



Tourism after the downturn An industry perspective

2010 Cambodia Outlook Conference
CDRI - Phnom Penh

Luu Meng, President
Cambodia Hotel Association

Tourism operators have suffered

- Low occupancy rate reaching 10-20% in high season; consequences on staff, bottom line
- Cost of doing business in Cambodia high: electricity, import of foods, other supplies
- Few closures but closed sections of business (restaurants, close one floor, etc)
- Tourism operators have not used the period to prepare for competitiveness
- Government's limited budget has not been able to support more the industry

Signs of recovery

- January data shows 5% increase in air arrival – (higher value tourists)
- Banks starting again to provide loans
- Good feedback from at ATF Brunei
- Forecasts of 3-7% growth of tourists in Cambodia for 2010



With or without crisis, issues remain:

- **Diversify destinations:** SHV a priority
- **Improve** quality of services, products, safety, infrastructure
- **Facilitate travel** : entry / exit, flights
- **Be a destination**, not an extension
- **Lower costs to travel** to Cambodia, in particular airfares to/from and within
- **Lower costs** of doing business
- **Promotion**, promotion, promotion

Our priorities: **FACILITATION OF TRAVEL**

- Improve access to/from Cambodia
- Real open sky policy in particular section SRP-BKK to lower price, facilitate travel
- Offer domestic flights to SHKV, and lower prices SPR-PP
- Improve services of national airline



Our priorities: **PROMOTE THE DESTINATION**

- Establish the Marketing and Promotion Board with Government allocating more budget for promotion.
- Develop tourism products in the country and around Phnom Penh; and promote Sihanoukville in priority.
- Work with professional promotion agencies in target countries (ASEAN, Europe, US, Japan, etc).

Our priorities: **BUILD THE FOUNDATIONS**

- Need hospitality training standards
- Serious vocational schools: culinary school, hotel school
- Improve services, safety of tourists
- Invest in infrastructure



Our priorities: **QUALITY VS QUANTITY**

We are small, have limited resources, fragile natural and cultural sites

- How to preserve sites, authenticity?
- How to increase the average length of stay of tourists and have repeat visitors?
- How to give visitors a better experience of Cambodia (safety, service, feeling)
- How to attract a variety of visitors (high, middle, low end) with better average spending?
- How can we develop and attract the MICE meetings for the future?



The Future

- Preserve our natural and cultural resources
- Redefine targets: quality tourists vs mass tourism
- Manage better urban development in tourism areas, waste and water treatment
- Reduce costs of doing business / improve competitiveness
- Promote those who do well with awards and get international recognition.



Thank you !

Luu Meng
Cambodia Hotel association
Almond Hotel
luumeng@online.com.kh
Tel: 855-12 889 688

Ho Vandy
Co-chair
Tourism Working Group
worldexpress@online.com.kh
012 846 840