis Center in order to set out proper policy for strategic plan	×	×	Ministry of Tourism/Ministry of Education, Youth and Sports /Ministry of Labor and Vocational Training
VI	Human Resource Development			
1	Human resource development and skill training enhancement	×	×	Ministry of Tourism/ Ministry of Labor and Vocational Training
2	Matters concerning MRA, recognition and mobility of tourism professionals	×	×	Committee for Recognition of Tourism Professionals
3	Establishment and functioning of national tourism educational establishment		×	Ministry of Tourism/Ministry of Education, Youth and Sports
4	Creation of a foundation for poor students to study tourism skills		×	Ministry of Tourism

ACKNOWLEDGEMENT

We would like to extend our profound thanks to **H.E Dr. THONG Khon, Minister of Tourism**, who has leaded and advised working group to successfully develop the Tourism Development Strategic Plan 2012-2020.

May **H.E Minister** be blessed with the four Buddhist blessings: longevity, beauty, peace and strength.

From:
Working Group for
Tourism Development Strategic Plan 2012-2020

- 1- **H.E TITH Chantha**, Director General of Tourism
- 2- **Mr. SOK Sokun**, Director, Tourism Planning Development
- 3- **Mr. YIN Nat**, Deputy Director, Tourism Planning Development
- 4- **Mr. VA Vannak**, Deputy Director of Minister's Cabinet
- 5- **Mr. EM Sararith**, Chief of Community-based Tourism Office
- 6- **Mr. SEAN GLEESON**, English Editor



