

# A Study of Tourism Development and Preference for Tourism Sites in Phnom Penh, Cambodia

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**Abstract:** tourism is considered as a non-smoking industry which plays an important role in development of many economies. Cambodia has an emerging economy with relatively high economy growth and political stability. The recent growth of tourist arrivals indicates that, Phnom Penh is a main potential tourism sites and development in Cambodia. Since the 1990s, the country has undergone economy reforms and transformed to become a market economy with strong support from the international donor community and various organizations. Tourism industry is the third largest sector of the economy after agriculture and the garment industry. It plays as an important role in shaping the country's political and economic development, poverty reduction, cultural identity, and political legitimacy in a country that used to be better known for land mines, killing fields and turmoil. Cambodian government and the private sectors are the main stakeholders in promoting tourism in the country. After three decades of civil war and armed conflict, Cambodia is reemerging to be a new destination for international tourists from around the world, especially from Asia. Tourist arrivals have increased remarkably to more than two million in 2007 and the number is expected to go up yearly by about 20 to 30 percent. In recent years, in 2012 and 2013, tourist arrivals shifted away from western countries towards Asian ones, partly reflect the rising prosperity in Asia, Europe and others. Vietnam, South Korea, China, Thailand, Japan are the major sources of tourist arrivals to Cambodia. Based on a data of Ministry of Economic and Finance of Cambodia, it's seen that Cambodian economy still continued to gather momentum and remain robust, as a result of tourism development of Cambodian which has a great potential to attract more international tourists, but depends on marketing and promotion strategies by both the government and private sector. The conservation of heritage and cultural remains is important to attract tourists while natural parks need to be developed and maintained. Cambodia tourism can also increase its market share quickly if the country works more closely with its neighboring countries that have cultures, heritages, and tourism objectives in common to promote its destinations. Moreover, its government has to implement an open foreign cooperation to attract foreign and local investment to produce the facilities for tourism destination and development of tourism infrastructure. Tourism products are lacking, because of the visitors continue to grow up year, so all accommodations were not enough to meet the tourists' demand.

**Keywords:** tourism development, tourism supply, tourism market, tourism site, economic growth, GDP growth.

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## I. INTRODUCTION

Cambodia is the developing country; it is located in South East Asia. Politics of Cambodia takes place in a framework of a constitutional monarchy, by the way the Prime Minister is the head of government and a Monarch is head of state. The kingdom formally takes place according to the nation's constitution (enacted in 1993) in a framework of a parliamentary, representative democracy. Executive power is exercised by the government. Legislative power is vested in the two chambers of parliament, the National Assembly and the Senate. Cambodia has increased many parts of infrastructure, and this democratic country, (1999) with the 15 million populations, has three main industries such as: 1). Agricultural

Industry; 2). Tourism Industry; 3). Garment Factory Industry. Its own has gone run many stages of civil war and internal strife of more than 3 decades in its history from the 1970's. This war has destroyed almost everything in Cambodia especially the infrastructure. During the Pol Pot Regime from 1975 to 1979, Cambodia's economy fell into complete darkness. During that time, Cambodia had isolated itself from the international scene, tourism and business activities which did not exist.

Culture, Environment, Politics, and Government involvement, all of which are closely linked and vital to the successful development of tourism in this country after civil war ended. As Cambodia is one among the oldest nations in Asia, the country is wildly rich in its history and culture, so that the environmental, historical and cultural resources provide Cambodia getting comparative advantage over the other countries in ASEAN to develop into "world tourist destination". Besides its natural tolerance, the country's political stability has also given a good foundation for its tourism development now. The number of hotels, guesthouses, foreign direct investment and number of inbounds into Phnom Penh increase every year. By the world report show that the visitor exports and international tourist arrivals will increase much more than previous years in 2025 as what we can see in the figures below.

Figure of Cambodia: Visitor Exports and International Tourist Arrivals 2005-2015

Visitor exports are the main component of direct contribution of tourism in Cambodia as well as in the world. Travel & Tourism is expected to have attracted capital investment of KHR1, 380.7bn in 2013. This is expected to rise by 8.1% in 2014, and rise by 6.4% pa over the next ten years to KHR2, 771.2bn in 2024.

Objectives of the Study this study attempts to explore the external environment factor of the tourism sites and development in Phnom Penh Cambodia 2015. Here some is following points talking about main objectives in this study.

1. To study the existing situation of tourism sites in Phnom Penh, Cambodia.
2. To understand about differences of increasing tourist in previous year.
3. To explore information from visitor arrivals to the tourism sites in Phnom Penh.
4. To propose guidelines for sustainable tourism planning and management that could be applied in the future growth of other local tourism destinations in the country.

### **1.1 THE BENEFITS OF THE STUDY:**

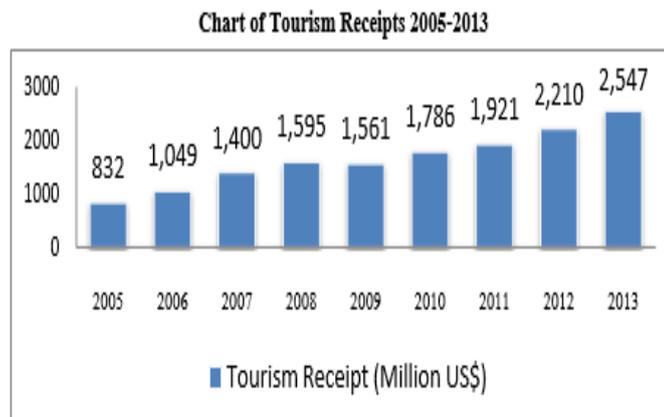
This study contributes to the background information for the development of TAC (Tourism Authority of Cambodia) which is intended to improve the management of tourism sites. The study is very important tools for understanding sure knowledge own related to the topic that I work. Therefore, after the study finished I will get more benefits about tourism field in local as well as whole the country, as following:

1. The way to improve more knowledge of tourism sites and development in Phnom Penh, which Cambodia under sustainable tourism development and management approach.
2. A better understand about positive and negative impacts of tourism sites and development in the community.
3. The possibility to apply the results of the study and using the experience gained from tourism

business to build up the sustainable tourism site development model to facilitate, sustain the tourism development in the national protected areas of Cambodia and get more knowledge for own-self in tourism sites and development in the present and future time.

Literature Review Cambodian economic development currently can be mainly attributed to the agricultural sector, and the garment and tourism industries. About 85 per cent of the Cambodian population lives in the rural areas and more than 75 per cent of them are employed in the agricultural sector. Tourism is the second largest income contributor to the Cambodian economy after the garment industry. In 2005, income from tourism accounted for 832 million US Dollars, or about 13 per cent of the Cambodian Gross Domestic Product (GDP), and it provided annually about 200,000 jobs for the Cambodian people. In 2006, tourism generated revenue of 1.594 billion US Dollars, about 16% of Cambodian GDP, and provided about 250,000 jobs (MOT, 2007).

Until 2013, the revenue from tourism accounted 2,547 Million US\$, about 69% and provided about 1,061,538 jobs (MOT, 2013). So the tourism industry has become one of the main catalysts for Cambodian economic development. Chart of Tourism Receipts 2005-2013



Source: Statistics and ICT Department, MOT

### 1.2 EXPECTED OUTCOMES OF THE STUDY:

The outcome of the study would be useful information to enhance my knowledge in the good ways of tourism sites and development which are effectively increase the number of tourists and revenue. Moreover, it could be helpful data for Ministry of Tourism to predict tourists in previous years and tourists' behavior regarding attitude and opinions. Additionally, this study could be also beneficial information for further tourism sites and attitude study in the future.

## 2. LITERATURE REVIEW AND RESEARCH FINDING

Tourism supply is the all assets, services and goods to be enjoyed or bought by visitors and occasioned by the journeys of visitors. The demand for tourism is the development at a tourism destination is shaped by the demand for tourism in that country which is shaped by the tourism opportunities. Here the tourism supplies and demands focused on attractive sites, transport network, intermediary agency, accommodation service and restaurant service. Phnom Penh is a tourist destination like other Asian-city which is in the midst of rapid change and the main attractions place for all visitors who have the willing to visit in Phnom Penh or other tourism sites in Cambodia. The magnificent Royal Palace and Killing Field museum are the most attraction in Phnom Penh. Besides the Royal Palace, it consists of more destinations of different shape like Wat Phnom, Riverfront, Independent Monument, Diamond Island, and other attractive sites.

### 2.1 Table of Five Destinations:

Table 2.1: Five Destinations

No	Destination	No. of tourist	Percent
01	Royal Palace	29	25%
02	National Museum	22	22%
03	Wat Phnom	10	12 %
04	TuolSleng Genocide Museum	33	26%
05	ChoeungEk Killing Field	15	16%
	<b>Total</b>	<b>110</b>	<b>100%</b>

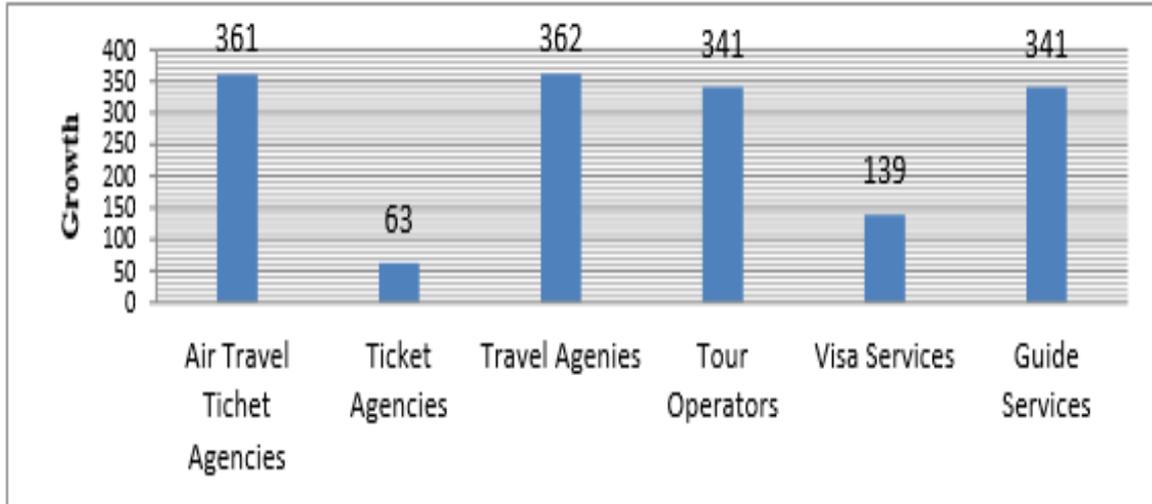
Table.2.2: Modes of Tourist Arrivals to Cambodia by Destinations 2010-2014

Years/ Arrivals					
Airway	2010	2011	2012	2013	2014
PP Int'l Airport	527,745	591,672	645,235	761,584	836,377
SR int'l Airport	583,984	712,629	835,175	1,005,499	1,181,281
Land	855,697	1,016,584	1,320,311	1,785,726	2,192,504
Waterway	78,309	78,0156	81,144	76,498	75,053

<b>Total</b>	<b>2,045,735</b>	<b>2,398,899</b>	<b>2,881,762</b>	<b>3,584,307</b>	<b>4,210,165</b>
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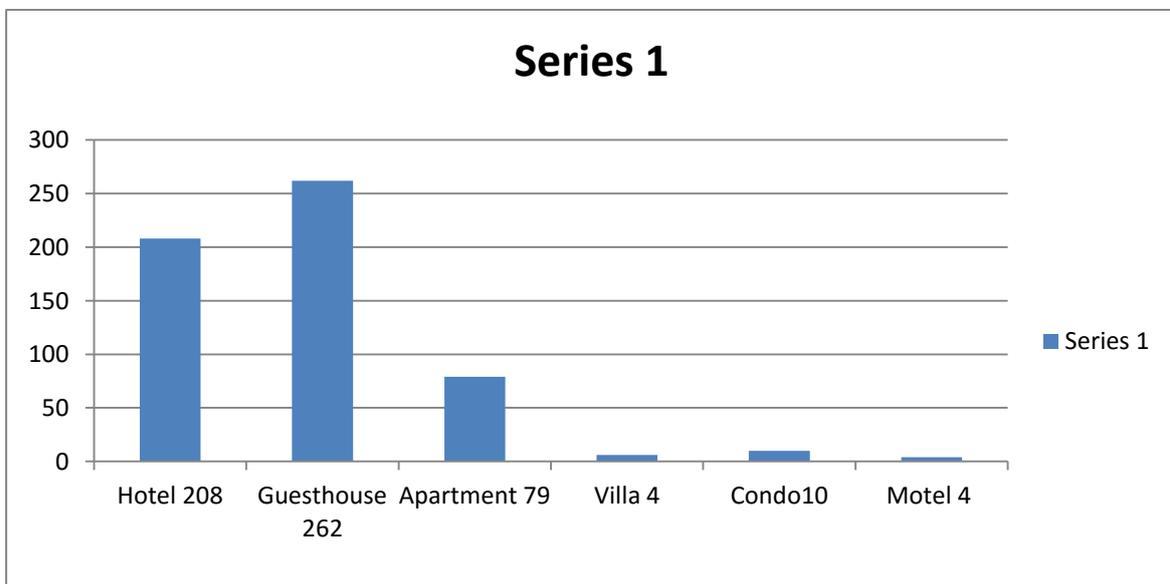
Source: Cambodia, Tourism Statistic Report

**Chart of Intermediary Categories in Phnom Penh City:**



The number and quality of hotels in Phnom Penh have escalated considerably in the last few years with several international brands hotels that joining with guesthouses and local hotels in the major tourist areas, and also, some established hotels are now complemented by international brands. Now a day, they can see the guesthouses are growing faster than other accommodation, which the following table demonstrates the number of hotels, guesthouse, apartments, villas and condos in the end of 2014.

**Chart of Accommodation Categories in Phnom Penh 2014:**



**2.2 Tourism Markets:**

Tourism market is the study of both domestic and international tourists who make a travel to visit some parts of Cambodia and spend over night at the destination of tourism sites such as, Phnom Penh, Siem Reap, Sihanouk Ville, Kep Ville, Koh Kung, Ratanakiri, Mondalkiri, Kompong Thom and so on. The tourism plays a vital role in generating employment and reduces unemployment rates which have a trickle-down effect on local economies.

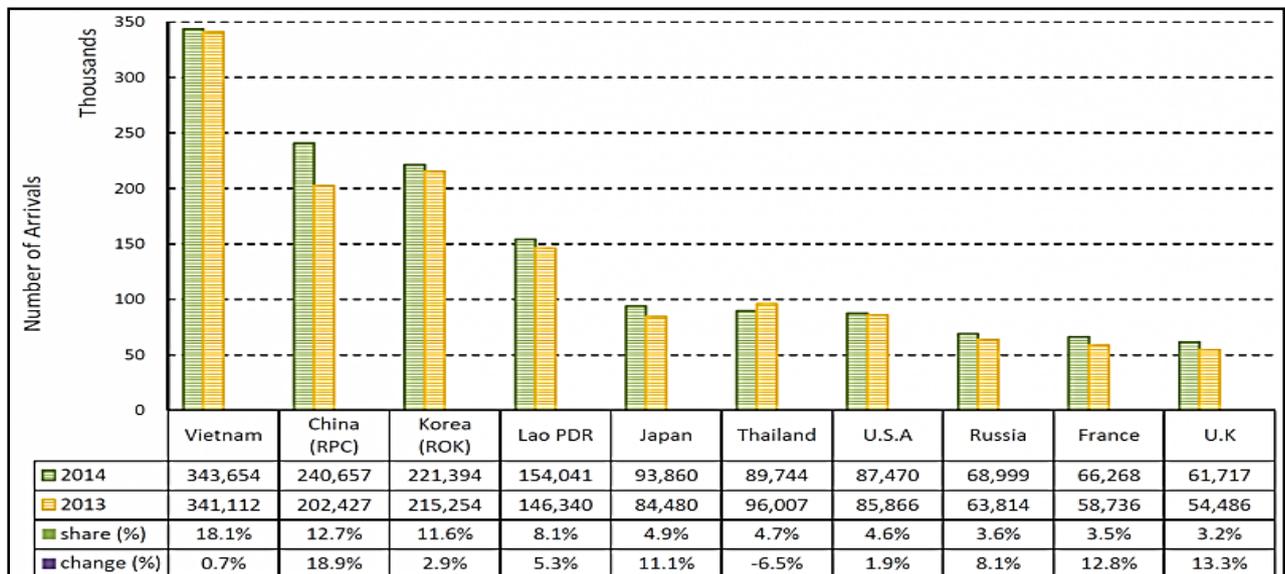
It can create new business opportunities and improve the living conditions of the local people to get some profits from the tourism field, in order to reduce poverty levels amongst local residents. The number of visitors in Phnom Penh has

increased rapidly during the 21st century. From the year of 2014 to 2015 the number of visitors has increased almost every year. As what is shown in the image below that describes about number of tourists arrivals to Cambodia destination.

Chat of International Tourist Market Arrivals to Cambodia 2014-2015 (%):

Country	Arrivals		Percentage growth
	2015	2014	
Vietnam	86,556	78,597	+10.1%
China	45,432	34,373	+32.2%
Laos	28,610	33,649	-15.0%
Thailand	21,955	16,504	+33.0%
South Korea	17,282	20,661	-16.4%
US	15,408	13,596	+13.3%
Malaysia	13,199	12,857	+2.7%
Japan	10,288	13,607	-24.4%
Australia	9,469	8,799	+7.6%
UK	8,884	8,197	+8.4%

The tourism markets of Cambodia in the present day is Asian, European, American, and others that comes to visit Cambodia and the first choice of them is Phnom Penh. Among the international tourists who go to visit Cambodia, as well Phnom Penh. Vietnamese tourists are stand in the highest level in the tourist arrivals chart. Chinese tourists come in the second, and others are followed by Korean, Laos, Thai, Japanese, U.S.A, Australian, Russian, France, and others. Below figure address you clearly more on top ten countries which have the people come to visit Cambodia in 2013 and 2014. Figure of Top Market Arrivals to Cambodia 2013-2014



Source: Statistics and ICT Department, MOT, Statistic Report 2013-2014

A year to year, Cambodia as well as Phnom Penh received international tourists who visit the temples, natural zones, cultural, lifestyle, history, waterfall, beaches, etc., increased remarkably. Some tourism resorts exist in Phnom Penh and some in other provinces. The figure above shows that, in 2013 and 2014, the number of Vietnamese tourists is standing in the highest score of tourist arrivals to Cambodia.

### 3. METHODOLOGY

Methodology is used in the study time that related on the information collection data which got from the questionnaire and the secondary data in the literature review in chapter two that is given in the validation of data collection. In order to ensure the quality and quantity method, all the data have to proceed with the literature and respondent's data which doing analysis, checking and editing during the process of the work. Data Collection

### 3.1 Data Collection:

Questionnaires were mailed in June 7th to 10th, 2015. We spent three days for collecting papers. The surveys were conducted at the five main tourism sites, in Phnom Penh, commonly frequented by both national and international tourists. The five tourism sites collected 110 respondents, 23 domestic tourists and 102 international tourists, and other 20 non-respondents are through on the ground.

### 3.2 Data Analysis:

Exactly, after collecting qualitative data, we synthesized information immediately after friend discussion for checking and controlling the data. All questionnaires were given a code number. All of them were punched into the files carefully after we checked already, and then we input all variables into Statistic Package Social Sciences v16.0 (SPSS v16.0) program and word- excel for analyzing. We analyzed data by using frequency, and descriptive tools for description of data.

### 3.3 Survey Indicators:

The following indicators are used for this survey. The main purpose of this survey is to know how the targeted destination sites are aware of and response to the materials and message. These indicators are provided into two parts, first; we focus on demographic, and second; talk about tourists' interest in travel. Here following questions that input and output indicators are primarily used for this survey.

### 3.4 Table of Number of Interviewers and Questionnaire Destinations:

Table.3.1: Five Destinations

No	Destination	No. of tourist	Percent
01	Royal Palace	29	25%
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## 4. RESULTS

In this statement is focused on the result which is known after doing the research and divided into three categories of survey. The three categories refer to the demographics, kind of tourist arrivals, and the benefits from tourism sector. Demographics was interviewed which concerned on nationality, age, gender, income, etc. After doing the survey, the data collection was put into data analyzing program in computer and found out the result of number of tourists' nationality which showed the number of 39 (31%) national and 86 (69%) international tourists, who come from different countries. In the total are 110 visitors who were interviewed at Royal Palace, Toul Sleng Genocide Museum, National Museum, Wat Phnom, and Choeng Ek Killing Field in Phnom Penh. In collection data, there are 68 (54%) of males, and 57 (46%) of females. About the ages are 50 (40%) of young group from 18 to 28 years old, 45 (36%) of middle group from 29 to 41 years old, and are finally 30 (24%) of the elder group from 42 to 55 years. The Kinds of tourist arrivals into Cambodia, we separated into tourist students are 32 (26%), 25 (20%) of government officials, 47 (38%) of business owners, and 19 (16%) of private business employees. The tourists who come with tour package have are 45 (36%), 24 (19%) of tourists who come with friends, 39 (31%) of tourists who come with families, and 17 (14%) of tourists who come alone. The most of them stay from 2 days to more than four days. When we asked them about the monthly income which starts from \$150 to \$750plus, the number of tourists who get \$150 to \$450 have 65%, and only 35% of tourists who get \$451 to 750 up to.

The above table show a most of high number of tourists who travel to Phnom Penh is main interest in cultural tourism sites is got 33% of the number respondents, and historical tourism sites is the middle class of other interest is 30 %, and 6% of 22 of visitors who interested in natural tourism sites, and final is the 19% of culture and life style. According to

table 4.11, it respondents of the number of tourist's length of stay in Phnom Penh seen that 38% of them were stayed for four days, for three days, 17.7% for two days, and 12% of tourists were stayed in more four days.

It demonstrates all tourists' interests in tourism services. They are focus on all services like roads, staying, self-security, safety, and other services in the ways. Number of percentage of the tourists who arrived by previous ways express their idea around facilitated services are 55% answered good, and 34% is very good, and the number of 21% refers to need improvement more in the future.

The main factors for improving tourism sites and development sector which I seek out in Phnom Penh, it depend on all kinds of service industries that have to run in the good quality of service, in order to satisfy the tourists who spend the time for finding the relaxing places to change the bad situation into the good situation in Phnom Penh and they use the service to satisfy their demand. In 2015, Phnom Penh exists of 208 hotels, 262 guesthouses, 79 apartments, 4 villas, 9 condos, 4 motels, and 713 restaurants for serving the tourists' demand.

Phnom Penh is the most interesting place for domestic and foreign visitors. They may stay in there at least three to four days/ nights for travel around the city's destinations. The both national and international tourists are important for the Cambodian economy in several ways. Local people on day excursions open up new areas to tourists, local and domestic, who follow. They are the ones who "discover" new destinations, such as waterfalls and caves, and make foreign travelers accessible to follow.

The tourism plays a vital role in generating employment and reduces unemployment rates. It has a trickle-down effect on local economies, creating new business opportunities and thus improving the living conditions and reducing poverty levels amongst local residents. The number of visitors in Phnom Penh has increased rapidly during the 21st century. From the year of 2010 to 2015 the number of visitors has increased by previous year. This below image wants to describe about number of tourists arrivals to Phnom Penh destination.

The source tourism markets from Asian Countries, European, American, and others, Vietnamese tourists, who are stand in score highest in the tourist arrivals, Chinese tourists come in second, and others are followed by Korean, Laos, Thai, Japanese, U.S.A, Australian, Russian, France, and others. Below figure address you clearly more on top ten countries people visit Cambodia in 2015.

## **5. CONCLUSIONS AND RECOMMENDATION**

It is very clear that Cambodia, is still confronting with many important problems in the development of its tourism industry, and these problems need to take care of immediately. Internally, law Cambodia not only in the major tourist regions but also other parts of the country. Moreover, illegal drug selling and using, which cause havoc in the country, should be more strictly banned. In addition, the government needs to construct and improve the infrastructure and drainage system in the cities, especially those around the tourist sites in other to avoid flooding after downpour. The conservation of heritage and cultural remains is important to attract tourists while natural parks need to be developed and maintained. Cambodia tourism can also increase its market share and image quickly if the country works more closely with its neighboring countries that have cultures, heritages, and tourism objectives in common to promote their destination as a single destination "many countries, one destination" "To safeguard the sound future development of tourism in Phnom Penh destination, Cambodia, it is entail that the local residents be integrated into all programs and that their social and economic welfare improve alongside increasing tourist activity. With the recent growth of tourist arrivals into Cambodia, it is very clear that there is a huge potential for tourism development in the country. The tourists were always growth year to year remarkable, the number of 4,210,165 international visitors in 2014, as a 17.50% increase over 2013 with 3,584,307 international tourist arrivals to Cambodia, and 836,377 international tourists 2013, as a 20% with the same percent in 2012 with 716,584 international tourist arrivals to Phnom Penh destinations, and hope that we will receive over millions international visitors in next year Moreover, with government's determination to promote tourism and its abundant natural resources, Cambodia is going to because a well-known world tourist destination in spite of Some tremendous obstacles that Cambodia has to face in the course of tourism development. Based on the study, the government of the Kingdom of Cambodia has implemented an open towards foreign cooperation to attract foreign and local investment to product the facilities for tourism destination and development of tourism infrastructure. Tourism products are lacking, because the visitors were continue to growth up year to year, so all accommodations were not enough supplying.

The following points provide recommendations for the tourism field of Cambodia to strengthen and further develop their already existing efforts aimed at adapting to develop tourism field, as following points:

1. Have to increase the awareness of environment that can negatively influence the tourism field because it will be important to inform all key stakeholders and tourists about the problem.
2. The involvement of entities that most stakeholders trust is needed to communicate research results and assist adaptation processes.
3. Should be controlled mechanism on the tourism industry and to enforce regulations.
4. Continues to perverse the landscapes and should contribute to the attractiveness of the regions and should provide conditions for tourism to flourish.
5. The Cambodian government continues still to need tourism professionals by next year more and intends to create a new training school.

Besides the above points, this study understands there is an information gap about initiatives within the tourism industry as well as about the exact work of the tourism committee of the Ministry of Tourism. The studies could be considered more empirical research with specific tourism representatives, such as accommodation supplied from different regions of the country, different smaller and bigger tour operators, and other Service suppliers. Therefore, we propose forecast methods and evaluation of visitor arrivals to be further explored, and we still hope that the neighbouring and Asian countries will continue to cooperate for sustainable in the development tourism sites in the future.

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