

The Development of Tourism and Ecotourism in Cambodia

Thong Khon

Ministry of Tourism, Kingdom of Cambodia

Abstract

This paper analyses the development of tourism and ecotourism in Cambodia. The paper shows that tourism not only helps the country to earn foreign income but also helps raise its identity in the eyes of the world. Alternative tourism including ecotourism has recently been introduced in Cambodia. For Cambodia, ecotourism is seen as a better option for tourism than conventional or mass tourism. Ecotourism development in Cambodia requires informed participation of all relevant stakeholders, as well as strong political leadership to ensure wide participation and consensus building.

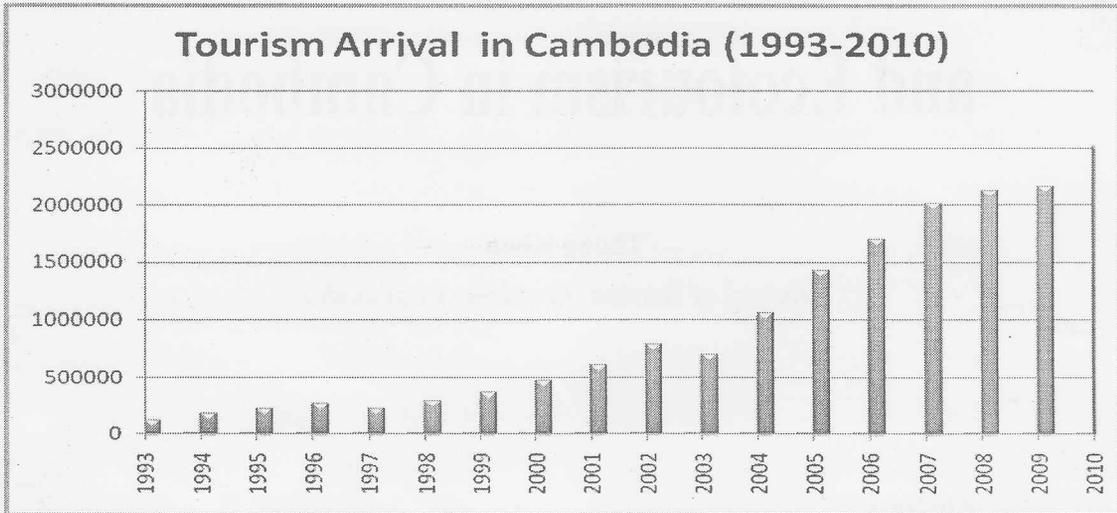
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JEL codes: L83, O10, Q57

1. The tourism sector in Cambodia

The tourism sector in Cambodia is an important part of export-led development strategies. According to the national tourism policy, the Royal Government of Cambodia considers sustainable tourism as a benefit for the nation and as a major tool for economic development and poverty alleviation. The tourism sector has been an important and very dynamic engine of growth and generator of foreign exchange revenues since the mid-1990s. International visitors have increased in numbers. In 1994 when tourism data was first recorded, Cambodia received 176,617 international tourists. In 2010, Cambodia received 2 508 289 international visitors - an increase of 16.4 percent. It is worthwhile to note that in the past decade Cambodia witnessed double digit growth rates in tourism making it one of the country's strongest growth sectors. In contrast, the rest of the Asia/Pacific region had growth rates of international tourists of 13% in 2010.

Figure 1: International tourism in Cambodia (1993-2010)

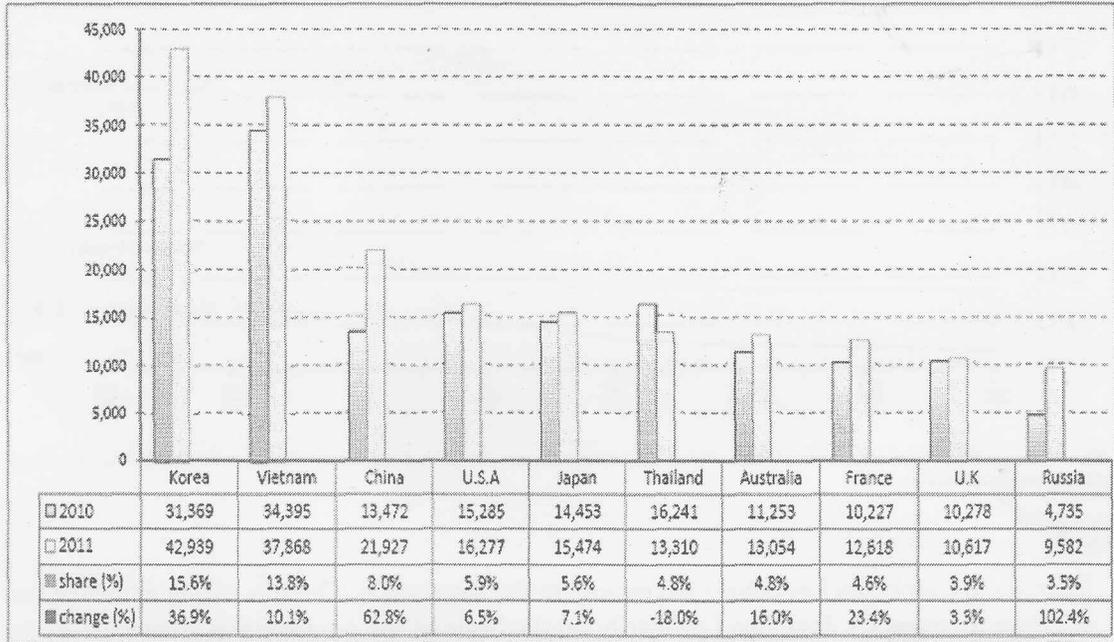


Source: MOT, 2010

In addition to this picture of rapid growth, there are other very positive trends in the Cambodian tourism sector. The country has moved quickly from dependency on distant US and European source markets to a much more balanced spread of markets, with well over half of the international market coming from ASEAN member states. Particularly significant has been the recent growth of the tourism trade with Cambodia's neighbors in Vietnam, Thailand, Malaysia and Laos. In fact, cross border flows are a significant factor in the flow of tourists throughout this region. The opening of border checkpoints to Vietnam and to Laos have created significant growth in visitor traffic. Planned infrastructure improvements, largely focused on roads and airports, will also boost intra-regional tourism. In this sense, regional markets are extremely important for Cambodia, with Asia and Pacific visitors accounting for about 60% of all international arrivals.

Figure 2 illustrates the top 10 international source markets for Cambodia as a whole. Asia and the Pacific countries account for the lion's share (60%). In January 2011, 6 out of 10 international visitors came from the Asia/Pacific region, two from Europe and one from the Americas. Cambodia benefits from close proximity to regional markets and the ease with which it can be combined with tourism destinations in neighboring countries. As a result it is often offered as a 2-4 day side trip in regional tour packages. This diversity of source markets is important because it reduces the vulnerability of the tourism sector to external shocks emanating from any one country. According to official figures issued by the Ministry of Tourism in 2010, tourist profiles are: 56.3% of international tourists were male and 43.7% were female, and 20% of them were employees, 13.8% students, 9.9% pensioners, 19.3% businessmen, 17.71% teachers and 12% in

Figure 2: The top ten markets for Cambodia



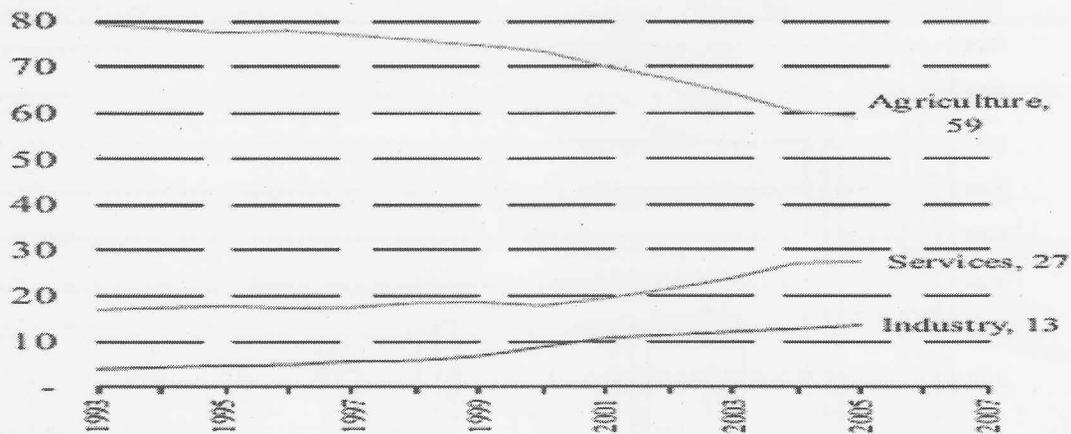
Source : MOT, January 2011

other occupations.

The establishment of peace and stability was of course another reason for the greater inflow of tourists to the country. The international market has recognized the positive transformation of Cambodia. External perceptions of Cambodia as a dangerous destination are being replaced by a more realistic assessment as a welcoming, secure and safe destination for travel and tourism investment. As a result, the nature of visitors is changing, with more women and children visiting the country, while “leisure and holiday” considerations motivate about 85% of all tourists. The investment in Cambodia’s tourism industry reached US\$354 million in the first six months of 2009 and it is the field with the highest investment. Almost 60% of the FDI since the the mid-1990s, amounting to 135 projects, has been from investment in the tourism sector.

As the domestic economy rapidly develops, there has also been an increase in domestic tourism. As a result of both domestic and international tourism receipts are making a significant contribution to the national economy. It’s clear that tourism is a major part in the service platform of the country’s economy. Obviously, due to a continued increase in the number of foreign tourists in Cambodia, associated receipts rose from \$ 228 million in 2000 to more than \$ 1.78 billion in 2010, representing about 12.5% of the GDP and situating tourism as Cambodia’s second leading source of foreign exchange earnings. Regarding the share of employment of each main sector, the service sector absorbs around 27% of the total active work force in the country

Figure 3: Share of employment (%)



Source: World Bank (2009), *Sustaining Rapid Growth in a Challenging Environment*

(See figure 3).

Tourism in Cambodia has developed rapidly in the last decade. There is strong evidence that Cambodian tourism has developed primarily on the basis of the comparative advantage of the Angkor Wat temples. The high international recognition of Angkor as a destination is the result of intensive promotional campaign by the Ministry of Tourism, “Cambodia: Kingdom of Wonder”. However, Cambodia needs to diversify beyond the key attraction of Angkor Wat in Siem Reap and business tourism in Phnom Penh. Currently, the average length of stay of visitors to Cambodia is short (the average is 6.5 days, compared with 8.6 days in Thailand), the number of repeat visitors is low and seasonal tourism demand is high.

2. Ecotourism in Cambodia

2.1. Cambodia ecotourism’s potentials

It is increasingly believed that ecotourism provides the best route to diversify tourism in the Kingdom. Cambodia is considered to have a comparative advantage in tourism in the form of cultural and natural attractions. More specifically, its environmental image is vital in creating an identity that will enable it to sell its particular brand of ecotourism. Ecotourism is likely a niche market within Cambodia and the development of coastal tourism represents an opportunity to diversify tourism on a larger scale. Due to the economic, political, cultural, and environmental circumstances in Cambodia, the country is well-suited for the implementation of the international concept of ecotourism. Based on its comparative advantage in terms of the outstanding cultural, wildlife and natural resources found in the country, ecotourism is seen as a preferable mobile model for sustainable tourism development in Cambodia.

The development strategies based on ecotourism are very much part of the debate about comparative advantages, which advocates that each country should concentrate on exporting the

goods that it is naturally best at producing. As a result, the MOT initiated the development of ecotourism in order to: diversify the tourism product from culture to nature; raise the profile of the country as a tourism destination; attract a segment of the tourism market which is considered to have growth potential; provide an incentive for the sustainable utilization of natural resources; alleviate poverty through tourism; generate renewed pride in local cultures and traditions; and generate resources for conservation; and facilitate responsible tourism planning and management practices in an integrated manner.

2.2. The current situation of ecotourism in Cambodia

2.2.1. Ecotourism market demand

For Cambodia, the MOT expects the ecotourism demand to increase close to 10% annually. A recent Ecotourism Visitor Survey was conducted about demand for ecotourism interviewed 200 tourists, of which 43% were from Asia (including ASEAN), 38% from Europe, 18% from the Americas and 1% from other regions. The results showed that most of the international visitors (80%) traveled to multiple countries during their trip in question. Cambodia was combined with Thailand (30%), Vietnam (25%), Laos (15%), Malaysia (18%) and Singapore (12%). For Cambodia, cultural attractions and historical sites were the most important pull factors (50%) and (27%), respectively. Nature-based activities were not ranked as an important motivation for the surveyed visitors. "Ecotourism site" and "wildlife habitat" were ranked as the most important pull factor by only 10% and 8%, respectively. Only 25% of the respondents indicated that they visited a National Park (NP) or Protected Area (PA) while in Cambodia – excluding Angkor Wat. Europeans were more likely to visit a national park than visitors from other regions (30% from Europe, 17% from ASEAN and 15% from Asia and Oceania). Even though visiting natural sites did not rate highly as a major motivator, it is still a very popular activity amongst European travelers. This indicates a potential market for such products as value-added activities. Close to one third of visitors visited national parks or protected areas due to their strong interest in environment or were willing to contribute to the conservation of natural resources. The most popular region to visit a national park or protected area -excluding Angkor protected landscape- was the Tonle Sap Biosphere Reserve (45%) followed by Northeast (19%) and Coastal Zone region (18%). In general, Europeans are interested in visiting the Cardamom Mountains, while Asian visitors are interested in Northeast part of Cambodia.

Activities undertaken during the trip to national park/protected area by international visitors included interacting and participating in local activities in real settings, home-stay with locals, trying local gastronomy, watching and observing local animals, water-based activities, trekking and hiking into the forest, learning and experiencing more about natural resources and local culture, and buying local handicrafts and other cultural products made by the communities. Domestic visitors participated in water-based activities, bought local handicrafts, viewed wild animals and interacted with locals. Expenditure associated with the national park/protected area experience were mostly less than US\$50. Only a few spend more than US\$100. Regarding the total expenditure for a trip in Cambodia, most international visitors spend normally between US\$500 to US\$1000, and the majority spends less than US\$1000. One in three Phnom Penh residents visiting national parks spent between US\$21-50 per trip and roughly one in ten spent more

than US\$100.

The majority of respondents would prefer to stay in Ecolodges, and some are keen to stay in hotels, or homestay with locals or in camp/tents during their trip to national park/protected area. Most of the visitors would also be willing to pay a conservation fee. They express their willingness to contribute to the strengthening and revitalization of local cultures, to the improvement of the living standards of local people and to the preservation of the landscape. The qualitative discussions with the tourists indicated that receiving organizations should be accountable for the money spent on conservation.

2.2.2. Ecotourism market supply

According to the statistics of the Ministry of Tourism (MOT, 2009), there are 372 licensed inbound tour operators in Cambodia. According to the survey conducted by MoT/SNV-2006, the majority of the travel agencies consider themselves as small businesses (38% small-inbound and outbound; 31% small inbound and national). Most of them, i.e. 66%, offer cultural and heritage tours, 14% provide nature tours, and 11% city tours. More than half of the surveyed travel agencies service less than 1000 customers a year. Only one fifth have more than 2,000 customers annually. This further supports the description of travel agencies being small sized enterprises. Based on the survey conducted in 2008, approximately 55% are aware of ecotourism and its principles.

A total of eight outbound tour operators were interviewed in Phnom Penh, to understand more about the current market in Cambodia, and the potential for ecotourism. These operators were chosen due to their client bases, which were predominately North America, European and Australian, and offered unique tours and experiences other than the typical offerings. Of the eight operators, four currently offered Ecotours and four did not. In terms of Ecotours currently offered in Cambodia, Rattanakiri, Mondulkiri and Siem Reap are the only destinations promoted. One company has had a strong ecotour program in place for 7 years predominately in Rattanakiri (Trekking, elephant rides, visit hill tribes, boat rides), however it recently started sending clients to Mondulkiri (visit waterfalls, visit a local village). Ecotours offered in Siem Reap are to Prek Toal Wildlife Sanctuary and Kampong Phluk, visiting the community fisheries project. Another company has been offering community-based tours for a few years including an overnight stay in Yaklom Lodge, Rattanakiri. They also offer Home Stay in villages in three provinces a few times a month. All operators expressed an interest to expand ecotourism products offered in the future- as a growing market in Cambodia, an increase in demand for ecotourism, and a high level of interest in ecotours were all reasons why current operators wanted to expand their products. One operator expressed the need for Cambodia to attain the same level as Thailand where niche operators exist to channel specialized tourists from other countries.

The ecotourism development in Cambodia is recently based on community, which is helping to protect wildlife as well as the natural environment and local cultures while offering opportunities for much needed employment and sustainable development to poor, often remote, local communities. It is a much welcomed alternative to the exploitation of the wildlife and local natural resources. Sites located close to the major tourist gateways- Siem Reap and Phnom Penh- are more easily accessible due to better infrastructure and public transportation than sites in the

remote areas. In the remote areas, the rainy season increases the travel time required to reach the sites.

Activities have mainly been developed based on natural features of the sites and village life. They include swimming, mountain biking, forest trekking, ox-cart riding, boat trips, camping in the forest, bird watching, wildlife viewing, village exploration, indigenous cultures, homestays, silk weaving, etc. For example, Virachey National Park has developed an ecotourism strategy based on which mountain biking and trekking tours (2 to 8 days). Unique birds are the main attraction at Prek Toal. Tonle Sap Lake and provide an opportunity to visit the floating villages and experience the life style on the lake. Communities prepare the food for the visitors. Meals provide an insight to the local way of life and additional income to the communities. However, the hygiene levels are very basic and should be improved in order to improve the quality of CBET experience in Cambodia. More than half of CBET sites have English speaking guides. However, the level of English is very basic and therefore tour groups bring their own guides from Phnom Penh/Siem Reap to assist in communication and to interpret the site and its values. Shopping opportunities at the CBET sites are almost non-existent. The variety of handicrafts is limited and the design is more targeted to the domestic market than to international markets.

The majority of the CBET sites are being assisted by non-governmental organizations (NGOs) who are assisting the communities to set up proper community structures and benefit sharing mechanisms. However, limited capacities of the communities in running micro and small scale enterprises, and limited access to the markets pose a number of challenges in ensuring sustainability of CBET initiatives in Cambodia. In 2007, CBET at eight sites generated roughly 75,377 USD of which 55% was allocated to the villagers providing the service, 23% to environmental conservation, 7% to community development funds and 15% to other purpose such as supporting the poorest families and the projects in general. It is estimated that around 2000 families are directly or indirectly involved in CBET activities in the eight sites (SNV, 2009). Yet, the economic sustainability of CBET sites greatly depends on the number of visitors to the sites. Only a fraction of international tourists to Cambodia visit CBET sites. It is estimated that roughly 46,400 tourists, of which only 17% are international, visited the eight CBET sites in 2007. Therefore many more works need to be done to improve the quality of the sites, engage the private sector in CB(E)T, and increase marketing and promotion.

2.2.3. SWOT Analysis

Like most parts of the world, ecotourism is a relatively new concept in Cambodia. With its enormous geographic and biological diversity, Cambodia has various forms of nature-based travel. Ecotourism is a relatively recent development in Cambodia, and really began with the expansion of facilities during the end of 1990s. However, to gain a proper understanding of the current ecotourism scenario in the country it is important to develop a SWOT analysis. Table 1 summarizes the SWOT analysis on ecotourism development in Cambodia.

- Strengths: These attributes are the unique attractiveness, increased natural and cultural appreciation among locals and developers and conservationists, local people's interest and support, participatory management approaches, community will, potential eco-enterprise options, friendly peoples, and other internal and external endowments, etc. These attributes can be uti-

Table 1: Summary of the SWOT Analysis

<p>Strengths</p> <ul style="list-style-type: none"> • Varied cultural and natural resources – green and blue ecotourism and adventure tourism (Tonle Sap is the heart of core environmental zone in Southeast Asia; Cambodia also posses the largest dry forest in Southeast Asia; several globally endangered species) • Institutional support • Existing markets • Existing infrastructure • New destination 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Lack of land management plans – contradicting land uses • Limited implementation of policies and strategies • Lack of funds/investments and human resources • Unclear roles and limited participation of ecotourism stakeholders • Limited knowledge of ecotourism • Poor/limited infrastructure and waste management • Limited promotion and marketing
<p>Opportunities</p> <ul style="list-style-type: none"> • Market demand – existing and potential markets • Product development: 1) blue and green ecotourism, 2) adventure tourism, 3) 3S and cruise tourism combined with visits to national parks, and 4) regional ecotourism products (cooperation with the neighboring countries) • Increased government and NGO support • Increased interest among development partners • Improved infrastructure and border-crossing facilitation • Alleviation of poverty through tourism – ecotourism sites in remote areas where poverty rates are the highest • Increased economic benefits from tourism – increased conservation of natural resources 	<p>Threats</p> <ul style="list-style-type: none"> • Transition – high investment risks • Disappearance of indigenous cultures • Extinction of rare species • Mass tourism and its impact on nature and culture (demonstration effect) • Competition among stakeholders over funds and human resources

Source: MOT, National Plan of Ecotourism, 2010

lized and enhanced to achieve a development plan of ecotourism in Cambodia.

- Weaknesses: Some critical factors can hinder the potential of ecotourism to contribute to a more appropriate use of natural resources. The issues of sustainable development and management of ecotourism are: infrastructure, capacities and awareness of local communities and responsible developers and planners, regulation and institutional reform, capital investment, stakeholder participation especially participation of the locals, linkages between formal and

informal sectors, appropriate community-driven planning, local product development, limited juridical recognition of community based ecotourism and ecotourism promotion and marketing.

- Opportunities: The new emerging interest of all stakeholders (government, international organisations, NGO, local people, etc.), political will and strong commitment of government to develop ecotourism and the growth of ecotourism demand in the world as well as in the region are the unique opportunity for boosting ecotourism in Cambodia.

- Threats: The analysis of critical challenges are based principally on the results collected from the in-depth interviews with local authorities, local people and representatives of executing agencies as well as from the expert interviews with a range of senior staff and experts from different related fields.

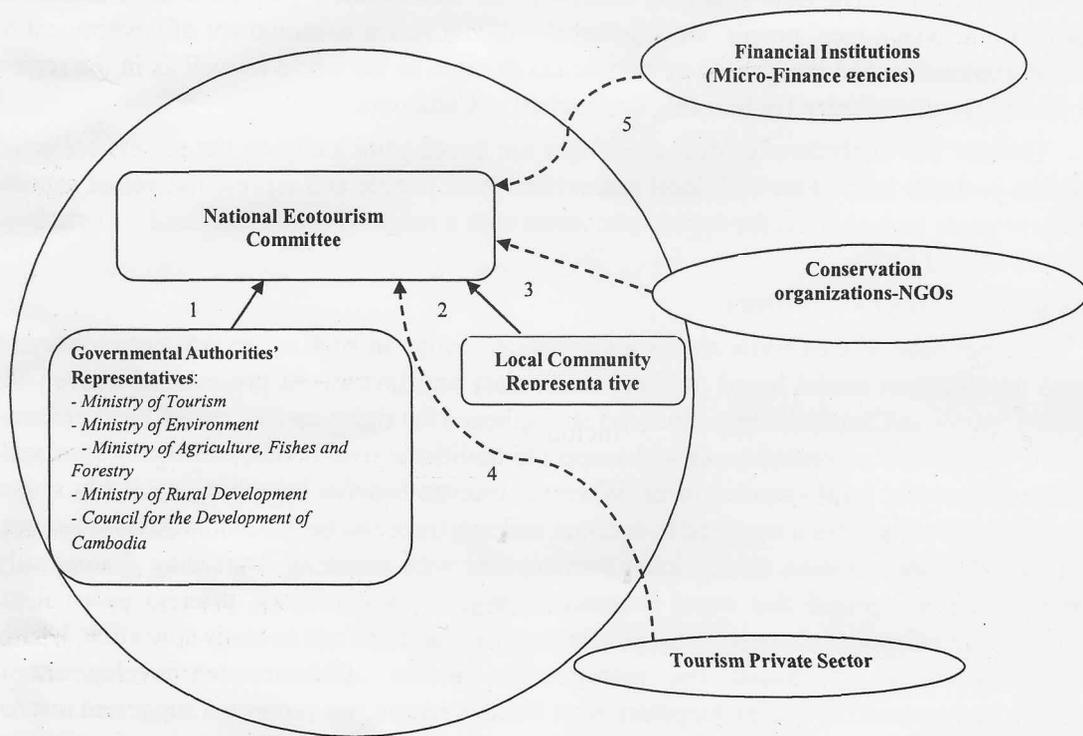
2.3. Policy recommendations

The experience of Cambodia shows a significant change in ecotourism practices towards a mixed development model based on local community and investment projects. Moreover, the decentralization in Cambodia has somewhat strengthened the rights and voices of local communities in and around protected areas with respect to traditional livelihoods, facilitating local self-management and/or local empowerment. Wherever tourism benefits have been equitably shared and communities have been involved in decision making, there has been a demonstrative increase in support for conservation among local communities with poaching decreasing dramatically. However, we recognized that some ecotourism projects have offered different paternalistic schemes in an effort to “win over” local people such as charitable aid towards education, health-care and alternative livelihoods. The management process of ecotourism development is required in a sustainable and participatory way. For this reason, we propose a suggested mechanism for desirable ecotourism development in Cambodia as in figure 4. This model of organizing and developing ecotourism in Cambodia ensures sustainability and poverty alleviation.

Before implementing this model for ecotourism development in Cambodia, it is critical to form a number of partnerships between key stakeholders. This will cover a range of responsibilities required for planning, developing, facilitating, and managing ecotourism, with each stakeholder contributing to this process according to his or her strengths. Each stakeholder requires a set of roles and responsibilities to ensure that efforts are not duplicated or overlooked. Thus, all ecotourism activity should be controlled and managed by a National Ecotourism Committee that is comprised of local community representatives as well as representatives of Ministry of Tourism, Ministry of Environment, Ministry of Agriculture, Fishes and Forestry, Ministry of Rural Development, Council for the development of Cambodia (CDC) and/or NGOs, tourism private sector and financial institutions. In this sense, all relevant parties and/or institutions would cooperate and coordinate in a more responsible way in order to achieve success.

Ecotourism development requires active and informed participation of all relevant stakeholders, as well as strong political leadership to ensure wide participation and consensus building. A thriving ecotourism sector will be promoted through the coordinated support for an infrastructure and initiatives that are conducive to the supply of quality ecotourism products and services

Figure 4: A suggested mechanism for ecotourism development in Cambodia



that meet market demands and expectations. At the same time, to avoid mistakes, all stakeholders should be aware of the parallel need for a cautious and considered approach to promoting the sector because achieving sustainable tourism is a continuous process and it requires constant monitoring, and the introduction of preventive and/or corrective measures whenever necessary. Ecotourism should also maintain a high level of tourist satisfaction and ensure a meaningful experience to the tourists, raising their awareness about sustainability issues and promote sustainable tourism practices amongst them. Development must take place within the boundaries of pragmatic management that provides targeted support to commercially viable public and private sector business enterprises that are sensitive to environmental and cultural requirements.

It is important for ecotourism to be dealt with in a business-like manner in terms of reacting to changes in the marketplace and satisfying ecotourists as customers. It should be stressed that this does not mean that important resource management objectives should be sacrificed. Indeed, it may be critical for natural areas supervisors to cultivate additional political support for such objectives in order to resist client desires that are inconsistent with the social, economic and environmental objectives. Rather, it means that a more flexible, business-like approach should be taken. Such an approach will enhance the probability that ecotourism objectives will

be achieved.

In this context, Cambodia is in a favorable position to achieve a mixed model regarding ecotourism development. Involvement and contributions from all relevant stakeholders will ensure that only desirable types of ecotourism will be developed, and that revenues will benefit conservation and local communities. Ideally, tourism should be developed alongside the pre-existing primary production so as to allow linkages between the two sectors. Ecotourism appears to provide better linkages with the primary sector and other cross-sectors, while also providing opportunities for direct involvement by small-scale entrepreneurs who are most likely to be locals. Local involvement in turn can inspire guardianship of the surrounding resources on which the ecotourism industry relies. On the other hand, large scale investment can help to provide high-class ecotourism destinations with facilities, products and services that appeal to high spending tourists in the areas where there are fewer local communities.

3. Conclusion

Tourism in Cambodia has until now mainly concentrated on cultural tourism because of the extensive cultural and historical heritage (including ethnic culture) of the land. Nature-based tourism, particularly the forest and coastal areas, is also of interest for tourists. Tourism not only helps countries to earn foreign income but also helps raise the identity in the eyes of the world. Alternative tourism including ecotourism has recently been introduced in Cambodia. The emergence of ecotourism, on the one hand, is reflected in changes in the world tourism market, and on the other hand, has been used as a tool for environmental conservation. For Cambodia, ecotourism is seen as a better option for tourism development than conventional or mass tourism. The idea is that ecotourism is the appropriate alternative tourism for dealing with the impact of tourism, particularly in natural settings. Ecotourism is considered as an economic alternative in Cambodia. It can be used to help stimulate the local economy.

Despite these potentials, the implementation of ecotourism in Cambodia may meet some challenges for various reasons. Since Cambodian ecotourism activities may be linked to traditional hunting, it can potentially have negative environmental impact. Additionally, local Cambodian communities can take advantage of both in terms of exploitation of culture and nature as an attraction, and in terms of withholding revenues from the local communities involved. Inhabitants of villages working in tourist attraction receive many of the same benefits from other forms of tourism, especially in terms of employment. Unfortunately, many local people lack skills or training to be employed in their communities. In light of these concerns, it may be difficult to have full local community participation in ecotourism activities.

Ecotourism development in Cambodia requires informed participation of all relevant stakeholders, as well as strong political leadership to ensure wide participation and consensus building. Achieving sustainable tourism is a continuous process and it requires constant monitoring, introducing the necessary preventive and/or corrective measures when necessary. Therefore, there is a need for sustainable management and development, and a comprehensive analysis of the possible impact is one of the most important steps before the full development takes place.

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