TOURISM STRATEGIES DURING GLOBAL FINANCIAL AND ECONOMIC CRISIS FOR POVERTY ALLEVIATION

Bali, 30 March – 02 April 2009

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Under Secretary of State

Cambodia lies in the heart of Asia covering 181,035 km² with a population 14 million.

It is bordered by Laos and Thailand to the North, by Vietnam to the East and South, by Thailand and the Gulf of Thailand to the West.
Cambodia tourism is “cultural and natural tourism”

- The government has considered tourism sector as one of the top ten priorities in economic development.
- Tourism is a major generator of revenue for national economy contributing more than 14.5% of GDP.

Angkor Wat Temple
Heritage of Humanity and World Wonder
Sbek Thom Shadow Theatre,
Intangible Cultural
Patrimony of Humanity (by UNESCO in 2005)

Natural Pristine Beach
Tourism and Poverty Alleviation

Tourism

POVERTY ALLEVIATION

POVERTY
Poverty alleviation through Tourism

Why is tourism important for poverty reduction?

Positive impacts of Tourism

Reduce/ eliminate Negative impacts of Tourism

Benefits to local community
The poor

Protecting the Poor

Tourism Situation In Cambodia During Economic Slowdown

Facing Issues:
- High price of food and fuel
- High inflation increasing the costs of operating a Business
- People reduce expense and reduce travel trips.
Visitor Arrivals to Cambodia in 2008

Top 10 Arrivals in 2008

Source: MOT
Source Market Arrivals in 2008

- ASEAN, 26.09%
- Europe, 21.59%
- Asia and the Pacific, 52.46%

Mode of Arrivals in 2008

<table>
<thead>
<tr>
<th>Mode</th>
<th>Share (%)</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air</td>
<td>58.3%</td>
<td>-4.4%</td>
</tr>
<tr>
<td>PNH int'l airport</td>
<td>26.9%</td>
<td>6.7%</td>
</tr>
<tr>
<td>REP int'l airport</td>
<td>31.5%</td>
<td>-12.2%</td>
</tr>
<tr>
<td>Land</td>
<td>32.5%</td>
<td>29.6%</td>
</tr>
<tr>
<td>Water ways</td>
<td>3.4%</td>
<td>64.6%</td>
</tr>
<tr>
<td>Same-day visitor</td>
<td>5.8%</td>
<td>-13.0%</td>
</tr>
</tbody>
</table>
Tourism Strategies During Global Financial and Economic Crisis

1. Boost the incoming flow of cruise ships
2. Jointly promote tour packages
3. Improve tourist facilities and transportations within region
4. Increase low cost carriers (LCCs)
5. Provide incentives for tourist traveling in ASEAN countries
6. Facilitate youth travel by selecting 2009 – 2010 as the year of youth travel in ASEAN countries
7. Facilitate traveling across borders between Cambodia, Vietnam and Laos
8. Develop human resources

9. Reduce tour package price
10. Encourage domestic tourist
11. Improve quality of tourist products and services
12. Select tourism target market
13. Promote Cambodia tourism worldwide
14. Directly sell products and provide services to visitors
15. Establish and develop community base tourism & SMEs
16. Encourage tourism investment in infrastructures to benefit the poor
NEW DECISION OF THE ROYAL GOVERNMENT OF CAMBODIA, Dated on 16 March 2009

1. Transportation Facility:
   • Implement the transportation agreement between Cambodia, Vietnam and Lao PDR.
   • Facilitate tourist transportation from/to Cambodia (Using car book)
   • Vietnamese and Laos tourists using border pass can stay for one week within three provinces near border.
   • Improve road infrastructure
   • Be ready to open another internal border check point between Cambodia and Vietnam.

2. The entry ticket to visit Angkor area:
   - 3 day ticket costing USD40 is valid for one week
   - 7 day ticket costing USD60 is valid for one month
MAIN JOBS CREATED BY TOURISM

- Main jobs created by tourism in Cambodia:
  - Employees in the hospitality industry
  - Tour guides
  - Souvenir shops and other shops
MAIN JOBS CREATED BY TOURISM

• Transport providers, e.g. chauffeurs, taxis, motorcycle-taxis

• Construction workers

• Other related jobs: e.g. employees in tourist resorts, classical and traditional art performers...

Jobs creation: 300,000
### Cambodia Forecasting

**International tourist arrivals to Cambodia**

<table>
<thead>
<tr>
<th>Year</th>
<th>Quarter</th>
<th>Real</th>
<th>Projection</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>Jan-Jun</td>
<td>18.6%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Jul-Dec</td>
<td>12.6%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>-6.5%</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>Jan-Jun</td>
<td>2.125</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Jul-Dec</td>
<td>2.168</td>
<td>2% ~ 4%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3% ~ 7%</td>
</tr>
<tr>
<td>2009</td>
<td>Jan-Jun</td>
<td></td>
<td>2.276</td>
</tr>
<tr>
<td></td>
<td>Jul-Dec</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>Jan-Jun</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Jul-Dec</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: MOT

**TOURISM SOLIDARITY for POVERTY ALLEVIATION**
Thank You!

Rodul National Flower

www.mot.gov.kh