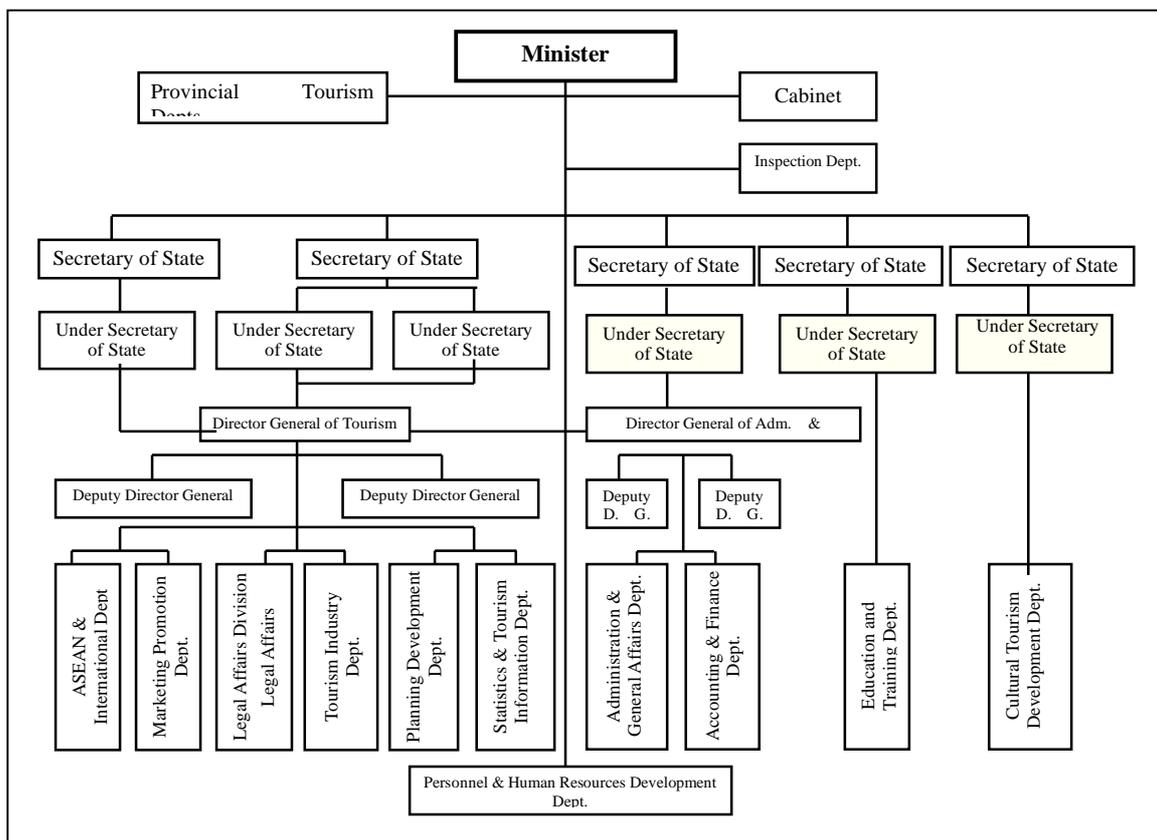


3.1.2 Present Institutional Setting of Tourism Sector and Related Laws in Cambodia

Tourism Law was drafted by the Ministry of Tourism with the assistance of ADB has not even enacted yet. In the absence of the Tourism Law, 2 Sub Decrees (regulations), 11 Prakas (proclamations) and 11 Circulations of Instruction (directives) were prepared and enacted in order to control and manage tourism administration and development. Various types of hotel have been constructed and operated in Siem Reap; however, Sub Decree on Hotel Classification has not enacted yet. The institutional settings of tourism sector and the relevant laws and regulations are illustrated below.

(1) Tourism Administration and Organization in Cambodia

Tourism administration in Cambodia is under the control of Ministry of Tourism (MOT). MOT is headed by Minister, 5 Secretaries of State, 6 Under Secretaries of State and 11 Departments, 2 Director Generals, 4 Deputy Director Generals, Legal Affairs Division and 24 Municipal and Provincial Offices. The current organization of MOT is shown in Figure III.3.9.



Source: Ministry of Tourism

Figure III.3.9 Organization Chart of Ministry of Tourism

Major issues for tourism administration at the central government level in Cambodia are as follows.

- Limited budget allocation for planning, operation and implementation of projects/programs.

Chapter 4 Impact Assessment of Tourism on Local Economy

Siem Reap/ Angkor Town area is now experiencing quick economic growth. This is mostly led by the expanding tourism sector. The number of tourists have been growing at very impressive rate for last several years.

In the medium to long-run, however, it is quite probable to face the limit in this sort of "hotel booming" growth. For the local economy in Siem Reap, it is more important to have sustainable profits from tourists' expenditure rather than to end up with one time bonanza of booming investment.

In this Chapter, the impacts of the tourism sector to the local economy in Siem Reap are examined. The focus is put on the demand side of the tourism sector. To be more specific, whole analysis is based upon analysis on structure of tourists' real expenditure within Siem Reap Province¹. Important points are how much tourists spend and how these expenditures are generating additional local consumption, added value (income), and employment.

In short, it is concluded that strengthening "up-market orientation" is one of the keys to pursue economic growth, and at the same time, keep the number of tourists at the manageable level for the sake of good urban environment and sound management of cultural heritage. This "up-market orientation" is adopted as one of the conceptual elements in building up whole master plan. The following sections describe the analytical bases of why "up-market orientation" is economically good and viable for Siem Reap.

4.1 Situation, Prospects and Issues

4.1.1 Economic Impacts of Tourists' Expenditure

(1) Retained Tourists' Expenditure within Siem Reap Province

In 2004, total of international visitors to Siem Reap reached 560 thousand. It is estimated that total international tourists' expenditure (or consumption) was 97 million US\$ of which 66.5 million US\$ was retained within Siem Reap Province. This amount consists of 37.2 million US\$ of locally paid cost and 29.3 million US\$ of value-added (comparable to GRDP) retained within the local tourism sector. Directly generated local employment amounts to 29 thousand. On the other hand, 31.7 million US\$ is going out of Siem Reap in forms of paid cost (15 million US\$) and remittance of profit (16.7 million US\$) to head offices, investors, and the like residing somewhere else.

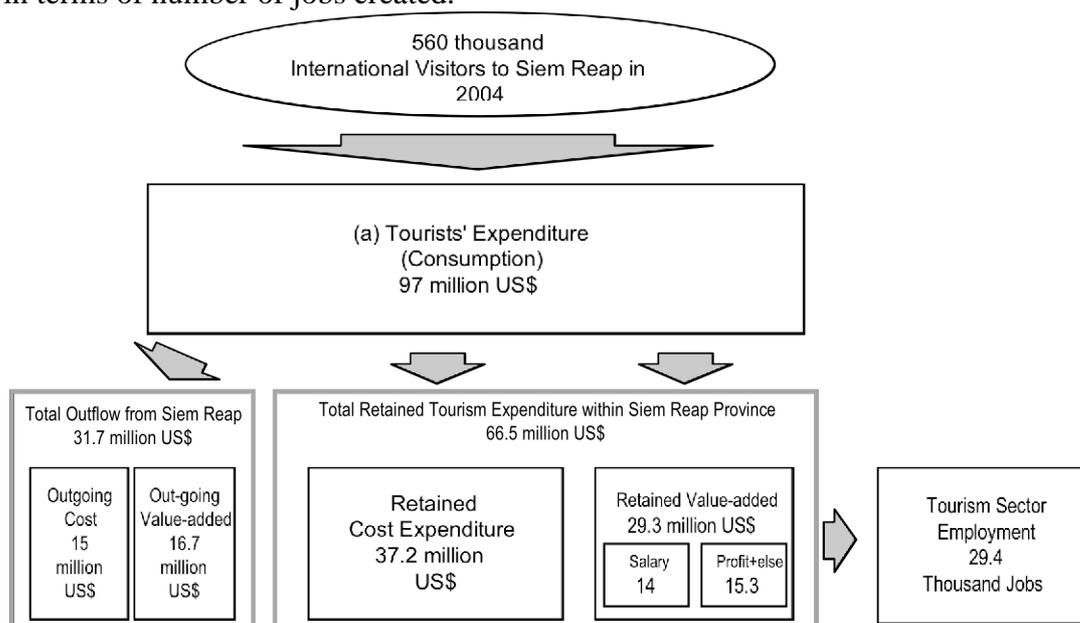
There is a common argument among many people that growing tourism and urban demand for consumable goods in Siem Reap is not fully linked with the local economy.

¹ Here, tourists' expenditure include accommodation, local transportation, souvenir, food, and other things they directly paid to business premises located in Siem Reap. Air fares, Departure Fee at the airport, and Admission Fee to Angkor Temples are not included. These expenditures are considered to have no significant forward links to the local economy, and thus excluded from structural modeling.

This is only half the truth of the whole picture of economic impacts of tourism sector. This argument is true in a sense that many of the consumable goods are imported ones. The present Cambodian supply of goods are not capable of meeting the demand of the tourism sector in terms of quality and quantity. This applies not only to the case of tourism sector but also to the whole economic activities in Cambodia.

It is, however, not true to assume that all the expenditures of tourists are going abroad. As already noted, it is estimated that more than two thirds of total tourists' expenditure stays within Siem Reap Province. There are two key elements that links tourists' expenditure to the local economy - generation of the local employment and the increasingly active local commercial sector.

The tourism sector², and the service sector at large, is known to be quite labor intensive. In the case of the tourism sector in Japan, payment for salaries is estimated to be around 25% of total sales revenue. This characteristic of the tourism sector is also found to be true in Siem Reap. In total, 14 million US\$, or more than 14% of total tourists' expenditure, was paid as salaries for local employees of the tourism sector in Siem Reap. This level of share of salary payment is high enough to say "labor intensive" considering the fact that an average wage level is way much lower in Cambodia than the one in Japan. In addition, given a lower cost of labor, employment effects is very large in terms of number of jobs created.



Source: JST estimates.

Figure III.4.1 Structure of Retained Tourists' Expenditure within Siem Reap Province in 2004

Imported goods are also generating sizable local employment. It is found that consumers in the tourism sector, such as a hotel or a restaurant, mostly buy foreign products through resellers located in Siem Reap. In the case of hotels, the amount of imported goods that were directly purchased from suppliers outside Cambodia is

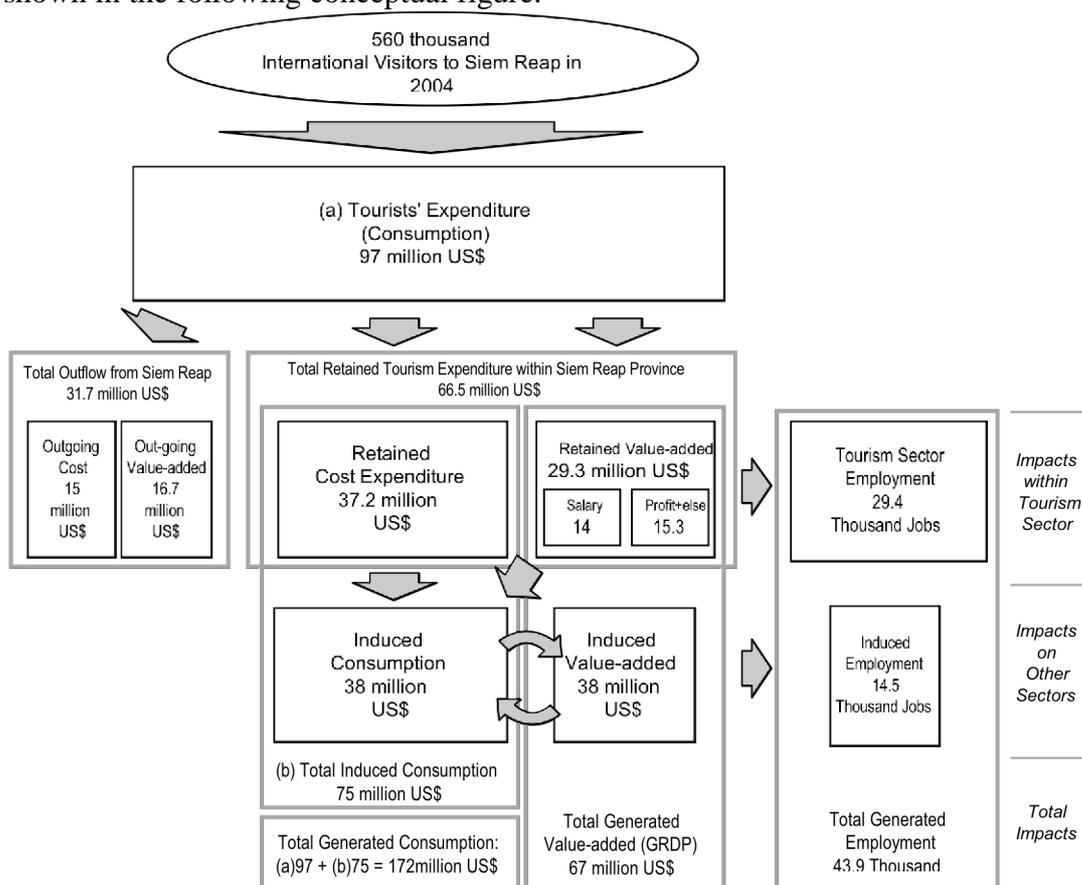
² Here, the tourism sector is defined as an aggregate of the following 5 sub-sectors; restaurants, hotels and guesthouses, local transportation service, souvenir resellers, and other local travel service provider.

estimated to be 22% of total procurement of consumable goods. The remaining 78% consists of purchase from the local resellers in Siem Reap (60%) and from the other part of Cambodia (18%). Given this sizable purchasing power of the tourism sector, the local commercial sector pays salaries around 20% out of their total revenues of sales. As far as the generation of local employment of the service sector is concerned, the origin of supply does not matter much.

Growth of commercial sector is also good for the local producers of raw materials. Broader and more diverse channels of selling things will give the local producers better chance to find a slice of market for their products. The demanding tourist oriented market may induce some producers with higher potentials to become more quality conscious.

(2) Induced Economic Effects

On top of the direct effects of retained tourists' expenditure, there are induced economic effects triggered by the direct effects. It is estimated that the 66.5 million US\$ initial spending retained in the local tourism sector have induced to generate additional 38 million US\$ of consumption, 38 million US\$ of value-added (GRDP equivalent), and 14.5 thousand of local employment within Siem Reap Province in all the other sectors of economy. The overall structure of economic effects of the tourism sector is as shown in the following conceptual figure.



Source: JST estimates.

Figure III.4.2 Structure of Induced Economic Impacts by Retained Tourists' Expenditure within Siem Reap Province in 2004

All in all, total generated economic effects on are estimated as summarized in the following table. It clearly shows that the tourism sector is the most important one in the Siem Reap economy. Tourism generated value-added retained in Siem Reap accounts for around one fourth of total GRDP of the Province. Almost 10% of total employment was created.

Table III.4.1 Present Economic Effects of Tourism Sector in Siem Reap 2004

	(Million \$)	(Million \$)	(000 persons)	Share in Province	
	Consumption	GRDP	Employment	GRDP	Employment
Siem Reap Province	-	285	456	100.0%	100.0%
Tourism Generated Impacts in SRP (a+b+c)	172	67	44	23.5%	9.6%
International Tourists in SRP (a)	97	-	-	-	-
Tourism Sector	52	46	-	16.2%	-
of which retained in SRP (b)	37	29	29	10.3%	6.4%
Induced Effects in SRP (c)	38	38	15	13.4%	3.2%

Source: JST estimates.

4.1.2 Future Prospects

(1) Targeting More on "Up-market"

The future prospects of economic impacts of the tourism sector depend upon many factors ranging from quality of tourism services to social stability. In any case, however, the sum of tourists' expenditure is a starting point of any induced economic effects to follow. The amount of expenditure is determined by three parameters; number of tourists, length of stay, and expenditure per person per day. As part of the planning framework, the number of international tourists in the future is set to be increased from 560 thousand in 2004 to 2 million in 2020. This is based upon the assumed scenario that is in favor of sustainability of growth of "Quality Tourism" rather than escalation of "Mass Tourism".

Table III.4.2 Average Length of Stay and per Person Spending of International Tourists by Different Price Range of Hotels (US\$, 2004)

Hotel Price Range	Share in total tourists	Average Length of Stay (a)	Total Spent per person per day		Total Spent per person per trip (a)x(b)
			Average Cost for Hotel per Person per Night	other than Hotel	
Individual Tourist	49%	3.5	24	29	187
5 star: \$200+	2%	3.0	160	122	848
4 star: 100-199	4%	3.4	75	44	403
3 star: 50-99	5%	3.3	36	34	233
2 star: 20-49	12%	3.6	16	28	159
1 star or less: LT20	25%	3.6	3	16	70
Group Tourist	51%	2.1	39	38	163
5 star: \$200+	5%	2.5	100	55	389
4 star: 100-199	10%	2.1	61	37	210
3 star: 50-99	20%	2.0	31	44	150
2 star: 20-49	13%	2.0	17	28	90
1 star or less: LT20	3%	2.2	7	20	60
Total	100%	2.8	32	34	183

Source: JST estimates. Tourism Sector Survey in Siem Reap Town-Angkor, 2005, JST. See details for section 3.2 of this chapter.

Note: Total number may not always be consistent due to rounding.

Given this increase margin of 1.46 million of international tourists, the matter is boiled down to have tourists who "stay longer" and "spend more per day" in order to have the maximum sum of expenditure. There is a kind of tourists best fit to these characteristics. They are "non-group tourists" who stay in 4-star or higher class of

hotels. As shown in Table III.4.2, they stay at least 1 night longer than average group tourists, and spend at least twice as much (around 100 US\$ or more) per day as those stay in 2-star or lower hotels do. These "up-market" tourists must be the prime target group for the future.

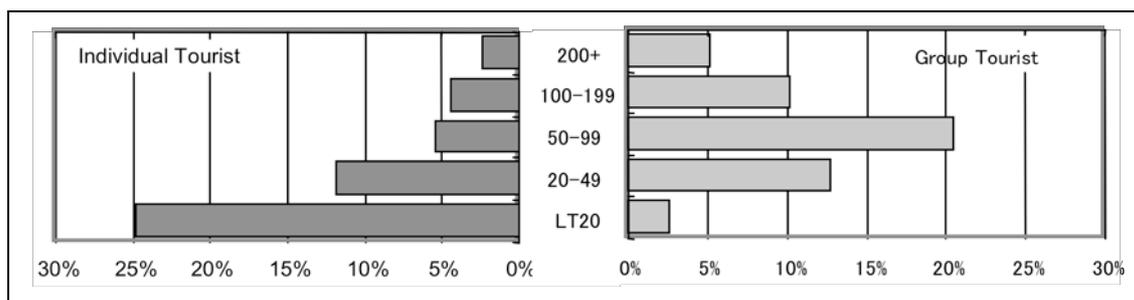
The "up-market" tourists impressively spend more money during their stay. Likewise, total economic impacts of their expenditure is much larger than those of the "mid-down-market" tourists. Table III.4.3 shows test calculation of economic impacts of 1000 persons each of two different groups of tourists. Case 1 represents impacts of 1000 group tourists at 3-star level that are most typical at present. Case 2 represents the ones of 1000 non-group tourists at 4-star level that are the prime target for the future. Non-group tourists at 4-star level will spend 2.6 times, and create income and employment 2.7 times as much as group tourists at 3-star range will do.

Table III.4.3 Comparison of Test Calculation of Economic Impacts of 1000 Persons of International Tourists by Different Category

	Impacts of 1000 International Tourists		
	(000 \$) Consumption	(000 \$) GRDP	(persons) Employment
Case 1: Group Tourist of 3-Star Level			
Total Impacts in SRP (a+b+c)	268	103	67
1000 Tourists in SRP (a)	150	-	-
Tourism Sector	86	64	-
of which retained in SRP (b)	59	43	46
Induced Effects in SRP (c)	60	60	22
Case 2: Non-Group Tourist of 4-Star Level			
Total Impacts in SRP (a+b+c)	701	275	179
1000 Tourists in SRP (a)	403	-	-
Tourism Sector	203	200	-
of which retained in SRP (b)	146	125	132
Induced Effects in SRP (c)	153	151	47
Comparison: Case 1 vs Case 2			
	Ratio = Case 2 ÷ Case 1		
Total Impacts in SRP (a+b+c)	2.6	2.7	2.7
1000 Tourists in SRP (a)	2.7	-	-
Tourism Sector	2.4	3.1	-
of which retained in SRP (b)	2.5	2.9	2.9
Induced Effects in SRP (c)	2.6	2.5	2.2

(2) Present Market Structure

At present, on the other hand, the large majority of tourists in Siem Reap are those of "Mid - Down-market". Half of non-group tourists are the ones staying at hotels of "1 star or below (\$20 or less)" range. They spend less than \$20 per person per night. Group tourists are very much concentrated in "3 star (\$50-99)" range. The prime target group of "non-group-4 star and up" tourists accounts for only 6% of total international tourists. At present, Siem Reap appears to be not attracting "up-market" non-group tourists.



Source: JST estimates.

Figure III.4.3 Share of Tourists by Hotel Price Range in 2004

There are many things to do in order to redefine its market position as "up-market". Quality of service in all aspects has much room to improve. Higher preference for group tours implies lack of appropriate public services, infrastructure, and environment in favor of non-group tourists. In short, the town itself is neither attractive nor comfortable enough for non-group tourists to move around by themselves. This is one of the key issues for tourism development and urban development at large in Siem Reap. See respective chapters for detailed plans to realize "up market" oriented tourism.

4.1.3 Economic Impacts of Shifting towards Up-market

Given that "up market" tourists is the prime target group for the future, three different cases of expected economic impacts in 2020 are test calculated for comparison. Sets of assumptions are as summarized in Table III.4.4.

(1) Base Case Assumptions: "Mass Tourism"

The first one is "Base Case" representing a present trend of a path to "Mass Tourism". Impacts are calculated as simple quantitative expansion of the existing structure of market as shown in Figure III.4.3. The numbers of international tourists and "visitor-stays" are assumed to increase to 3.34 million persons and 11.69 million nights respectively in 2020. This level is in accordance with the tourism trend projection under the moderate growth scenario.

(2) Alternative Cases: A Ceiling on The Number without or with Market Shift

There are two alternative cases for comparison. In both cases, the total number of international tourists, the total number of "visitor-stays", and the average length of stay are set to same levels of 2.01 million persons, 7.02 million nights, and 3.5 nights respectively. These levels are set as part of the Tourism Framework (under the moderate growth scenario) in the respective chapter. It means that the sum of physical amount of international visitors are set to be equal between two alternative cases.

"Alternative Case 1: Unchanged Composition of Tourists" represents a case of limiting the sum of visitors without changing the present "Mid-down" characteristics of tourism. Thus, it is calculated as an expansion of the existing market assuming the number of international tourists and total "visitor-stays" will increase only up to the level of the Tourism Framework.

"Alternative Case 2: Up-market Composition" represents a case of "Up-market" transformation of Siem Reap. It is assumed that the shares of "Up-market" tourists will increase and the main group of tourists will be shifted to upward as shown in the

following Figure III.4.4³. The future shares of different groups are set in accordance with the Tourism Framework.

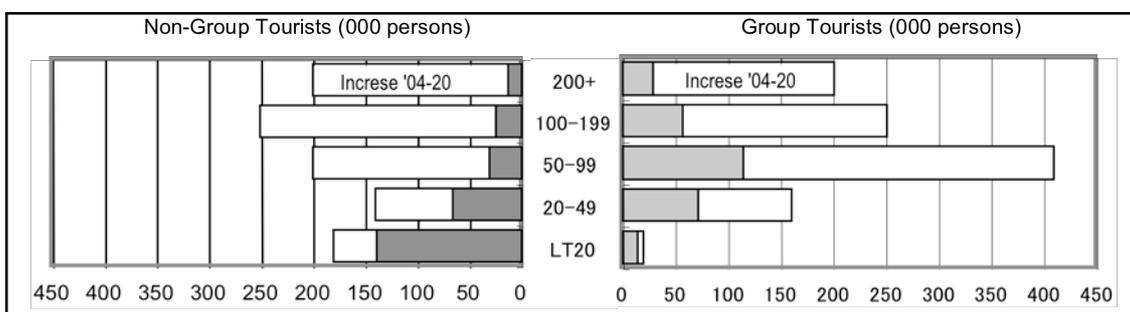


Figure III.4.4 Assumed Distribution of Tourists by Hotel Price Range for "Alternative Case 2: Up-market Composition" in 2020

Table III.4.4 Summary of Different Sets of Assumptions for Test Calculation

Tourism Indicators	2004 Estimate	Assumptions of 2020 Test Calculation		
		Base Case	Alternative Cases	
			Mass Tourism Trend	Alt 1: Unchanged Composition
Total Foreign Tourist (000)	561	3,340	2,007	2,007
Non group	275	1,637	983	973
Group	286	1,703	1,024	1,033
Total Stay of Tourists (000)	1,571	9,352	7,025	7,025
Total Tourists' Spending (million US\$)	96	575	433	702
Average Spent per person per day (\$)	61	61	62	100
Non group	53	53	53	113
Group	77	77	77	91
Average Length of Stay (nights)	2.8	2.8	3.5	3.5
Non group	3.5	3.5	4.1	4.0
Group	2.1	2.1	2.9	3.0

Categories of Tourists by Hotel Price Range	2004 Estimate		Assumptions of 2020 Test Calculation					
			Base Case		Alternative Cases			
	Share	Length of Stay	Share	Length of Stay	Share	Length of Stay	Share	Length of Stay
All Tourists	100%	2.8	100%	2.8	100%	3.5	100%	3.5
Non Group Tourists	49%	3.5	49%	3.5	49%	4.1	49%	4.0
200+	2%	3.0	2%	3.0	2%	3.5	10%	3.6
100-199	4%	3.4	4%	3.4	4%	3.9	13%	4.0
50-99	5%	3.3	5%	3.3	5%	3.8	10%	4.0
20-49	12%	3.6	12%	3.6	12%	4.2	7%	4.3
LT20	25%	3.6	25%	3.6	25%	4.2	9%	4.3
Group Tourists	51%	2.1	51%	2.1	51%	2.9	51%	3.0
200+	5%	2.5	5%	2.5	5%	2.9	10%	3.0
100-199	10%	2.1	10%	2.1	10%	2.9	13%	3.0
50-99	20%	2.0	20%	2.0	20%	2.9	20%	3.0
20-49	13%	2.0	13%	2.0	13%	3.1	8%	3.2
LT20	3%	2.2	3%	2.2	3%	3.2	1%	3.4

Source: JST estimates

(3) Results and Comparison

The results and comparison of test calculation among three cases are as summarized in Table III.4.5.

³ The pattern of length of stay by different price groups are determined with the weighted value based on the extension of the present pattern shown in Table 4.2.

"Alternative Case 1: Unchanged Composition of Tourists" has 25% less economic impacts and 38% less employment generation than "Base Case" does on the local economy of Siem Reap. This case shows that putting an ceiling on the sum of tourists without other interventions to change tourism market shall result in a large loss of economic opportunities for the sake of easing physical pressure on the temple and town.

"Alternative Case 2: Up-market Composition" presents a different horizon for the future. It assumes the same level of 2 million tourists as Alternative 1 which is 1.34 million less than "Base Case (Mass Tourism)". Nevertheless, it has around 1.2 times as much economic impacts and the same level of employment generation as "Base Case" does. Shifting to "Up-market" is a key to realize sustainability without compromising growth.

Table III.4.5 Results of Test Calculation of Economic Impacts of Different Compositions of International Tourists in 2020

Base Case	Impacts of 3.34 million International Tourists in 2020		
	(million \$) Consumption	(million \$) GRDP	(000 persons) Employment
Trend Expansion (Mass Tourism)			
Total Impacts in SRP (a+b+c)	1023	401	82
Tourists' Expenditure in SRP (a)	575	-	-
Tourism Sector	310	265	-
of which retained in SRP (b)	221	175	55
Induced Effects in SRP (c)	227	226	27
Alternative Cases	Impacts of 2 million International Tourists in 2020		
	(million \$) Consumption	(million \$) GRDP	(000 persons) Employment
Alt Case 1: Unchanged Composition of Tourists			
Total Impacts in SRP (a+b+c)	771	308	51
Tourists' Expenditure in SRP (a)	433	-	-
Tourism Sector	234	200	-
of which retained in SRP (b)	167	134	34
Induced Effects in SRP (c)	171	174	17
Alt Case 2: Up-market Composition			
Total Impacts in SRP (a+b+c)	1243	487	82
Tourists' Expenditure in SRP (a)	702	-	-
Tourism Sector	369	344	-
of which retained in SRP (b)	266	214	57
Induced Effects in SRP (c)	275	273	25
Comparison: Base vs Alt Case 1			
	Ratio = Alt Case 1 : Base		
Total Impacts in SRP (a+b+c)	0.75	0.77	0.62
Tourists' Expenditure in SRP (a)	0.75	-	-
Tourism Sector	0.76	0.75	-
of which retained in SRP (b)	0.75	0.77	0.62
Induced Effects in SRP (c)	0.75	0.77	0.62
Comparison: Base vs Alt Case 2			
	Ratio = Alt Case 2 : Base		
Total Impacts in SRP (a+b+c)	1.21	1.21	1.00
Tourists' Expenditure in SRP (a)	1.22	-	-
Tourism Sector	1.19	1.30	-
of which retained in SRP (b)	1.20	1.22	1.03
Induced Effects in SRP (c)	1.21	1.21	0.94

Source: JST estimates and test calculation.

(4) Implications for Development Strategy

It is firmly concluded that strengthening "up-market orientation" is one of the keys to pursue economic growth, and at the same time, keep the number of tourists at the manageable level for the sake of good urban environment and sound management of cultural heritage. Remaining question is how to do this shift.

1) Understand the preference of up-market tourists

Firstly, we need to know better what the prime target tourists like and do not like. According to the answers for the tourist survey, there are clear gaps between

expectations of up-market non-group tourists and what Siem Reap can offer.

For example, up-market tourists are more sensitive to the cleanliness of the town. They complain about an offensive smoke from open burning of garbage on the street in the middle of the town. Non-group tourists feel difficult to go through side walks blocked by parked motor vehicles and uncontrolled pile of sign boards. There is no public shuttle bus service that makes non-group tourists to feel safe and encourage them to go to the town center on their own. The virtue of being a part of group-tourists is to bypass all of these uncomfortable things.

2) Upgrading Urban Infrastructure

Secondly, we need better infrastructure. There are some beautiful spots of a tree-lined streets. Many of them are with broken sidewalks and no good drainage. Once it rains, tourists cannot walk through even the major streets such as Shivatha Road. It is also clear that supply of basic urban services are not good enough. It is needed to make very good efforts to invest in these things to upgrade the whole city to make it attractive to the tourists and let them stay longer.

3) Quality Products

The above mentioned test calculation represents the changes mostly on the demand side. A shift to up-market, however, will bring more opportunities for delicate high-quality goods rather than mass produced ones. For example, growing demand of up-market will induce local production of goods for souvenir shops. The souvenir shops presently depend 60% of their merchandise on the suppliers outside of Siem Reap Province. In order to capture more market share, it is important for the producers to establish local brands associated with high quality products. The Siem Reap economy is not in a good position to produce large quantity of low cost goods to compete against the other provinces and neighboring countries where industrial bases are much larger and stronger.

4.2 Background Analysis on Tourists' Expenditure

In this section, the analysis of consumption patterns of foreign tourists in Siem Reap is summarized. The analysis provided background data set for economic impact analysis presented in the previous sections.

Two major aspects are set to categorize foreign tourists. These are namely "Individual Tourist vs. Group Tourists" and "Up-market-Tourists vs. Budget-Tourists". A price range of accommodation is assumed to be an indicator to represent "High" or "Budget" tourists. The following five price ranges are used. "US\$20-49", "US\$50-99", "US\$100-199", "US\$200+" are assumed to represent "2 or less stars hotel", "3 stars hotel", "4 stars hotel", and "5 stars hotel" respectively. It may safe to say that a low-end category of "Less than US\$20" price range represents tourists for "1 star or none hotel" and "Guesthouse".

4.2.1 Profile of Tourists

(1) Number of Tourists

Distribution patterns of different categories of tourists are estimated as show in the following tables.

Table III.4.6 Number and Share of Tourists by Price Range in 2004

Hotel Price Range	Thousand persons			%		
	Individual Tourist	Group Tourist	Total	Individual Tourist	Group Tourist	Total
200+	13	29	42	2%	5%	7%
100-199	25	57	82	4%	10%	15%
50-99	31	114	145	5%	20%	26%
20-49	66	72	138	12%	13%	25%
LT20	139	14	154	25%	3%	27%
Total	275	286	561	49%	51%	100%

Source: Tourism Sector Survey in Siem Reap Town-Angkor, 2005, SRAT.

Adjusted with data of "Tourism Statistics 2004" and information from Tour Operators.

Individual tourists account for 275 thousand persons or 49%. A half of individual tourists are dominated by those in "Guesthouse (less than \$20)" range. Individual tourists in "3 stars (\$50-99) and above ranges account for only 11%. Group tourists are most concentrated in a "3 stars (\$50-99)" range. In total, a hotel market largely depends upon group tourists.

(2) Length of Stay

Length of stay of different categories of tourists are as show in the following figures and tables.

In all price ranges, the individual tourists stay 3 or more days (nights). In contrast, an average group tourist stays only 2.1 days. The individual tourists stay 1.4 days (nights) longer than the group tourists in Siem Reap.

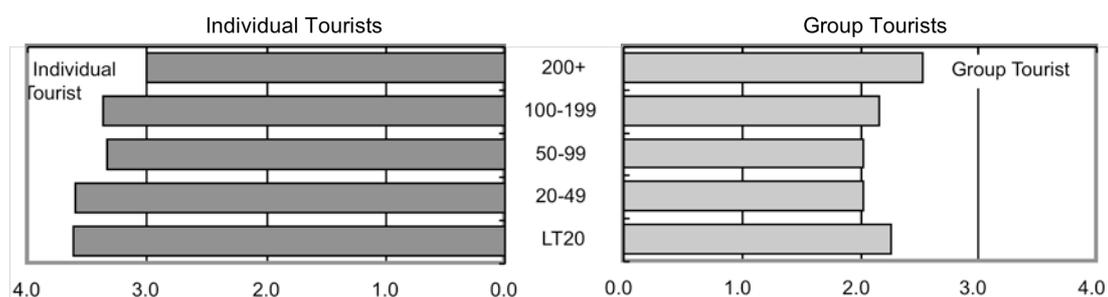


Figure III.4.6 Length of Stay by Price Range in 2004

Table III.4.7 Length of Stay of Foreign Tourists By Price Range of Hotels in 2004 (nights)

Hotel Price Range	Individual Tourist	Group Tourist	Total
200+	3.0	2.5	2.7
100-199	3.4	2.1	2.5
50-99	3.3	2.0	2.3
20-49	3.6	2.0	2.8
LT20	3.6	2.2	3.5
Total	3.5	2.1	2.8

(3) Nationality and Price Range

Composition of nationalities of foreign tourists is as summarized in the following tables.

Table III.4.8 Top 9 Nationalities of Individual Tourist (Raw Data of Survey)

Hotel Price Range	JAPAN	U.S.A	AUSTRALIA	UNITED KINGDOM	CANADA	FRANCE	SOUTH KOREA	GERMANY	ITALY	Top 9 Total	Other	Total
	200+	1	6	3		2						
100-199	1	7	4	6	3	1		1		23	3	26
50-99	8	5	2	7		1	2	1	2	28	4	32
20-49	11	12	10	9	3	3	2	4	4	58	11	69
LT20	25	11	14	10	8	8	9	6	4	95	50	145
Total	46	41	33	32	16	13	13	12	10	216	70	286
3-Star or higher	10	18	9	13	5	2	2	2	2	63	9	72
											(invalid)	20
											Total	306

Table III.4.9 Top 7 Nationalities of Group Tourist (Raw Data of Survey)

Hotel Price Range	SOUTH KOREA	JAPAN	TAIWAN	U.S.A	UNITED KINGDOM	AUSTRALIA	GERMANY	Top 7 Total	Other	Total
	200+	-	6	-	5	2	-			
100-199	2	1	-	1	10	5	4	23	6	29
50-99	20	8	-	1	1	3	-	33	2	35
20-49	5	5	-	1	-	7	3	21	3	24
LT20	-	-	-	-	-	-	-	0	1	1
unknown	34	28	36	16	11	8	9	142	39	181
Total	61	48	36	24	24	23	19	235	71	306
									(invalid)	20
									Total	326

Note: Due to high proportion of "unknown" in "hotel price range" for the group tourists, percentage share by price range in raw data is not directly applied in estimation. Instead, various information from tour operators are used to estimate the approximate shares by price range. Thus, correlation between "nationality" and "price range" is not available.

Individual Tourists:

Regarding the individual tourists, top 4 nationalities, Japan, US, Australia, and UK show shares distinctively higher than the other nationalities. While the top 4 include many budget tourists in the lower price ranges, they also account for around 70 % of individual tourists in the "3 star and higher" price range.

Group Tourists:

For the group tourists, on the other hand, tourists from East Asia (Korea, Japan and Taiwan) take top 3 positions. Tourists from Korea and Taiwan have increased significantly in last 2-3 years after direct flights started operation between Siem Reap and these origins. According to several local tour operators, the group tourists from Korea and Taiwan have the following tendencies.

- They tend to concentrate in the "3 star and below" ranges.
- They like to visit souvenir shops.
- They are less concentrated for high seasons.

On the other hand, Westerners in the group tours have different tendencies as the followings,

- They tend to stay at hotels in the higher price ranges.
- They are less interested in shopping,
- They are more concentrated in the high-season.

4.2.2 Structure of Expenditure per Tourist

(1) Expenditure per Person per Day

Different segments of tourist expenditure per person per day are estimated as shown in the following tables and figures.

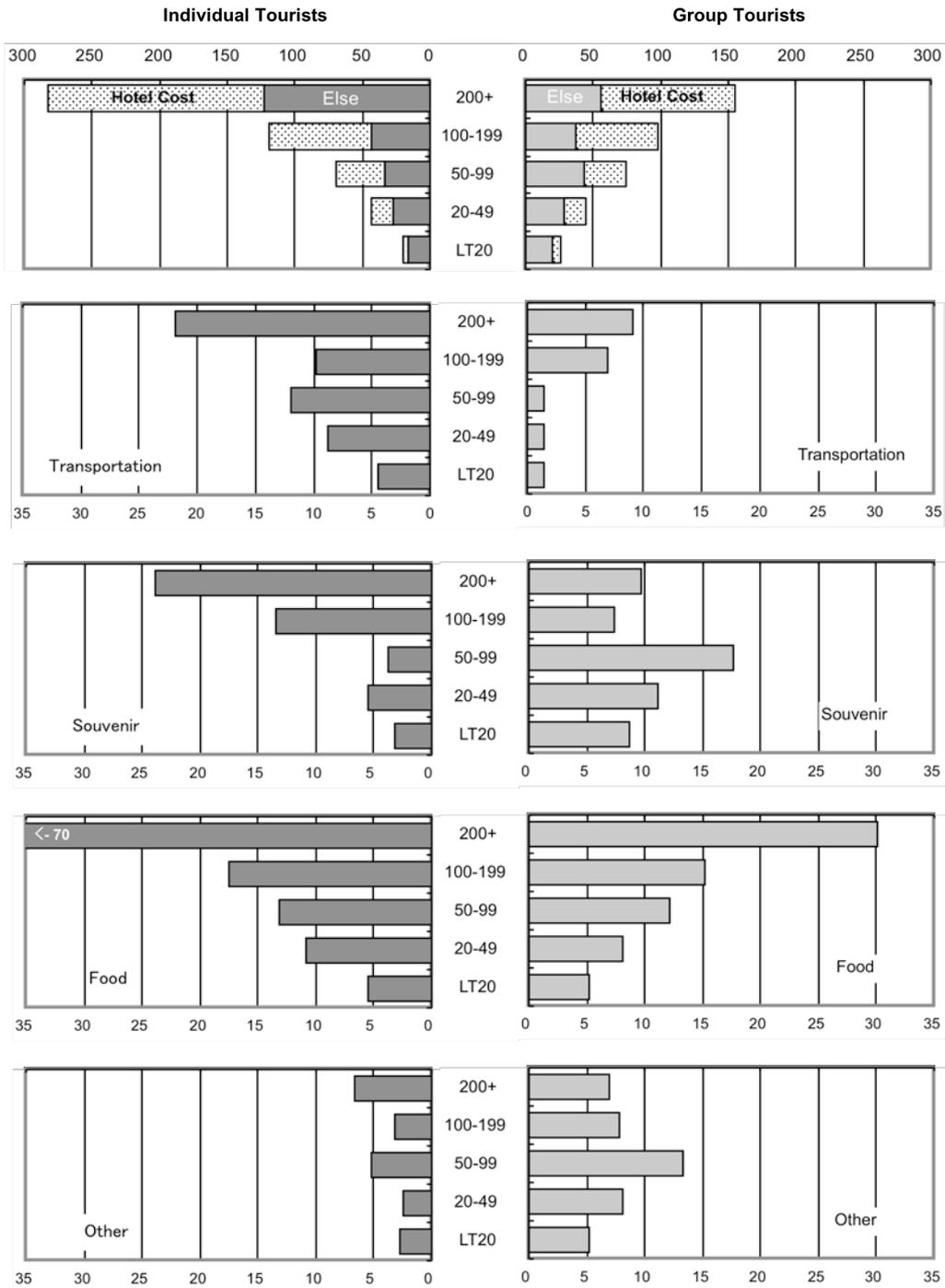


Figure III.4.6 Estimated Structure of Tourist Expenditure per Person per Day (US\$/person/day)

Table III.4.10 Estimated Structure of Tourist Expenditure per Person per Day

US\$/day / Person	Individual Tourist			Group Tourist			
	Hotel Price Range	Spending w/o Hotel	Hotel	Total	Spending w/o Hotel	Hotel	Total
200+		122	160	282	55	100	155
100-199		44	75	119	37	61	98
50-99		34	36	70	44	31	75
20-49		28	16	44	28	17	45
LT20		16	3	19	20	7	27
Total		29	24	53	38	39	77

Individual Tourist

Hotel Price Range	Transportation	Souvenir	Food	Other	Total
200+	22	24	70	7	122
100-199	10	14	17	3	44
50-99	12	4	13	5	34
20-49	9	6	11	2	28
LT20	4	3	5	3	16
Total	8	6	12	3	29

Group Tourists

Hotel Price Range	Transportation	Souvenir	Food	Other	Total
200+	9	10	30	7	55
100-199	7	7	15	8	37
50-99	1	18	12	13	44
20-49	1	11	8	8	28
LT20	1	9	5	5	20
Total	3	13	13	10	38

Individual Tourists:

An individual tourist staying 4-star or higher level spends more money than a group tourist. For those staying 3-stars or lower, per day expenditure levels are almost the same as respective levels of group tourists. Individual tourists staying in guesthouses (less than \$20/night) spend least money per day which is typical of back packers.

There are some specific spending patterns for individual tourists. They pay more money for transportation and food than group tourists. This may be partly because of the fact that they have more time to spend in Siem Reap. They might visit more diverse destinations and try both hotel and outside restaurants.

Non-group tourists staying at \$99 or less level of hotels do not buy much souvenir. There are two different explanations for this. Firstly, many non-group tourists are not much interested in buying things, especially those from Europe. Secondly, there are not many medium quality goods to satisfy selective taste of mid-range non-group tourists. Many of them think only the Angkor monument is worthwhile.

Group Tourists:

Group tourists, on the other hand, generally depend upon pre-packaged low cost transportation (mostly chartered buses) to visit rather limited choices of destinations including group tour oriented restaurants. They stay 1.5 days shorter than non-group tourists. In case of the group tourist, those spend most in hotel do not always spend most for something else. For example, it is quite noticeable that the 3-star hotel level group tourists, even more than the individual tourist, for "souvenir" and "other". According to tour operators, they are the core group of the present "mass tourism", and many of them are from East Asian countries.

(2) Expenditure per Person per Trip

Different segments of tourist expenditure per person per trip (total per person expenditure) are estimated as shown in the following tables and figures. Basically, the structure is the same as per day expenditures. Given the fact that the individual tourists stay longer, they spend more than the group tourists in all levels when it was compared on a per trip (visit) basis.

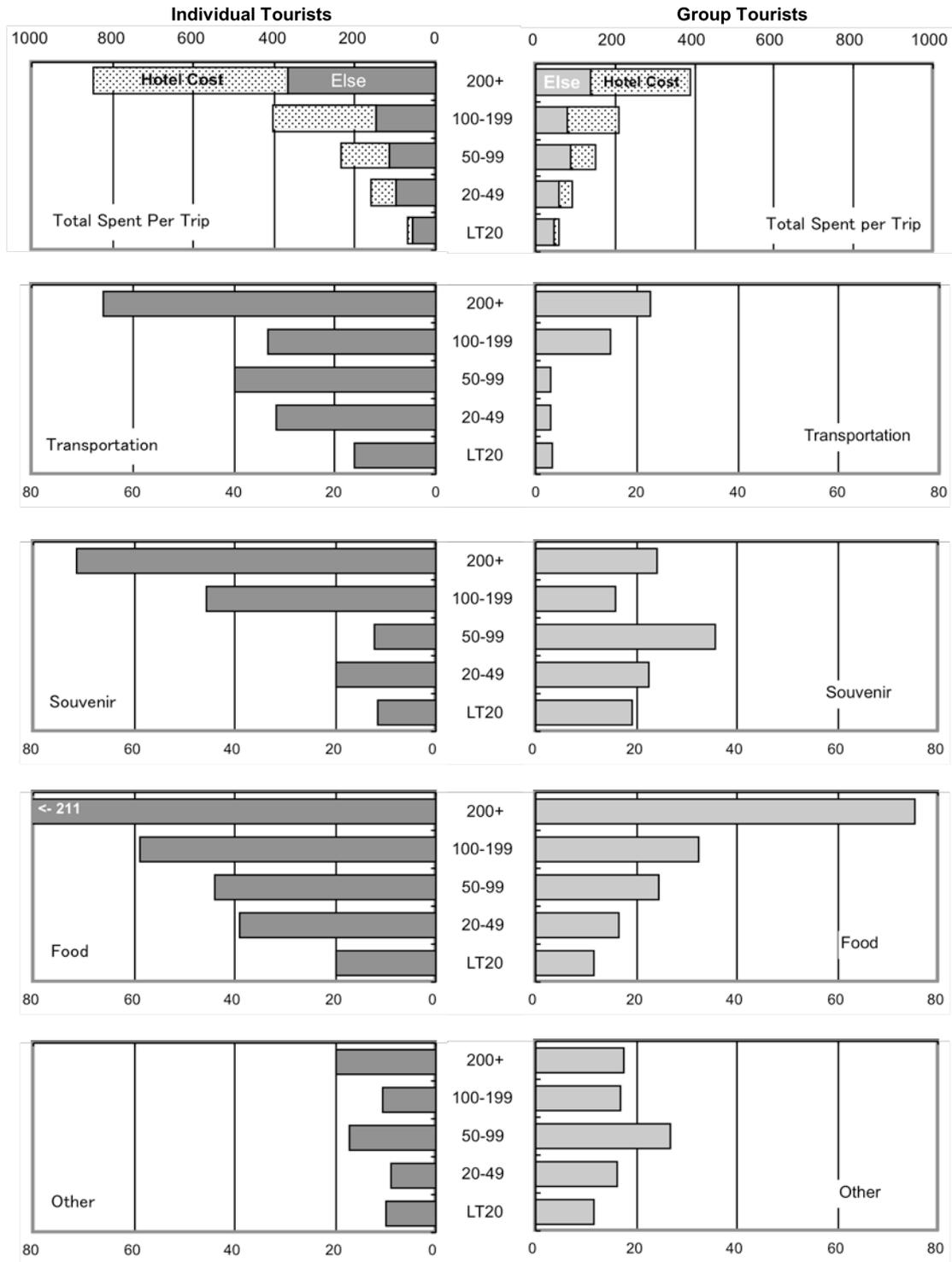


Figure III.4.7 Estimated Structure of Tourist Expenditure per Person per Trip (US\$/person/trip)

Table III.4.11 Estimated Structure of Tourist Expenditure per Person per Trip (Visit)

US\$/ Person/ Trip	Individual Tourist			Group Tourist		
	Spending w/o Hotel	Hotel	Total	Spending w/o Hotel	Hotel	Total
200+	368	480	848	139	250	389
100-199	148	254	403	79	131	210
50-99	113	119	233	89	62	150
20-49	100	59	159	57	34	90
LT20	57	12	70	44	15	60
Total	101	86	187	81	82	163

Individual Tourist		US\$				
Hotel Price Range	Transportation	Souvenir	Food	Other	Total	
200+	66	72	211	20	368	
100-199	33	46	59	11	148	
50-99	40	12	44	17	113	
20-49	32	20	39	9	100	
LT20	16	11	20	10	57	
Total	27	20	42	11	101	

Group Tourists		US\$				
Hotel Price Range	Transportation	Souvenir	Food	Other	Total	
200+	23	24	75	17	139	
100-199	14	16	32	17	79	
50-99	3	35	24	26	89	
20-49	3	22	16	16	57	
LT20	3	19	11	11	44	
Total	7	26	27	20	81	

(3) Comparing Estimates in Different Places

Major tourism indicators for different places are summarized in Table III.4.12 for comparing them to the estimates for Siem Reap. Technically speaking, there is no directly comparable data due to the difference in defining data. The table below, however, can give us some sense of comparative position of Siem Reap. At a glance, the level of expenditure in Siem Reap is lower than the one in all Cambodia. This is partly due to a low share of business tourists and high share of group or budget travelers in Siem Reap. Tourists in Bali may have some similarity. In case of Siem Reap, JST estimates does not include admission fee to the Angkor Monument. For all Cambodia, it is assumed to be included.

Table III.4.12 Comparative Tourism Data in Siem Reap, Cambodia, Thailand, Vietnam, Lao PDR, and Bali

Tourism Indicators	Siem Reap 2004	Cambodia 2004	Thailand 2004	Vietnam 2004	Lao PDR 2004	Bali* 2000
Total Average Daily Expenditure (US\$/Person/day)	62	87	100	80	59	22
Average length of stay (days)	2.8	6.3	8.0	8.0	6.5	4.2
Average Expenditure per trip (US\$)	174	548	800	640	384	93
Total Number of Visitors (in 000)	561	1,055	11,277	2,554	238	1,413
Total tourists expenditure (million US\$)	97	578	9,022	1,635	91	131

Source: JST estimate for Siem Reap, Statistical Office of Bali Province from Bali, "GMS Tourism Sector Strategy, Final Report, Volume 1, 2005" for all other data.

* For Bali, hotel expenses are not included.

4.2.3 Annual Tourist Expenditure

Given estimated per person expenditure of tourists, total expenditure of tourists in 2004 is estimated as the following tables and figures. Total number of tourists and total number of stays are 561 thousand persons and 1571 thousand stays respectively as these are estimated in Tourist Population Framework of this study.

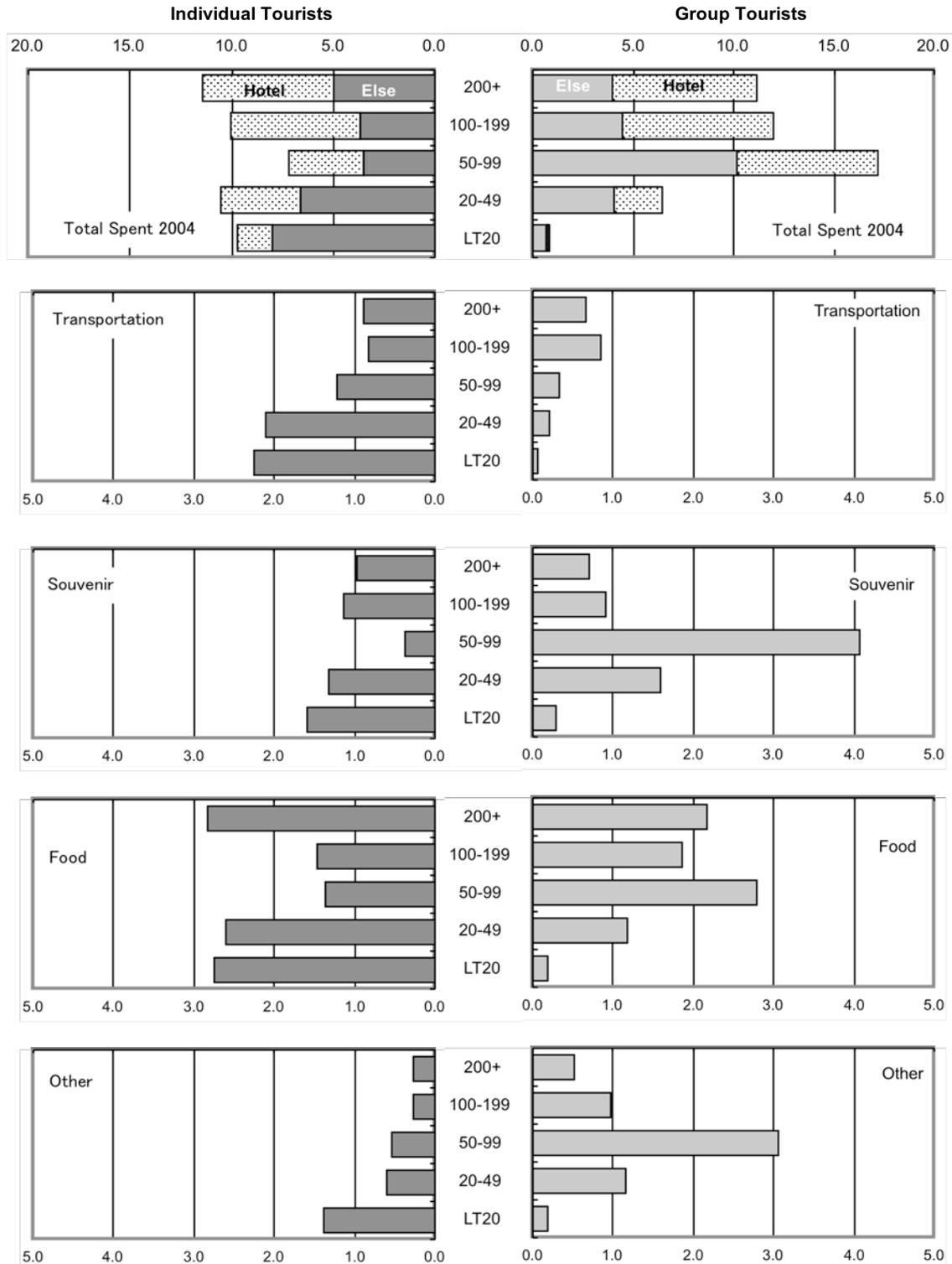


Figure III.4.8 Estimated Total Tourist Expenditure in 2004 (million US\$)

Table III.4.13 Estimated Total Tourist Expenditure in 2004

Hotel Price Range	Individual Tourist			Group Tourist			Grand Total
	Spending w/o Hotel	Hotel	Total	Spending w/o Hotel	Hotel	Total	
200+	4.9	6.5	11.4	4.0	7.2	11.1	22.5
100-199	3.7	6.4	10.1	4.5	7.5	12.0	22.1
50-99	3.5	3.7	7.2	10.1	7.0	17.2	24.3
20-49	6.6	3.9	10.5	4.1	2.4	6.5	17.0
LT20	8.0	1.7	9.7	0.6	0.2	0.9	10.6
Total	26.8	22.1	48.9	23.3	24.3	47.6	96.5

Hotel Price Range	Individual Tourist					Total
	Transportation	Souvenir	Food	Other	US Million \$	
200+	0.9	1.0	2.8	0.3	4.9	4.9
100-199	0.8	1.1	1.5	0.3	3.7	3.7
50-99	1.2	0.4	1.4	0.5	3.5	3.5
20-49	2.1	1.3	2.6	0.6	6.6	6.6
LT20	2.3	1.6	2.7	1.4	8.0	8.0
Total	7.3	5.4	11.0	3.1	26.8	26.8

Hotel Price Range	Group Tourists					Total
	Transportation	Souvenir	Food	Other	US Million \$	
200+	0.6	0.7	2.1	0.5	4.0	4.0
100-199	0.8	0.9	1.8	0.9	4.5	4.5
50-99	0.3	4.0	2.8	3.0	10.1	10.1
20-49	0.2	1.6	1.2	1.1	4.1	4.1
LT20	0.0	0.3	0.2	0.2	0.6	0.6
Total	2.0	7.5	8.1	5.8	23.3	23.3

In total, the individual tourists spend a little more than group tourists. For "transportation" and "food", the individual tourists spend more. Pre-packaged transportation and food for group-tourists are found to be very low cost in return for diversity and freedom of choices. In case of "souvenir", the group tourists spend more.

4.3 Structure of Expenditure of Tourism Sector Business

The structure of expenditure of tourism sector was estimated by data and information directly obtained through an interview survey of the tourism business. Interview survey was carried out for 21 samples, including hotels and guesthouses (5), local tour operators/ travel agents (3), restaurants owners (5), souvenir shops (5), and transportation operators (3). A questionnaire sheet was as shown below.



The Study on Integrated Master Plan for Sustainable Development of Siem Reap/ Angkor Town (SRAT)
JICA Study Team
SRAT Office: c/o Siem Reap Provincial Hall, 063-760-975

Questionnaire for Economic Impact Assessment of Tourism Sector

Q1. Name of your business premises
Name: _____

Q2. Kind of Business
01.Hotel 02.Guesthouse 03.Tour Operator 04.Restaurant 05.Souvenir Shop

Q3. Please give us approximate % of the following items in proportion to your total annual sales.

Items	% over Total Sales	Note
(1) Raw materials	%	Expenditure to buy raw materials, food, drink, or necessary supplies for room amenities. In case of transportation, costs for fuel.
(2) Operation Cost	%	Telephone and other communication, costs for water, electricity, PR, and office supplies.
(3) Salary	%	Salary for all employees.
(4) Other Costs	%	Tax and other expenses
(5) Profit	%	Operation profit
Total	100% = Total Sales	

Q4. Please give us approximate % of the following items of payment by different areas of business partners

Items	% of payment by place				Total(A+B+C)
	A. Siem Reap Province	B. Other Cambodia	C. Cambodia	Outside	
(1) Raw materials	%	%	%	%	100%
(2) Operation Cost	%	%	%	%	100%
(3) Salary	%	%	%	%	100%

Q5. Please give us approximate average cost of group tour per participant per day. (This question is for tour operators only)

Items	Average Cost Per Day in US\$		
	A. High Grade	B. Medium Grade	C. Low Grade
(1) Hotel Room			
(2) Transportation			
(3) Food			
(4) Tour Guide			
(5) Other			
Total			

Thank you very much for your cooperation.

Detailed interview covered subject matters of not only their own business but also their knowledge of tourism in Siem Reap at large with a given condition of keeping them as anonymous sources. Information and data were carefully examined to formulate the parameters for economic impact estimates. It was particularly useful to estimate expenditure patterns of group tourists. Estimated parameters are summarized in the following table.

Table III.4.14 Estimated Parameters for Economic Impact Model

Expenditure as % of Total Revenue

	Costs		Value-added		
	Raw Materials	Operation Cost	Salary	Other costs	Operation Profit
Restaurants	48%	14%	11%	13%	15%
Hotels and GH	27%	19%	18%	17%	20%
Local Transportation	35%	10%	15%	10%	30%
Souvenir Shops	35%	21%	23%	8%	21%
Tour Operators	75%	9%	9%	1%	6%
All Other Industries	29%	17%	20%	5%	33%

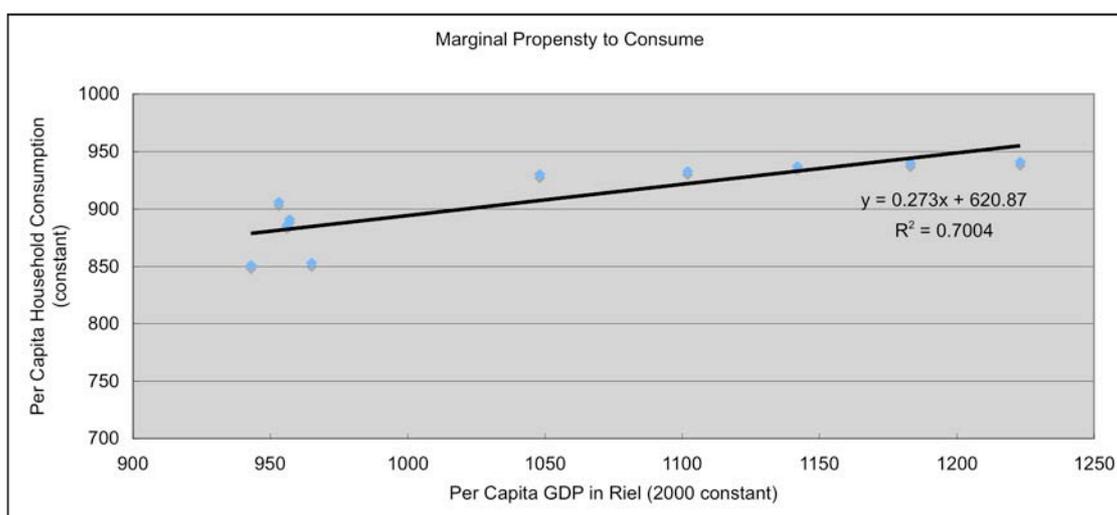
*For "All other industries", national average that is estimated from Industrial Survey 2000 data is used.

% of Payment within Siem Reap Province

	Costs		Value-added	
	Raw Materials	Operation Cost	Salary	Gross Profits Retained in SRP
Restaurants	75%	100%	100%	90%
Hotels and GH	60%	93%	94%	30%
Local Transportation	80%	60%	75%	70%
Souvenir Shops	38%	64%	86%	70%
Tour Operators	75%	38%	50%	30%
All Other Industries	80%	70%	90%	95%

Other Parameters

Marginal Propensity to Consume	0.27
--------------------------------	------



- Slow implementation of projects and programs.
- Necessary laws and sub degrees related tourism are not enacted.
- Limited opportunity for training of government officials
- Limited partnership with private sector for promotion activities.
- Discouragement of staff for low salary.

(2) Tourism Law

This law was drafted by MOT with the assistance of ADB, which includes general provision, tourism development plan, licensing of tourism operators, monitoring with a total of 10 chapters. The draft Tourism Law was reviewed by the Draft Tourism Law Task Force at a Tourism Private Sector Working Group (TPSWG) in August 2004. TPSWG requested MOT to update the draft in line with the laws relevant to the Cambodia tourism industry, the new Law on Investment and other agreements such as the ASEAN Tourism Association Agreement. At present, the Draft Tourism Law has been reviewed and updated by the Draft Tourism Law Task Force and MOT.

(3) Sub-Decree (No. 34) on Organization and Function of the Ministry of Tourism

This Sub Decree was enacted on August 1997 by the Ministry of Tourism. The Sub-Decree defines organization structure, function of each department and section and responsibility of duty at MOT.

(4) Sub-Decree (No. 16) on Classification of Hotels and Tourist Accommodation Services

The Sub-Decree on Classification of Hotels and Tourist Accommodation Services is based on international standards and in compliance with Cambodian law consisting of legal procedures and minimum standard system for the hotels from below-star to 5-star. The Sub Decree on hotel classification system was drafted by MOT and reviewed by the Hotel Classification Sub Committee formed at the Tourism Private Sector Working Group in December 2004. On June 11, 2004, Prime Minister signed the Sub-decree. At present, a draft action plan for the implementation of the Sub-decree is in the process of preparation by MOT.

(5) Sub-Decree on Tourism Marketing and Promotion Board

Tourism Marketing and Promotion Board aims at working on tourism marketing and promotion activities in cooperation with both public and private sector representatives for sustainable tourism development in Cambodia, which was recommended to establish at the Tourism Private Sector Working Group. The Sub Decree on Tourism Marketing and Promotion Board was drafted by MOT with the assistance of Mekong Project Development Facilities (MPDF)² in 2004 including function, membership, role of the Directors of Board, financial provisions, etc. The draft sub decree was submitted to MOT after the review of ADB. At present, the draft sub decree is still in the process of reviewing at MOT.

² Mekong Project Development Facility (MPDF) is a multi donor program managed by the International Finance Corporation (IFC), the private sector branch of the World Bank Group. Donors to MPDF include ADB, Australia, Canada, Finland, IFC, Japan, Norway, Sweden, Switzerland and UK. Its mission is to support the establishment and the growth of locally-owned, private small and medium enterprises (SMEs) in the Mekong Region, including Vietnam, Cambodia, and Laos.

(5) Prakas on Tourism License Provision to Tourist Transport by Land

This Prakas is forms of applying for land tourist transport license by operation of travel agent and tour operating company, enacted by MOT in May 2001. Type of tourist vehicle and area of business operation defined in the Prakas should be more specified. License fee based on the number of seats is not practical. Police also gives license to tourist taxi; therefore, the provision of the tourist transport license on taxi is overlapping.

(6) Prakas on Tourism License Provision to Tourist Transport by Water

This Prakas is forms of applying for water tourist transport license by tourism agent and tour operating company, enacted by MOT in November 2000. The Prakas should clearly define the service area of business operation and type of water transport for applicants.

(7) Prakas on Tourism License Provision to Agent or Company Operating Hotel or Guesthouse

This Prakas is forms of applying for tourism license by tourism agent or tourism company operating hotel or guesthouse, enacted by MOT in May 2001. This Prakas requires revising a defined hotel licensing and extension fee by room capacity and requirement of documents in accordance with the Sub-Degree of Hotel Classification.

(8) Prakas on Tourism License Provision to Tourist License to Tourist Guide

This Prakas states requirement for provision of national and regional tourist guide business license in which Cambodian people have the rights to be tourist guides, determined by the MOT. It was enacted in May 2001. MOT has not issued a national tourist guide yet. At the time of extension for tourist guide license, MOT should have a requirement of qualification examination or interview for assessment and improvement of knowledge and skill.

(9) Prakas on Tourism License Provision to Agent or Company Operating Restaurant Business

This Prakas states requirements and forms that must be fulfilled by restaurant business people, enacted by MOT in May 2001. The definition of restaurant categories (Luxury, simple restaurant) for licensing fee is unclear.

(10) Prakas on Tourism License Provision to Tourist License to Agent or Company Operating Tourist Resort

This Prakas contains 13 articles that stipulate right, criterion, forms for establishing and operating tourist resorts in Cambodia in which this kind of businessperson must fulfill. This Prakas was enacted by MOT in May 2001. Tourist Resort business is not clearly defined in Prakas and needs to add detailed definition and criteria for business operation.

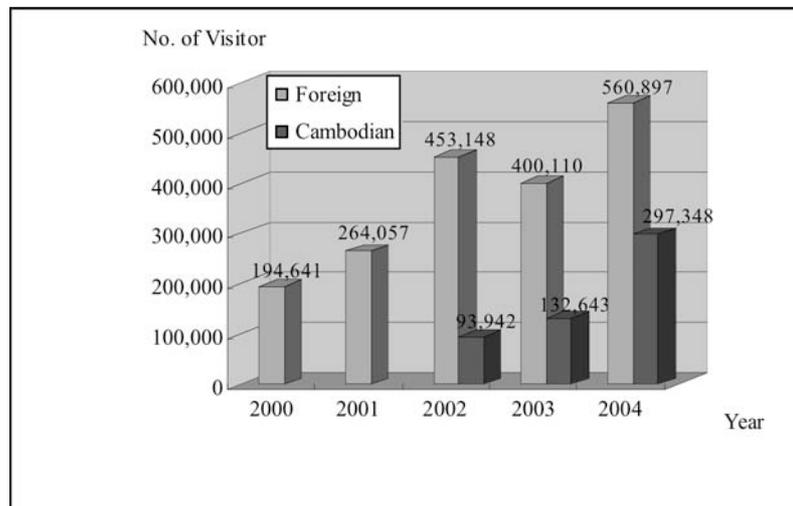
3.1.3 Present Situation of Tourism Sector in Siem Reap/Angkor Town

(1) Tourist Arrivals to Siem Reap

1) Foreign and Cambodian Visitor Arrivals to Siem Reap

In Siem Reap, the number of foreign visitors continues to grow every year and increased from 194,641 in 2000 to 560,897 in 2004 except 2003 as shown in Figure III.3.10. Visitor arrivals decreased in 2003 due to the effect of the SARS and Iraqi War as mentioned in the previous section.

Siem Reap is also very popular destination for domestic tourists. Cambodian visitors to Siem Reap started to grow since 2002 and reached 297,348 in 2004. This accounted for more than half of total foreign visitors.



Source: Tourism Statistical Report Year Book 2003, 2004, Ministry of Tourism

Figure III.3.10 Foreign and Cambodian Visitor Arrivals to Siem Reap from 2000 to 2004 (By All Means of Transports)

2) Foreign and Cambodian Visitor Arrivals to Siem Reap by Mode of Transport

70.1% of foreign visitors arrive at Siem Reap by air in 2004 using direct flight from Bangkok, Ho Chi Minh and other cities. The number of foreign visitors to Siem Reap using domestic flight from Phnom Penh has been gradually decreasing every year and it is only 21.3% of the total arrivals in 2004 in line with the increase of international flights directly connected with other main cities. Cambodian visitor arrives at Siem Reap mostly by land transport. The arrivals by land transport represent 96.1% of the total Cambodian visitors in 2004.

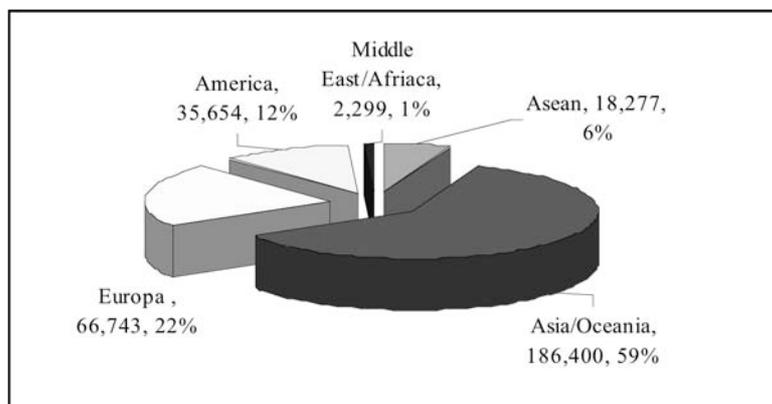
Table III.3.11 Foreign and Cambodian Visitor Arrivals to Siem Reap by Mode of Transport (2002-2004)

Mode of Transport		Foreign Visitor						Cambodian Visitor					
		2002		2003		2004		2002		2003		2004	
		Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Air	Phnom Penh	93,323	31.5	76,620	29.4	83,643	21.3	9,647		13,227		11,348	
	Direct Flight	202,716	68.5	183,628	70.6	309,423	78.7	N/A		N/A		N/A	
	Subtotal	296,039	65.3	260,248	65.0	393,006	70.1	9,647	10.3	13,227	10.0	11,348	3.8
Road	Phnom Penh	9,026	7.5	26,317	27.5	37,872	30.1	51,600	79.2	81,503	77.7	270,759	
	Poipet	110,704	92.5	69,229	72.5	88,149	69.9	13,519	20.8	23,457	22.3	N/A	
	Subtotal	119,730	26.4	95,546	23.9	126,021	22.5	65,119	69.3	104,960	79.1	270,759	91.1
Boat	Phnom Penh	34,216	91.7	38,994	88.0	32,334	77.2	17,809	92.9	11,658	80.6	13,664	89.7
	Battambang	3,088	8.3	5,322	12.0	9,526	22.8	1,367	7.1	2,798	19.4	1,577	10.3
	Subtotal	37,304	8.2	44,316	11.1	41,860	7.4	19,176	20.4	14,456	10.9	15,241	5.1
Total		453,073	100	400,110	100	560,887	100	93,942	100	132,643	100	297,348	100

Source: Tourism Statistical Report Year Book 2002, 2003, 2004, 2005, Ministry of Tourism

3) Foreign Visitor Arrivals to Siem Reap International Airport by Region

Asia and Oceania represent 59% of foreign visitors as shown in Figure III.3.11. Europe and America represent 22% and 12%, respectively. Foreign visitors from Middle East and Africa region are few.



Source: Tourism Statistical Report Year Book 2004, Ministry of Tourism

Figure III.3.11 Foreign Visitor Arrivals to Siem Reap International Airport by Their Origin in 2004

4) Top Ten Markets of Visitors to Siem Reap in 2004

Japan is the top market among other top 10 markets of Siem Reap with 81,659 visitors or 26.4% in 2004. It is 50.2% larger than those in 2003. South Korea is the second largest market of Siem Reap, accounting for 20.1%. It is 123.8% larger than previous year. South Korean market exceeds Japanese market in 2005. Taiwan market also remarkably expanded with 22,141 visitors or 7.1% in 2004. It expanded by 377.3% than previous year. Chinese market is the tenth largest. It is still small in foreign market, but it is a potential market and is expected to expand the future.

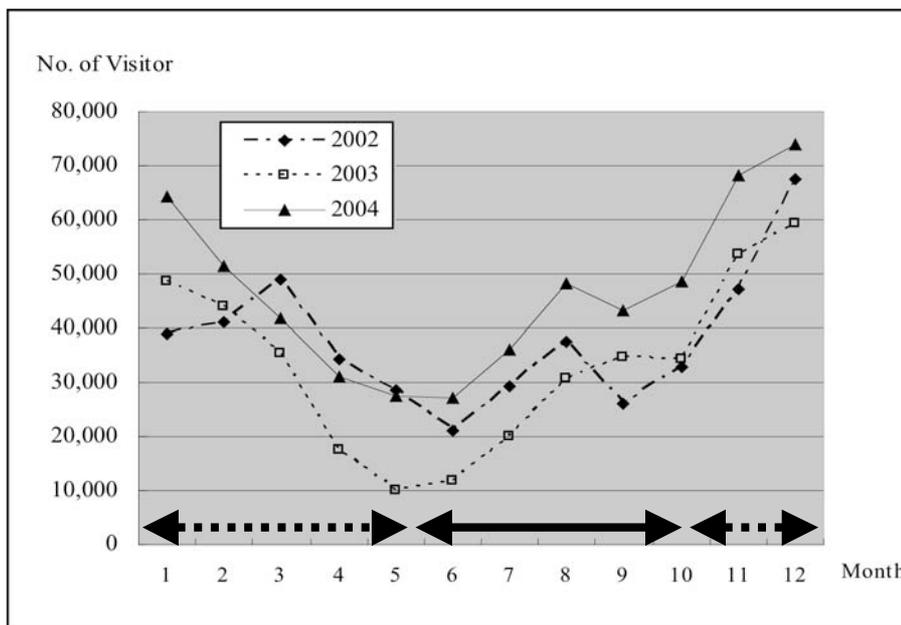
Table III.3.12 Top Ten Markets of Visitors to Cambodia by Nationality at Siem Reap International Airport in 2004

Country	2004		
	No. of Visitor	%	Change % 2004/03
1. Japan	81,659	26.4	50.2
2. South Korea	62,171	20.1	123.8
3. U.S.A	28,296	9.1	49.1
4. Taiwan	22,141	7.2	377.3
5. France	16,652	5.4	27.6
6. United Kingdom	13,793	4.5	43.5
7. Germany	9,769	3.2	27.7
8. Australia	8,884	2.9	84.4
9. Thailand	7,927	2.6	45.9
10. China	5,185	1.7	217.7
Subtotal	256,477	82.9	73.3
Other	52,896	17.1	38.2
Total	309,373	100	-

Source: Tourism Statistical Report Year Book 2003, 2004, Ministry of Tourism

5) Foreign Visitors to Siem Reap in Different Seasons

Foreign visitor arrival to Siem Reap has a seasonal fluctuation as shown in Figure III.3.12. A tourism peak season starts from November to February. One observes a less visitor arrivals between April and June. The number of visitors increases in August though it is rainy season because it is summer vacation season. Referring from a statistics of Japanese visitor arrivals by month in 2003-4, there are two peak tourism seasons in the Japanese market. They are from November to February and from August and September, with arrivals being more than 7,000 visitors monthly. According to hotels and travel agencies in Siem Reap, visitors from China and other neighboring countries prefer to visit Siem Reap in the rainy season because of low price of tour package and accommodation.



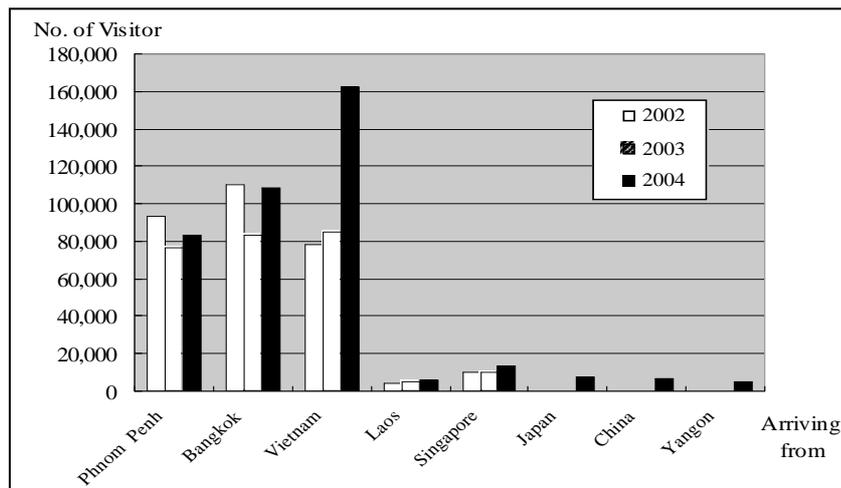
Note: ◀.....▶ Dry season, ◀————▶ : Rainy season

Source: Tourism Statistical Report Year Book 2002, 2003, 2004, Ministry of Tourism

Figure III.3.12 Foreign Visitor Arrivals at Siem Reap by Month (2002-2004)

6) Foreign Visitors to Siem Reap by Air

Foreign visitors arrive at Siem Reap Airport by either domestic flight from Phnom Penh or direct flights from Bangkok, Ho Chi Minh, Hanoi (Vietnam), Pakse (Laos), Singapore international, Narita (Japan), Kunming, Kaohsiung (China) and Yangon (Myanmar). From 2002 to 2004, flights from Phnom Penh, Bangkok and Vietnam absorbed a large portion of visitor arrivals to Siem Reap. Visitors by direct flights from Vietnam (Ho Chi Minh and Hanoi) increased rapidly and reached 162,659 arrivals in 2004. On the other hand, the number of foreign visitors arriving from Phnom Penh decreased from 93,323 in 2002 to 83,323 in 2004.



Source: Tourism Statistical Report Year Book 2002, 2003, 2004, Ministry of Tourism

**Figure III.3.13 Foreign Visitors to Siem Reap by Air
(Phnom Penh and Direct Flight)**

7) Foreign Visitors to Angkor Archaeological Area

According to the data of foreign visitors to Angkor Archaeological Area prepared by the APSARA Authority, the number of visitors was increasing every year to reach 451,046 with a 40.3% annual growth rate as shown in Table III.3.13. In 2004, most of the foreign visitors to Siem Reap entered and visited the Angkor Archaeological Area.

Table III.3.13 Number of Foreign Visitors to Angkor Archaeological Area

	1999	2000	2001	2002	2003	2004
Number	*69495	185,912	239,091	315,697	321,557	451,046
Annual growth	-	-	28.6%	32.0%	1.9%	40.3%
**No. of Visitor	-	194,641	264,057	453,148	400,110	560,897

Note: * This number is from May to December, 1999.

**Number of foreign visitor to Siem Reap by all means of transports, MOT

Source: APSARA Authority

Regarding admission tickets sold at the entrance of Angkor Archaeological Area, 56.6% of visitors purchase 1 day tickets and 40.4% purchase 3 day tickets. It indicates that most visitors visiting the Angkor Archaeological Area stay at Siem Ream for one to three days.

Table III.3.14 Number of Sold Tickets for Angkor Archaeological Area by Type

Ticket type	2002		2003		2004	
	Number	%	Number	%	Number	%
1 day	186,173	59.0%	180,873	56.2%	255,091	56.6%
3 day	118,533	37.5%	128,528	40.0%	182,022	40.4%
7 day	10,991	3.5%	12,156	3.8%	13,933	3.1%
Total	315,697	100.0%	321,557	100.0%	451,046	100.0%

Source: APSARA Authority

8) Expenditure of Group Tour Tourists and Individual Tour Tourists

An average expenditure of group tour tourists was approximately US\$1,124. French spends most with US\$1,756, followed by Japanese with US\$1,627. The expenditure includes a package tour cost. Taiwanese spends least with US\$774. An average expenditure of individual tourists was approximately US\$445, including accommodation fee (US\$188.15), food/beverage (US\$85.56), souvenir (US\$62.23), local transport (US\$57.62) and others (US\$51.43). Detailed estimations of expenditures for tourist type are described in Chapter 4 Impact Assessment of Tourism on Local Economy.

(2) Typical Tour Patterns in Siem Reap

Cambodian and foreign tourists to Siem Reap aim to visit Angkor Wat, Bayon, Ta Prom and other temples and ruins in the Angkor Archeological Park. Most foreign tourists visiting those sites are the participants of group bus tours arranged by local travel agencies with tourist guides. Backpackers and individual tourists visit Angkor Wat and other sites by car taxi, cyclos, motorcycle taxi and bicycle.

Typical tour programs in Siem Reap operated by local travel agencies are summarized below. Tour circuit routes in the Angkor Archaeological Park are shown in Figure III.3.17.

One Days Visit (Quick tour)		South Gate of Angkor Thom- Central Angkor Thom (Bayon, Terrace of the Elephants, Terrace of the Leper King)-Ta Prohm-Angkor Wat-Sunset at Phnom Bakheng	
Two Day Visit	1st Day:		
	AM: South Gate of Angkor Thom-Central Angkor Thom (Bayon, Terrace of the Elephants-Terrace of the Leper King)		
	PM: Ta Prohm-Angkor Wat-Phnom Bakheng (Sunset)-Traditional dance show		
	2nd Day :	Option 1: Banteay Srey tour	AM: Angkor Wat for sunrise-Pre Rup-Banteay Srey-Banteay Samre-Thommanon-Old Market area/souvenir shops at lunch PM: Roluos Group
		Option 2: Variety of temples	AM: Angkor Wat for sunrise-Preah Kahn-Victory Gate-Thommanon-Pre Rup-Prasat Kravan, Old Market area/souvenir shops at lunch PM: Roluos Group
Option 3: Grand Circuit		AM: Angkor Wat for sunrise-Preah Kahn-Neak Pean-Ta Som-Pre Rup-Prasat Kravan- Old Market area/souvenir shops at lunch PM: Roluos Group	
Three - Four Day Visit	1st day and 2nd day	Same as Two Day Visit	
	3rd Day (Half-day):	AM: Visit Tonle Sap Lake and boat trip to see the floating village PM Option 1: Excursion to Kbal Spean (49km from Siem Reap) PM Option 2: Excursion to Phnom Kulen (50km from Siem Reap)	
	4th Day:	Boat trip to Prek Toal Bird Sanctuary and Fishing village	

Table III.3.15 shows the average number of daily visitors during the sampling period at three temples. The number of average visitors to Angkor Wat, Banteay Srei and Ta Prohm were 3,152, 1,231 and 2,157, respectively. At Angkor Wat temple, the number of Cambodia visitor was 1,299 or 41%. Angkor Wat is the most popular site among three temples. Average daily visitors to Siem Reap from October to December in 2004 were estimated 4,954, 8,059 and 8,500 based on monthly tourist statistics data in 2004 by Ministry of Tourism. According to these figures, more than 37% of daily visitors to Siem Reap in December visited Angkor Wat, which implies the concentration of visitor at Angkor Wat.

Table III.3.15 Number of Daily Visitors to Major Temples in the Angkor Wat Archaeological Area by Their Origin (October – December, 2004)

Nationality	Angkor Wat		Banteay Srei		Ta Prohm	
	Number	Share	Number	Share	Number	Share
Japan	340	11%	232	19%	285	13%
China	208	7%	159	13%	217	10%
Other Asia	561	18%	150	12%	558	26%
Western countries	744	24%	400	32%	745	35%
Cambodia	1,299	41%	290	24%	352	16%
Total	3,152	100%	1,231	100%	2,157	100%

Source: Observatoire Des Publics, Department of Tourism Development of Angkor, APSARA Authority

Hourly Visitor Flows at Selected Temples

The detailed pattern of visitor flows is also illustrated by the visitor survey conducted by the Survey Unit called *Observatoire Des Publics* in the Department of Tourism of the APSARA Authority. It was conducted at entrances of selected three temples (Angkor Wat, Banteay Srei and Ta Prohm) for 51 days from October to December 2004. It illustrates the standardized tourists movement.

Table III.3.16 Daily Fluctuation of Visitor Flows to Major Temples in the Angkor Wat Archaeological Area (October – December, 2004)

Hour	Angkor Wat	Banteay Srei	Ta Prohm
8:00 -	8%	11%	7%
9:00 -	9%	32%	13%
10:00 -	6%	19%	24%
11:00 -	4%	8%	17%
12:00 -	5%	4%	6%
13:00 -	9%	4%	6%
14:00 -	18%	9%	9%
15:00 -	28%	9%	11%
16:00 -	10%	4%	7%
17:00-18:00	2%	0%	1%
	100%	100%	100%

Source: Observatoire Des Publics, Department of Tourism Development, APSARA Authority

Frequency of Visitor

According to the Tourism Sector Survey, 90% of the visitors were the first timers. 7% are 1-2 time and 3 % more than 3 time visitors. Not only they stay short but they tend not to be repeaters.

(3) Accommodation and Tourism Related Service Businesses in Siem Reap

1) Accommodation

The number of hotels is increasing every year in line with the rapid growth of tourism, which increased from 24 in 1998 to 74 in 2004. The hotel development boom started from 1999.

JICA Study Team conducted a hotel survey targeting all operated hotels in Siem Reap from June 25 to July 12, 2005. The survey was carried out using questionnaire sheets and interviewing directly at each hotel. JICA Study Team identifies the actual location of surveyed hotels on the map.

As a result of the hotel survey, 81 hotels with 6,310 rooms were found in Siem Reap by the hotel survey. According to Siem Reap Tourism Office in June 2005, 21 new hotel development plans are already registered by 2007. If all of these new 21 hotels are constructed, the total number of hotel will increase to 102 with 9,593 rooms.

Besides hotel development, the number of guesthouses also increased rapidly in Siem Reap. The number of guesthouse was only 23 with 233 rooms in 1998 and increased to 196 with 2,689 rooms in 2004. Hotels and guesthouses are mostly concentrated along the NR.No.6, Sivatha Street and at Wat Bo area.

There is no official hotel grading system in Cambodia. At present, a draft action plan for the implementation of the Sub-decree is in the process of preparation by MOT. According to information from Siem Reap Province Tourism Office, hotels in Siem Reap with 3 and 2 star have larger shares, 31% (23), 27% (20) respectively as shown in Figure III.3.14.

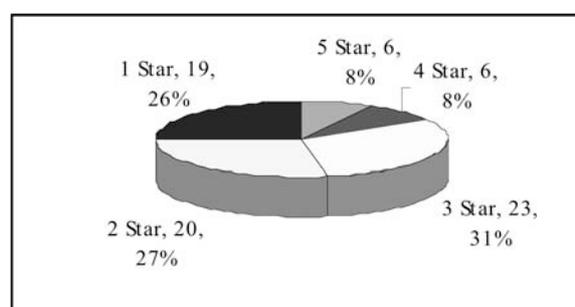
Table III.3.17 Number of Hotels and Guesthouses in Siem Reap Province: 1998 to 2005

Year	Hotel				Guesthouse			
	Number	Change (%)	Room	Change (%)	Number	Change (%)	Room	Change (%)
1998	24	-	1,058	-	23	-	233	-
1999	28	16.7	1,242	17.4	40	73.9	370	58.8
2000	35	25.0	1,785	43.7	70	75.0	710	91.9
2001	47	34.3	2,480	38.9	112	60.0	1,186	67.0
2002	58	23.4	3,149	27.0	120	7.1	1,379	16.3
2003	62	6.9	3,691	17.2	138	15.0	1,634	18.5
2004	*74	19.4	*5,691	54.2	*196	42.0	*2,689	64.6
2005	**81	9.5	**6,310	10.9	-	-	-	-

Note:* The number of room for hotel and guesthouse in 2004 are based on data of hotel survey, conducted by the JICA Study Team.

**The number of hotel and room in 2005 is from the hotel survey, as of June 2005.

Source: Statistics of Hotel and Guesthouse in Siem Reap Province, Siem Reap Province Tourism Office and Statistics from Ministry of Tourism, Hotel Survey Data (June-July, 2005, Siem Reap), the JICA Study Team



Source: Siem Reap Province Tourism Office, Hotel Survey Data, JICA Study Team,
Figure III.3.14 Grade-mix of Hotels in Siem Reap (2004)

Over Supply of Accommodation

Without adequate prospects based on concrete data, the supply of hotel rooms has been surpassing the demands. The occupancy rate of hotel is 47.4% and that of guesthouse is 56.7% according to Tourism Business Sector Survey. This low occupancy rate may jeopardize the stability of hotel business in the future.

Environmental Load

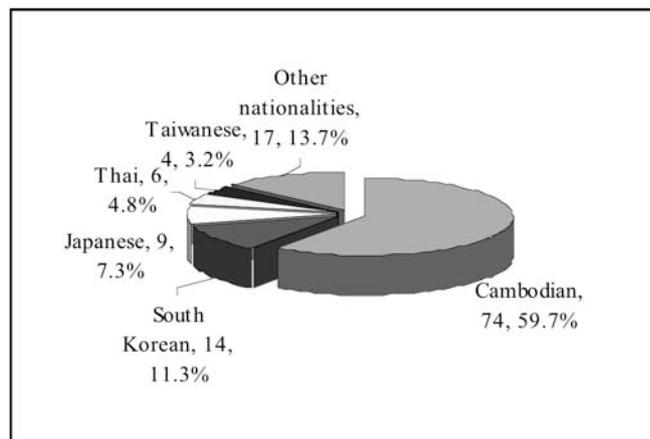
Though its occupancy rate is low, many newly built hotels put a huge burden on environment by consuming a lot of water, discharging sewerage water, creating garbage etc.

During the analysis of water and power supply of future demand for hotels in Siem Reap conducted by the JICA Study in June 2005, more detailed data and information on consumption of water and power and the capacity of its facilities were acquired and mentioned in Chapter 7 and Chapter 10, respectively.

2) Travel Agency and Tour Guide

As shown in the Table III.3.7, the number of travel agency in Siem Reap Province in 2004 was 124 in total; 52 head offices and 72 branch offices. This number accounts for 41% of the total number of travel agency in Cambodia.

Figure III.3.15 shows that the ownership of 59.7% of the travel agencies belongs to Cambodian. The second largest share by ownership of nationality is South Korean at 11.3% (14 travel agencies) and the third Japanese at 7.3% (9 travel agencies). Referring to the Top 10 Markets of Visitor Arrivals to Siem Reap International Airport by nationality, it is assured that South Korean, Japanese and Taiwanese ownership of travel agencies are actively operating tourism business led to increase their tourist market shares in Siem Reap.



Source: Tourism Statistical Report Year Book 2004, Ministry of Tourism

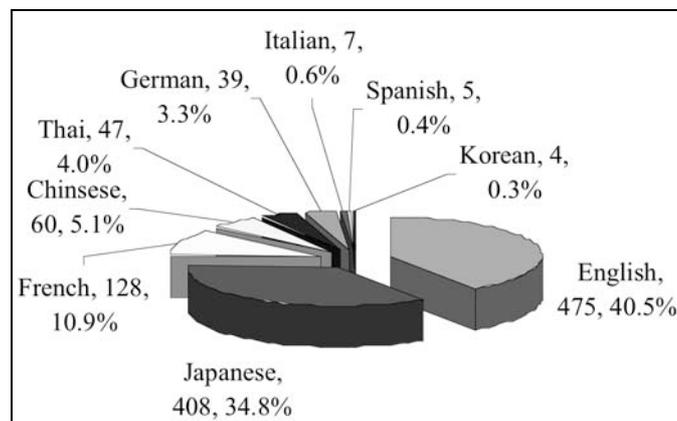
Figure III.3.15 Travel Agencies in Siem Reap Province by Nationality of Ownership

Note: Other nationalities are U.S.A (2), French (2), Vietnamese (2), German (2), Chinese (2), Italian (2), Australian (1), British (1) and Singaporean (1). () is the number of travel agency.

A licensed tour guide in Siem Reap Province is under the control of Siem Reap Tour

Guide Association. The licensed tour guide is required to register at the Association and the license is only valid in Siem Reap Province. Any licensed tour guide has to renew the license every year and take two training programs held by Siem Reap Tourism Office and APSARA Authority.

The number of registered licensed tour guides in Siem Reap is 1,173 as of December 2004. Among registered tour guide by language in Siem Reap, English and Japanese tour guides are dominates and account for 40.5% and 34.8% respectively as shown in Figure III.3.16. Most of licensed tour guides belong to travel agencies in Siem Reap. In Siem Reap, there are many language schools of (English, French, Japanese, etc) providing various types and levels of courses not only languages but also tourism businesses and tour guiding.



Source: Tourism Industry Department, Ministry of Tourism

Figure III.3.16 Number of Licensed Tour Guides by Their Working Language in Siem Reap Province (As of December 2004)

3) Restaurant and Souvenir Shop

(a) Restaurants

According to the list of registered licensed restaurants in Siem Reap Province by Ministry of Tourism as of April 2005, the total number of restaurant is 76 with 1,346 tables and 4,784 seats in total. Restaurants are mostly located in Old Market and Wat Bo areas and along the National Road No.6. Most of restaurants offer Khmer (Cambodia), Chinese and western foods for local and foreign tourists. Colonial and Western taste of sophisticated small restaurants and bars are found at the Old Market area, attracting many European and American tourists. Large restaurants with more than 100 seats excluding a restaurant situated in hotel, are only seven in Siem Reap. Among those restaurants, Tonle Sap, Bayon II, Jasmine Angkor and Chao Pra Ya offer traditional Apsara dance shows during the dinner nightly. Some hotels also have traditional Apsara dance shows at their own restaurants. Besides these restaurants, two restaurants, Bayon I and La Noria offer Khmer traditional shadow puppet performance during the dinner. Currently, large restaurants with either the Apsara dance or the shadow puppet performance are very popular as a tourism attraction at night for group tour and individual tourists in Siem Reap. According to the interview for owners of local restaurants in Siem Reap, the mainstream of the style of tourism is shifting to group tour, so that small local restaurants have started losing customers and declining business compared with previous year.

(b) Souvenir Shop

Souvenir shop in Siem Reap Province is under the control of Department of Culture and Fine Arts, Siem Reap Province. The total number of resisted souvenir shops was 181 as of May 2004 as shown in Table III.3.18. Small souvenir shops are mainly located at Old, Taprom and Central Markets, selling various souvenirs and handicrafts such as Thai and Cambodian silks, silk products, statues, silver containers, wood carvings, gems, antiques and T-shirts. Most of the large hotels also have their own souvenir shops for staying guests.

Table III.3.18 Number of Souvenir Shops by Type and Location in Siem Reap

Location and Type of Souvenir Shop	Number
Old Market	60
Taprom Market	24
Central Market	22
Phsar Leu Market	1
Large Souvenir Shop	11
Souvenir Shop in Hotel	10
Souvenir Shop in House	22
Souvenir Shops at Workshop	25
Printing and Painting	6
Total	181

Source: Department of Culture and Fine Arts, Siem Reap Province, May 2004

In recent years, the various kinds of souvenirs, handicrafts and textiles and art products started to be produced and are sold at shops, operated by NGOs and foreign owners in cooperation with local craftsmen. Major souvenir shops such as Artisans D'Angkor, Institute of Khmer Traditional Textiles (IKTT), Rajana and Sao Mao are introduced in tourism guidebooks and local tourist information booklets in details. Some of major souvenir shops are summarized in the Table III.3.19.

Table III.3.19 Major Souvenir Shops in Siem Reap

Name of souvenir shop (Location)	Operation and management	Major selling items	Other related shops/facilities/services
Artisans D'Angkor (200m west of Sivatha Blvd., in Old Market area)	Private (Local)	Wood and stone curving, silk products (bags, clothes, cushion covers, etc)	- Training school of wood and stone curving, lacquer painting, silk woven for young peoples in rural areas (Course period: 6-8 months) - Guide tour of workshops and facilities - Angkor Silk Farm (15km west of town) - Airport Ships (Siem Reap Airport)
Institute of Khmer Traditional Textiles (300 m S. of the Old Market)	Private (Japanese and local)	Quality Cambodian traditional woven silk textiles and products (cloth, scarf, clothes, etc) and silk handicrafts	- Training school of silk weaving, dying, silk handicraft for local peoples from the rural villages. - Guide tour of workshops - Developing a handicraft village in the Angkor Archaeological zone
Made in Cambodia (Near the Old Market)	NGO	Handmade silk products, wood handicrafts, leather products, etc.	
Sao Mao (Near the Old Market)	Private (Local)	Stylish Euro-Asian taste products, silk and garment products art objects, silver jewelry, tableware, coconut crafts, Cambodian spices, Coffee and teas.	
Senteurs D'Angkor (Near the Old Market)	Private (French)	Quality Cambodian handicrafts (silks, statues and silver), spices, teas, rice alcohols. (Sold in palm leaf packaging and small ceramic/glass containers.	
Rajana (Near the Old Market)	Private (Local)	Silks, garments, art objects, silver, silk paintings, jewelry and hill tribe crafts.	

Source: Tourist guides books, JICA Study Team

At presents, Cambodian silk are still not known to foreign tourists and price of Silk products sold at souvenir shops is relatively high compared with Thai silk products. Besides, the quality of most of products has not reached the level to satisfy international tourists.

Detailed situation and issues for handicrafts and souvenir products in Siem Reap are described in Chapter 5.

(4) Tourism Resources, Products and Attractions in Siem Reap

1) Tourism Resources

In Siem Reap, there are many tourism resources as listed below. Though there are many potential tourism resources, many of them are not fully exploited because the sites tourists visit are more or less fixed. Many of them are not well informed to individual tourists either. The inconvenience in transportation is another reason why they are left out of tourist routes. The effective utilization of existing resources is indispensable.

(a) Angkor Archaeological Area

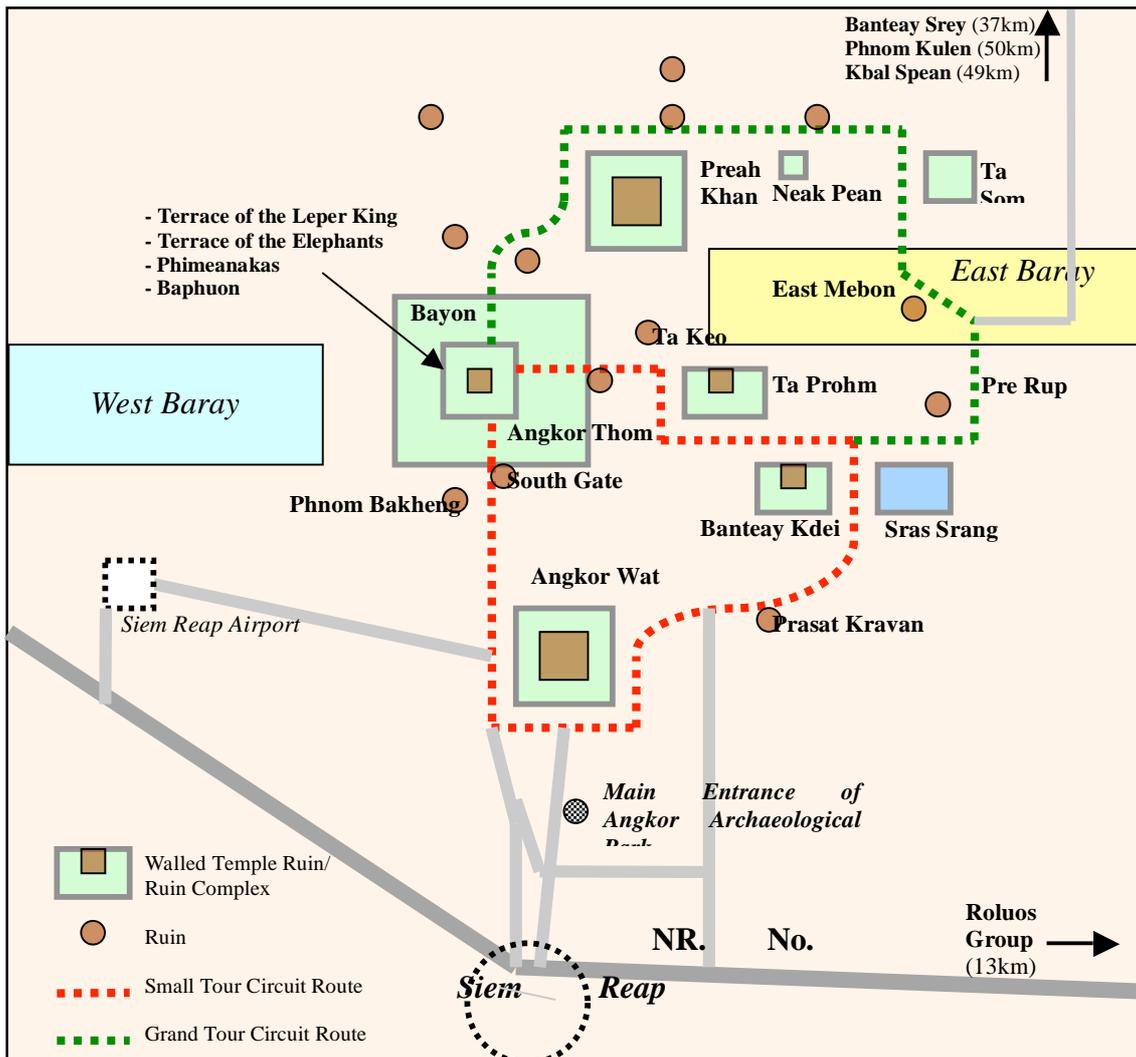
Angkor Archeological Area consists of around 100 temples built in 9th century to 14th century. The major temples and ruins are Angkor Wat, Angkor Thom, Bayon, Ta Prohm, Elephant Terrace scattered around the Angkor Archeological Area. However, most foreign tourists by package tour visit only major temples like Angkor Wat. Restoration and conservation work for Angkor Wat and other temples have been carried out by UNESCO and international agencies. In recent years, tourist is able to access to major temples and ruins by improved roads. Phnom Bakheng is a hill of Bakheng temple located south of Angkor Thom, which is the most popular sunset area in the area. It is always overcrowded at sunset.

(b) Banteay Srey

Banteay Srey is located 38km north of Siem Reap. It is a Hindu temple dedicated to Shiva and others divinities with beautiful filigree relief works of red sand stone. Since the access road (NR.No.67) from Siem Reap to Banteay Srey was improved, tourists can easily access to Banteay Srey and the number of visitors to Banteay Srey has been increasing every year. At present, restoration and conservation work for Banteay Srey has been carried out by Bateay Srei Conservation Project (Swiss).

(c) Roluos Group

Roluos Group is the remains of Hariharalaya, the first capital before Angkor was built. It is known as the "Roluos Group" due to its proximity to the modern town of Roluos. It is located 13km east of Siem Reap along NR.No.6. By the rehabilitation of NR.No.6, the access to Roluos Group was improved.



Source: JICA Study Team

Figure III.3.17 Temples and Monuments in the Angkor Archaeological Park

(d) Tonle Sap Lake and Tonle Sap River

Tonle Sap Lake is one of the largest freshwater lakes in the world, located 30 minutes driving to the south from Siem Reap. It flows into Mekong River through Tonle Sap River at the south of Phnom Penh. At the Tonle Sap Lake, people can visit floating fishing villages with small tourist boats operated by local people. Tourist boat cruise is one of the most attractive tourism resources in Siem Reap.

(e) Phnom Kulen

Phnom Kulen is the mountain on which Jayavarman II initiated a royal “god of the king” cult in 9 century. It is 50km north of Siem Reap. At Phnom Kulen, there are hundreds of linga carved on the riverbed, waterfalls, wooden cottages and pagoda. It is known for the picnic place for local people. A separate entrance fee of US\$20 in addition to the entrance fee of the Angkor Wat Temple is required for Phnom Kulen.

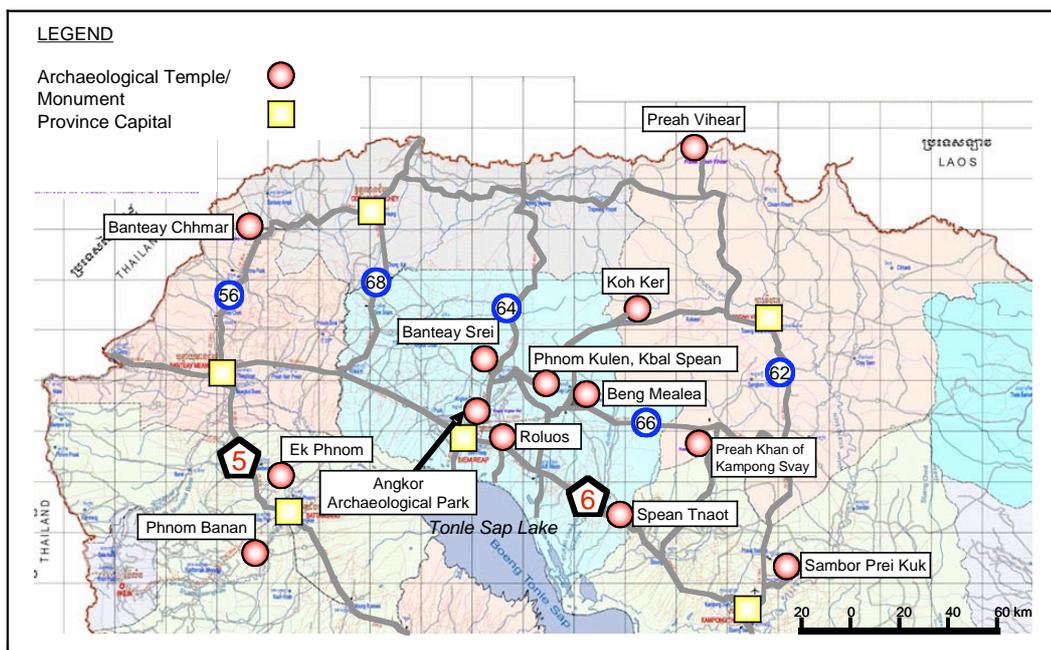
(f) Kbal Spean

Kbal Spean is located 49km north-east of Phnom Kulen. There are carvings of Buddha and Buddhist images in the rock and 1000 lingas carved in the riverbed. A

40-minute uphill walk through the forest brings visitors to the river. Many travel agents in Siem Reap provide one day tour to Kbal Spean combined with Banteay Srey.

(g) Beng Melea

Bang Melea is located 80km east of Siem Reap. The temple of Beng Melea was constructed in early 11th century in the similar style of Angkor Wat. The temple is largely covered by vegetation and surrounded by a forest. An access road to Bang Melea was rehabilitated in 2002 and it takes 2-3 hours from Siem Reap to Beng Melea. At present, the temple is managed by APSARA Authority. Local people guide the visitors to the inside of the temple.



Source: JICA Study Team

Figure III.3.18 Archeological Temples in Siem Reap Province and its surrounding Provinces

(h) Other Tourism Resources in Siem Reap

Siem Reap has not only archeological, historical and natural resources, but also other tourist attractions for domestic and foreign tourists.

- Old Market area is a place for shopping and dining attracting domestic and foreign visitors.
- Cambodia Culture Village is a theme park for Cambodian culture and history, including a wax museum, small scale models of Cambodian architecture and monuments, exhibitions and traditional dance shows. It is located along NR. No.6.
- Balloon Rides is to have an aerial view of the Angkor Wat complex, Phnom Bakheng, West Baray and Tonle Sap Lake at the 200m height from the ground. A view from the balloon is excellent.

Other tourism resources introduced in tour guide books are Mine Museum, War Museum, Crocodile Farm, Butterfly Garden and Angkor Zoo. Visitors to those

resources are quite limited, though.

2) Tourism Products

In line with the rapid growth of tourists to Siem Reap in recent years, there has been a small boom of galleries, boutiques and souvenir shops, offering variety of selection of handicrafts, silks and carvings.

Temple rubbings, stone and wood carvings and casting, silver containers, gems, basketry, traditional musical instruments and hand-woven silks are the most popular tourism products in Siem Reap. Old Market has many shops selling variety of those products. Besides the Old Market, tourists can find fine and high-quality tourism products at some souvenir shops and boutiques in Siem Reap.

3) Tourism Attraction

(a) Traditional Apsara Dance

A traditional Apsara dance show is the most popular night attraction for visitors to Cambodia. The Apsara dance show is held at several restaurants and restaurants at hotels during the dinnertime, which is always included in tour programs of package tours in Siem Reap. Restaurants having the Apsara dance show are only limited to the large- capacity restaurants with more than 100 seats.

(b) Shadow Puppetry (Sbek Thom)

Shadow puppetry is Cambodian traditional art but is performed at only two restaurants during dinnertime in Siem Reap. Tourists can see the shadow puppetry only at Siem Reap in Cambodia.

(c) Angkor Night

Angkor Night is Cambodian culture show with dinner at Angkor Archeological area. It was started from November 2004 and is held twice a month up to March 2005. During the programs, Bayon Temple is lit up and Shadow Puppetry (*Sbek Thom*) show is put on with dinner and traditional Apsara dancing in front of Elephant Terrace. Its target is foreign tourists, especially Japanese. This event is operated by local people and private sector. This event is supported by Ministry of Tourism and assisted by Department of Culture and APSARA Authority. This event is very unique and attractive event even though the ticket price is relatively high with US\$70.

(d) Nuits d'Angkor Dance Performance

It is a dance performance of Cambodian Royal Ballet with French contemporary dance company, the Jean Claude Gallotta Dance Company at Angkor Wat. It was a temporary night show held 17-19, December 2004.

(5) Human Resources Development for Tourism Sector in Siem Reap

Human resources development is very important for tourism industry because tourism is a kind of communication between different cultures. Good impression can bring tourists back and make them repeaters, while the opposite deteriorate its future business.

According to the Tourism Sector Survey, overall satisfaction of tourists at Siem Reap is good. The questionnaire of the survey consists of eight categories, tourism resource,

tourism attraction, sanitary condition, local transportation, tour guide, hospitality, tourist information service and personal satisfaction. Besides sanitary condition, Most of visitors were answers by either 'very good' or 'good'.

Though tourists were mostly satisfied, inconvenience is still observed, such as difficulty in communication in English at hotels. The following two institutes take an important role in the further human resources development for tourism sector in Siem Reap.

1) University

In Siem Reap Province, Build Bright University stated a Bachelor degree course of Tourism Management and Hospitality Management (4 years, 8 semesters) in 2002. 70 students are enrolled at the Bachelor degree program in each year. This program is mainly for those who work in tourism sector and intend to develop the career as tourism planner or tourism expert. There are 45 classes in the course, such as in English for hotel tourism and tourism industry, tourism guide, Khmer culture, art and history, accounting for tourism, tourism statistics, tourism management, heritage tourism, tourism marketing and so on. Those classes are held in English.

Besides Build Bright University, Angkor University in Siem Reap is establishing a Bachelor course in tourism in 2005.

2) Tourism Sector Vocational Training School

The Paul Dubrule Hospitality and Training School (*Ecole d'Hospitalite et de Tourisme Paul Dubrule*) is a tourism vocational training school in Siem Reap Province and established in October 2003. The school is an NGO and receives financial support from private sectors (donation). The school aims at provision of opportunities for the young Cambodian (high-school graduates) to have training that meets the needs of local employers, small, medium, or international companies for tourism business.

The school has four academic courses, Kitchen, Restaurant and Bar, Front Office and Housekeeping and Tourism Industry. Each course has 20-27 weeks of school class and 10-17 week of OJT at private companies such as hotels, restaurants and travel agencies. The programs are elaborated according to international standards of hospitality education, in partnership with three French Hospitality and Tourism schools. At present, there are 26 teachers in total, both French and Cambodian.

The school provides scholarships to 30% of enrolled students who are in a difficult financial situation. Tuition fee of each course (9 months) is US\$500. According to the school, an actual cost for one student at the school is approximately US\$3,500-4,000. In 2002, 123 students enrolled at school and 118 graduated students found jobs at four and five-star hotels, restaurants and travel agencies in Siem Reap.

The school has four hotel rooms fully equipped and a restaurant for training which are open to the public (visitor, tourist). This real hotel/restaurant environment gives students an opportunity to obtain tangible knowledge.

Besides 9-month academic course, the school offers short training courses. These training programs are provided either in the school or in hotel/restaurant. From 2004

to 2005, the school offers following short courses, hospitality for guest houses, managing skills, guest relation, hygiene for food (F&B), beverages, hygiene for housekeeping, applied English for F&B, applied English to the reception. The course programs are 6-40 hours (1-10 days) with 5 people (minimum) up to 20 people (maximum) per each class.

(6) Existing Tourism Transportation Network in Siem Reap

1) Air Route

Siem Reap-Angkor International Airport is a gateway for domestic and international tourist to Siem Reap. By the “Open Skies” policy of the Cambodian Government in the late 1997, international airlines have started flying directly to the Siem Reap Airport. As shown in Table III.3.20, foreign tourists are coming from 9 cities, Bangkok, Ho Chi Minh, Hanoi, Singapore, Vientiane, Taipei, Kuala Lumpur, Kunming, Inchon by direct scheduled flights. In terms of the number of scheduled flight arriving to Siem Reap, Bangkok, Ho Chi Minh and Singapore air routes are the most popular for foreign tourists.

To meet the rapid growing demand of Japanese market, Royal Khmer Airlines was established with a joint investment of Cambodian Government and Japanese private companies in 2005. According to Royal Khmer Airlines, daily scheduled flights from Siem Reap to Ho Chi Minh and Hanoi will enter service in September 2005. In addition, two routes of direct flights, Siem Reap - Seoul and Siem Reap – Narita (Tokyo)/Kansai are currently prepared.

The International Airport was upgraded by an ADB project and operation and management of the airport is under the SCA to improve the passenger service at the airport to meet the international standard.

Table III.3.20 International Direct Flight to Siem Reap International Airport

Name of city (Departing from)	Frequency of flight	Airline company
Bangkok	7/day	Bangkok Airways, Siem Reap Airways
Ho Chi Minh	5/day	Vietnam Airlines
Hanoi	2/day	Vietnam Airlines
Singapore	7/week	Silk Air
Vientiane	3/week	Lao Aviation
Taipei	10/week	Angkor Airways
Kuala Lumpur	3/week	Malaysia Airlines
Kunming	3/week	China Eastern Airlines
Inchon	2/week	Asiana Air

Source: Timetables – International Arrivals, Siem Reap-Angkor International Airports (Web site) as of September 12, 2005

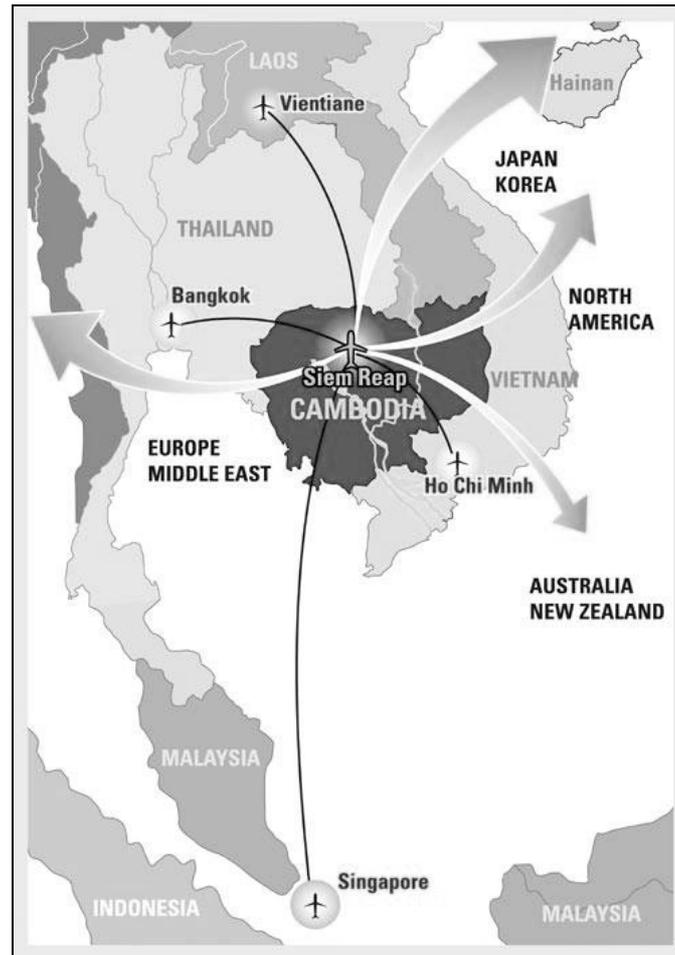


Figure III.3.19 International Air Routes to/from Siem Ream
Source: Siem Reap-Angkor International Airports (Web-site)

Though international connection is rapidly being developed, as to domestic flights at the Siem Reap Airport, it has only a domestic route connecting to Phnom Penh (Pochentong International Airport) as of December, 2004 with 8 to 9 daily scheduled flights. At present, three airline companies, Siem Reap Airways, President Airlines and Royal Phnom Penh Airways operate Siem Reap- Phnom Penh route.

During the tourism peak season and weekends, Siem Reap-Phnom Penh flights are fully booked with foreign tourists for Angkor Wat tour. For diversification of tourism destination and network in Cambodia, Siem Reap should be connected to 4 strategic regional areas, Sihanukville, Koh Kong, Rattanakiri and Mondulkiri by air route, which will expect to increase the length of stay for foreign tourists in Cambodia.

2) Road Route

Domestic and international visitors can access to Siem Reap by road routes as shown in Table III.3.21. At present, international tourists using these road routes by bus and pickup truck are mostly backpackers arriving from Phnom Penh and Bangkok via Poipet. Road routes by bus and pickup truck to Siem Reap are still mainly used by Cambodian visitors. An existing road route NR.6 from Phnom Penh to Siem Reap were rehabilitated so that the road condition was improved and traveling time was reduced.

A road route from Poipet to Siem Reap via Sisophon (NR, 6 and 5) is still under rehabilitation at some sections. It is expected that the number of Thai tourist to Siem Reap by land route will increase after the road rehabilitation is completed. According to the Department of Highways, Thailand, a rehabilitation work of NR.No.67 from Chong Sa Nagam-Anlong Veng to Siem Reap (131km) will be implemented by Thai Government. In the near future, Siem Reap can be accessed from South East of Thai border by road route.

Several local bus companies operate long distance bus services from Siem Reap to major cities, Phnom Penh, Kompong Cham, Battambang, Sisophon, Poipet and Bangkok. G.S.T Express Company has its own bus terminal near the Old Market. A new bus terminal for long distance bus is located 5 km east of Siem Reap along the NR.6.

Table III.3.21 Road Access to Siem Reap

Route (Distance)	Type of vehicle	Frequency	Travel time
Phnom – Siem Reap (314km)	Bus Taxi, Pickup truck	Daily Daily	5-8 hours 7 hours
Bangkok - Aranyaprathet - Poipet - Sisophon - Siem Reap (460km)	Bus, Pickup Truck, Taxi	Daily	8-10 hours
Poipet – Sisophon - Siem Reap (160km)	Bus Taxi, Pickup Truck,	Daily Daily	4 hours 3 hours
Sisophon - Siem Reap (105km)	Taxi Pickup Truck	Daily	3 hours 1.5-2.5 hours
Kampong Cham - Siem Reap (253km)	Bus, Taxi, Pickup Truck	Daily	N/A
Battambang (via Sisophon) - Siem Reap (173km)	Pickup truck, Taxi	Daily	6 hours

Source: Tourist information books, JICA Study Team

Though some are improved, road route is still not comfortable enough for international tourists.

3) Waterway Route

There are two routes of ferry services between Siem Reap and Phnom Penh, and Siem Reap and Battambang on the Tonle Sap Lake and the Tonle Sap River. Ferry is very popular transportation for local business people and foreign backpackers. Local tourists and backpackers travel between Siem Reap and Phnom Penh often using one way by ferry and the other way by bus. Ferry to Phnom Penh departs from the dock at Chong Khneas near Phnom Krom, 12km south of Siem Reap town and it takes about 4-6 hours.

(7) Tourism Administration and Organization in Siem Reap/Angkor Town

1) Department of Tourism, Siem Reap Provincial Government

Tourism administration in Siem Reap Province is under control of Department of Tourism (DOT) of Siem Reap Provincial Government. DOT is the lined department of the Ministry of Tourism (MOT) under Siem Reap Provincial Government. DOT is headed by Director, 4 Deputy Directors and 4 Departments. Each Department has Chief and 3 Deputy Chiefs. At present there are 85 government official staffs in DOT. The current organization of DOT is shown in Figure III.3.20.

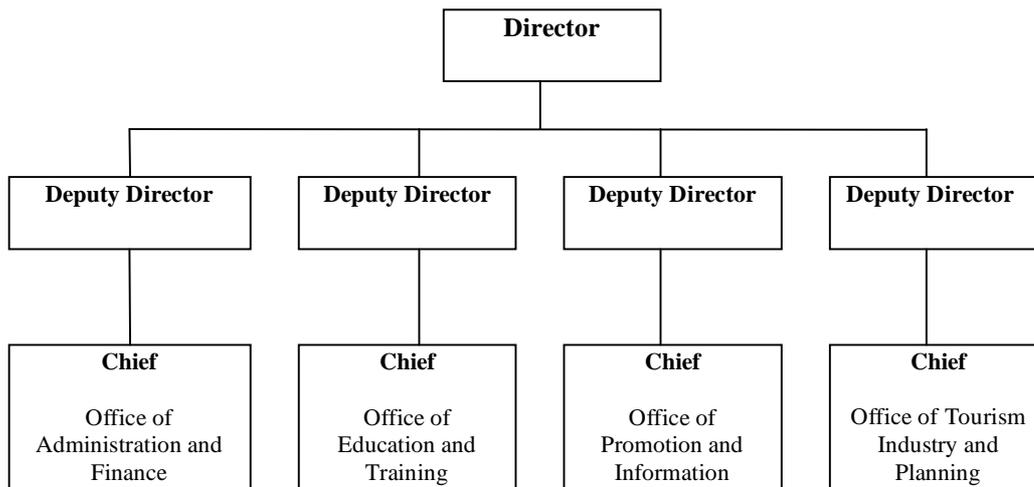


Figure III.3.20 Organization Chart of Department of Tourism, Siem Reap Province Government

Source: Department of Tourism, Siem Reap Provincial Government

At DOT, data, information and statistics for foreign visitor and tourism business industries, such as hotels, guesthouses, travel agencies, tour guides, restaurants, karaokes, massages, tourist sites, are collected and informed to MOT in Phnom Penh regularly. Regarding the license and registration system for hotel in Siem Reap, hotels with less than 30 rooms is under the responsibility of DOT and those with more than 30 rooms is under MOT.

DOT prepared “Development Planning of Siem Reap Tourism, 2005-2007 and 2008-2010”, which is a 6-year provincial development plan. This plan includes objectives, strategic vision, development activities of tourism planning, human resources, village tourism (Prodak Village), information management, conservation of culture and sustainable development. The plan set targets for visitor arrivals to Siem Reap in each period as follows:

- 1st three years (2005-2007): 2,008,656 visitors by the end of 2007 (45% average growth/year)
- 2nd three years (2008-2010): 2,309,995 visitors by the end of 2010

2) APSARA Authority

The Authority for the Protection of the Site and the Management of the Region of Angkor (APSARA Authority) is a national government institution established in 1995. Its mission is to ensure the conservation of Angkor site, which is designated as the World Heritage site by UNESCO, and to develop policies concerned to its protection. The APSARA Authority is headed by General Directorate and has 7 departments and 3 units under 6 Deputy Executive Directors. The APSARA Authority takes care of the cleaning and maintenance of the park and facilities for visitors and receives most of its incomes from the sales of entrance tickets to the park.

In the APSARA Authority, Department of Urbanization and Development (DUD) is responsible for improvement, development and management of tourism facilities and sites in urban area of Siem Reap District and Cultural and Tourism Zone.

Improvement of Siem Reap riverside and tree planting was carried out by DUD.

Department of Tourism Development (DTD) is mainly responsible for tourism development and management in Angkor Archaeological Park and other monument sites. Followings are its major tasks:

- Management of commercial concessions in the Angkor Park,
- Preparation and introduction of rules for the visitor management,
- Control of visitor flows,
- Control and management of the right for file shooting and the use of the Angkor Park, and
- Development of the required facilities for the visitor intake.

At present, DTD has been working and implementing on several projects in cooperation with the other departments of APSARA Authority as follows:

- Battery-power bicycles (Started operation in November, 2005),
- Retraining of local tourist guides in cooperation with MOT,
- Management plan for the Angkor Park, and
- Development of new tour circuits in the Angkor Park and connecting to other potential tourism sites.

The organization chart of Department of Tourism Development is shown in Figure III.3.21.

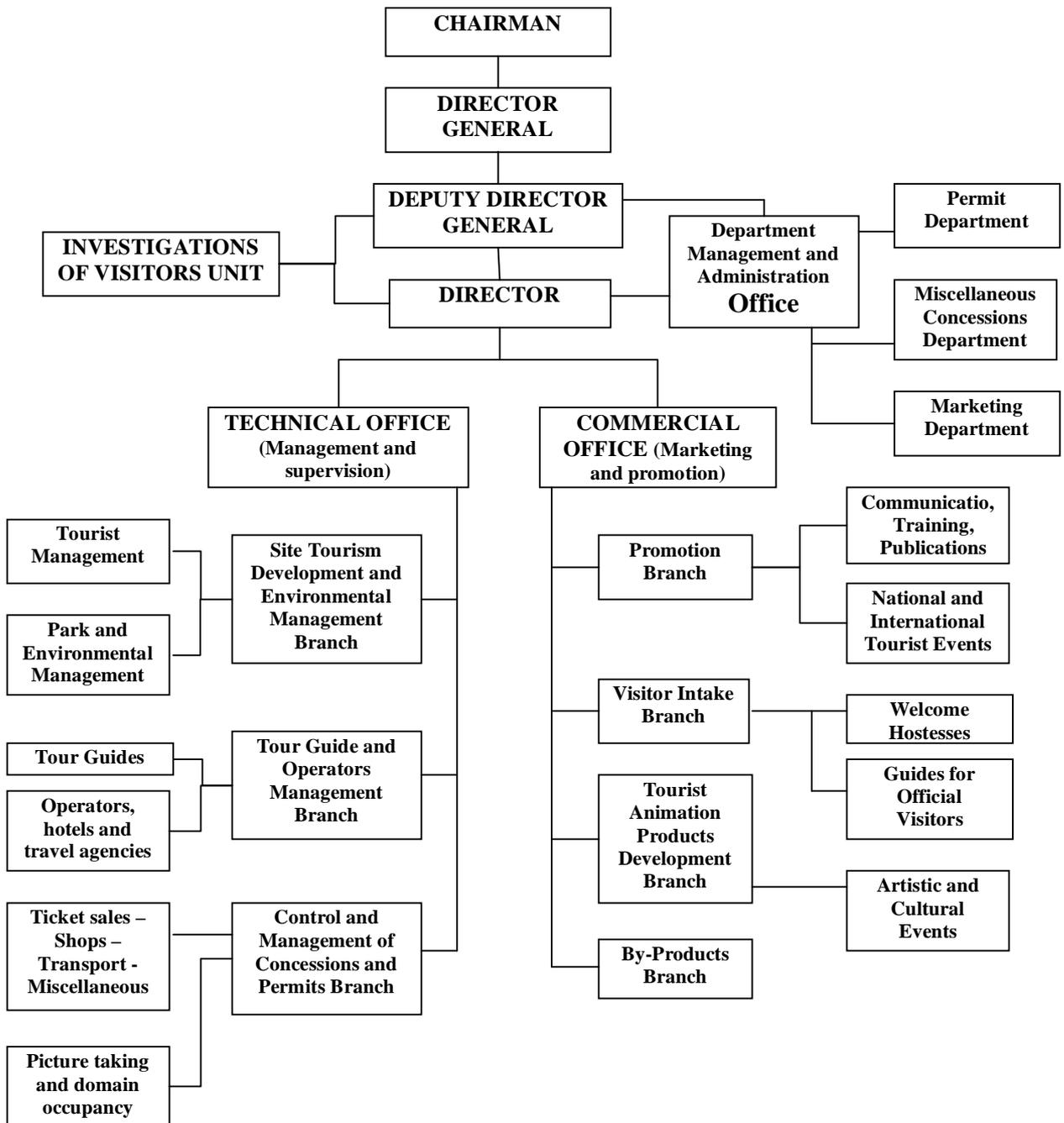


Figure III.3.21 Organization Chart of Department of Tourism Development

Source: Department of Tourism Development, APSARA Authority

(8) Information

Existing tourist service and information facilities are insufficient to serve foreign tourists. The existing tourist information center at Siem Reap Provincial Tourism Office provides little information. Except this tourism information center, there are no tourist information centers at other important tourism spots such as Culture and Tourism Zone and the Old Market area. According to the Tourism Sector Survey, 69% of the tourists who answered the questionnaire pointed out the lack of information.

Tourist information materials such as tour routing and tourism resource map, tourist information brochure by type of tourism activity are not prepared and provided by Tourist information center at Siem Reap Provincial Tourism Office.

(9) Marketing and Promotion

Though importance of marketing is recognized by relevant authorities and stakeholders, practical marketing has not been done yet. Marketing is important to utilize limited financial resources effectively and efficiently by focusing the target segment.

The authorities have very much limited cooperation with private sector to do promotion as well as marketing.

(10) Research

One of the biggest charms of travel is exposure to other cultures. Tourists expect to have experience to touch different scenery, life style, culture and history. To answer their expectation, the deep understanding of Khmer culture is required to the providers – Khmer people. However, the research on historical sites except for Angkor Wat temple and several other temples are not far advanced. Not only architecture but also Khmer folkways are very much interesting for tourists. Further research on entire Khmer culture is important to make an attractive Khmer city.

3.1.4 Relevant Studies and Projects so far Undertaken

Relevant authorities and parties have recognition on the above-mentioned issues to some degree. Along with their concerns, following studies and projects have been undertaken/ ongoing.

(1) Ministry of Tourism (MOT)

Ministry of Tourism proposes four projects related to Siem Reap Province. MOT is seeking funds from international agencies and donors to implement the projects. Outline of four projects are as follows:

1) Poverty Alleviation in the Context of Sustainable Tourism Development

Time Frame	2005-2007
Objective	<ul style="list-style-type: none"> - Attract more tourists to the area - Preservation and protection of sites - Increasing employment opportunity, income generation for local SME, the poor of rural areas and Government taxation
Scope of Work	<ul style="list-style-type: none"> - Feasibility study on tourism and management including pilot projects at selected areas. - Preparation of policy and strategic planning for sustainable tourism development - Public awareness and training programs - Community based tourism development - Management of tourism development in sustainable manner - Environmental and resource protection and conservation - Tourism related infrastructure - Motivation of local SME development - Attracting investments and employment opportunities
Estimated Cost	US\$ 25 Million

2) One Village One Product

Project Location	Nationwide
Time Frame	2005-2007
Objective	Community development and poverty alleviation
Scope of Work	<ul style="list-style-type: none"> - Establishment of tourism community - Community infrastructure development - Small and medium enterprise development - Public awareness and training programs - Conservation of tradition and culture - Cooperate with international and local institutions
Estimated Cost	US\$ 11 Million

3) Establishment of Tourism Information Center

Project Location	Phnom Penh, Siem Reap, Sihanoukville, Kep, Kampong Thom, Kratie, Svay Rieng
Time Frame	2005-2007
Objective	<ul style="list-style-type: none"> - To develop tourist information system and facility - To establish database system for document and information on tourism - To promote tourism of Cambodia and attract private investment throughout the country and worldwide
Scope of Work	<ul style="list-style-type: none"> - Data collation and marketing study - Development of tourist information and data system - Training of staff for operation and updating of data and information
Estimated Cost	US\$ 7 Million

4) Cambodia National Institute of Tourism

Project Location	Siem Reap Province
Time Frame	2005-2010
Objective	<ul style="list-style-type: none"> - To develop human resources by providing higher degree of tourism studies - To develop and upgrade research professional capability in the field of economics and tourism - To conduct economic research and analysis on major issues of tourism - To encourage and coordinate debate and discussion on major economic issues of tourism and international trade affecting Cambodia, ASEAN and the world
Scope of Work	<ul style="list-style-type: none"> - Development of facility and equipment - Development of course program and training program
Estimated Cost	US\$ 7 Million

(2) APSARA Authority**1) The Angkor Park Development Project and Other Tourism Related Projects**

Major tourism related projects which were implemented by the APSARA Authority in recent years are as follows:

- Set up tourism information signs and panels at the Angkor Archaeological Area in 2003,
- Construction of 11 washrooms for tourists at the Angkor Archaeological Area in 2002,
- Two parking areas at Phnom Bakheng,
- Improvement of visiting site: Opened to Kbal Spean site (49km from Siem Reap) to visitors in 1999,
- A waste collection system was given out under concession to a private sector as of September 2003,
- Concession for elephant ride at the Angkor Archaeological Area,
- Concession for balloon ride for a panoramic view over the area,
- Publication of the Angkor Archaeological Area map in 2003.

2) The “Gate of Angkor” Development Zone

The “Gate of Angkor” Development Zone was proposed by a joint study on Conservation and Development in Siem Reap/Angkor Area, conducted by AFD, UNESCO and the APSARA Authority in 2002. The “Gate of Angkor” Development Zone is to link between Siem Reap and Angkor Wat Archaeological Area. This zone is also called Cultural and Tourism City Zone by the APSARA Authority. An outline of zone is as follows:

Location	Northeast of Siem Reap District, located on the limit of protection Zone One in distance 500m away from Siem Reap River. It connects to NR. No.6 and other roads to the temples.
Development Area	1,007 hectares
Development Facility	4- and 5- star hotels and economy-class hotels with capacity of 200-300 rooms per unit. Besides hotels, other facilities are Reception Center, Cultural Center, APSARA Authority Office, Silk Museum, commercial facilities, leisure and sports facilities including horse riding, tennis court and golf course, parking areas.
Development Schedule	60 hectares for the construction of 7 hotels (1,700 rooms) in the northwest area of the zone (the first stage: 5 years)
Infrastructure Development	Two roads passing through the zone were constructed by the APSARA Authority.
Management	the APSARA Authority

At present, 370 hectares of land for the zone was acquired by the APSARA Authority. APSARA Authority is seeking private investors to the development of hotels and other facilities in the zone. Three hotel companies are interested in it. Major tourism facilities such as Tourism information center, APSARA head quarter office, Japan Buddhism Museum, and Asian Textile Museum and Electric car parking will be developed in the zone in the near future.

3) Introduction of New Tourist Transportation System in the Angkor Archaeological Park

(a) Electric Shuttle Car

The Department of Tourism Development and other relevant departments in APSARA Authority are planning to introduce an electric shuttle car in the Angkor Archaeological Park in order to reduce the growing number of traffic flow in the Angkor Archaeological Park. The project of electric shuttle car has been considered continuously for long time as a new transportation system in the park. According to APSARA Authority, the electric shuttle car is going to be managed and operated by a private concession. Selection of shuttle car type, fee, routing, necessary facilities were discussed by APSARA Authority. The APSARA Authority plans to restrict a large bus with more than 20 seats in the first stage of introducing the electric shuttle car system.

(b) Battery-Powered Bicycle

In addition to the project of electric shuttle car, the Department of Tourism Development has planned and started operating a rental battery-powered bicycle for visitors of the Angkor Archaeological Park since November 2005. The project aims to minimize negative environmental impacts and provide easy and safe access to monuments sites in the park. 12 rental locations were implemented in the Park. For the safety of battery-powered bicycle riding in the Park, bicycle lanes are necessary to be developed in the park.

4) Conservation Project of the Phnom Bakheng Temple Complex

The Phnom Bakheng temple complex is known as a place to see sunset for tourist and has become overcrowded with tourists on the top of temple. In order to conserve and restore the temple complex, APSARA Authority has planned the project by cooperating with the World Monument Fund (WMF) sponsored by the United States.

The project cover following activities; archaeological research, environmental and architectural conservation assessments, and recommendations for ensuring the structural stability of the site, the creation of a plan for the management of tourism, and emergency conservation measures. In the project, Department of Monument and Archaeology 1 and Tourism Development Department suggested a solution to the over carrying capacity of visitors at Phnom Bakheng temple as follows:

- Opening to visitors some part of temples from morning until 4 pm,
- Closing the central part of the temple after 4 pm, but visitors are allowed to access at the terrace of hill top without climbing to the temple,
- Suggesting visitor taking a detour,
- Installation of telescopes at good observation points along the detour and the top of the hill,
- Improvement of landscape with planting trees and vegetation along detour and hill area.

5) Urban Landscape Improvement Project in Siem Reap Downtown Area

Improvement of landscaping along riverside of Siem Reap River and public open space in Siem Reap downtown area has been carried out by Department of Urban Planning and Development, the APSARA Authority. The project includes improvement of sidewalk, development of resting place for visitor, tree planting, and cleaning of riverside of Siem Reap River.

6) Flagship Projects for the Safeguarding and the Development of Angkor (2003-2013)

40 Flagship Projects were proposed at the Second Intergovernmental Conference for the safeguarding and the Development of Angkor, held in Paris on 14 and 15 November 2003. The whole project period is from 2003 to 2013 for 10 years. Project sites are at Angkor Archaeological zone and Siem Reap District. 22 flagship projects are tourism related projects. According to the APSARA Authority, most of projects have not implemented yet due to lack of budgets.

(3) Sihanouk-Aeon Museum (Japan Buddha Museum)

Sihanouk-Aeon Museum Project was proposed by the honorary president of Aeon Co., Ltd., Mr. Takuya Okada. The Aeon 1% Club was established in 1989 to render social service activities based on the basic principles of the pursuit of peace, respect for humanity and contributing to the local community. The Club built schools and implemented a tree-planting at Angkor Archaeological site since 2002.

The project is to build the museum for exhibit 274 discarded Buddha's houses in the Sophia University Asian Training and Research Center. Mr. Okada proposed the project to Sophia University in March 2003. A provisional building plan was prepared in August 2001. Regarding the land of the museum development, Prime Minister Hun

Sen agreed to use the government land for building the museum next to the Aeon tree-planting forest, located near the entrance of Angkor Archaeological area. According to Sophia University Angkor International Mission, a preliminary design was completed in June, 2004 and the detailed design was carried out by the local consultant. The construction will start in November 2005 and complete by March 2007. The outline of the project is as follows:

Location	North area along north-south arterial road in the Tourism and Cultural Zone
Number of Floor	2
Site Area	16,200m ²
Building Area	1,791.85 m ²
Building Space Plan	Exhibition Space, Study and Education Space, Information Space, Safe Keeping, Entrance Space, Office Space, others
Total floor area	2,946 m ²
Source	Design Document from Sophia University Angkor International Mission, Siem Reap
Project cost	One hundred Million Yen
Operation and Management	the APSARA Authority

(4) Museum of Traditional Asian Textiles

Museum of Traditional Asian Textile is a part of Mekong Ganga Cooperation (MGC) Program joining six countries (India, Thailand, Myanmar, Cambodia, Lao PDR and Vietnam). MGC is mainly to support for four sectors, culture, tourism, human resources and transport & communication.

This museum project was suggested by Prime Minister of India during his visit to Cambodia in April 2002, by providing US\$1 million as seed money for setting up the project. One hectare of land for the development of museum was contributed by the Cambodian government. Textile experts from MGC countries held meeting in March and June 2004 to discuss the detailed proposal for the museum plan.

The concept of the proposed museum includes display area for textile exhibits from the MGC countries, a workshop and training center with documentation and interactive multimedia and library facilities, and a fashion design center.

Location	South-east corner in the intersection of arterial road in the Tourism and Cultural Zone
Land Area	1 ha
Facility Plan:	Main building (Exhibition, library & office, storage, patio: total: 3,170m ²), Souvenir and workshop (317m ²) and Theater and scene (473m ²),

(5) Siem Reap National Museum

Siem Reap National Museum Project has been carried out with a technical support of SEAMEO Regional Center for Archaeological and Fine Arts (SPAFA), Bangkok, Thailand. SPAFA is responsible for supervising architectural design and museum exhibition. Architectural drawings, site plan, exhibition plan were completed in May 2003. A foundation work has commenced since December 2004. The location of the museum is behind Grand Hotel. The museum is a two-storied building consisting of museum building, tourist information center building and parking lot with a total floor area of 17,600 m². A land area is approximately 41,000 m².

The project is a private ownership and implemented by BOT.

3.1.5 Issues for Tourism Development

Though slight variety can be observed, the tourists rush through almost same sites for 2,3 days on the same route in the same season.

According to the Tourism Sector Survey, an average length of stay at hotel is only 2.75 and that at guesthouse is 2.84. Besides, the survey illustrates that the purpose to visit Siem Reap is only Angkor Wat Complexes and temples. More than 70% of tourists visited Angkor Wat, Bayon and Ta Prohm temples. Tourists visiting Kbal Spean, Breng Mealea and Phnom Kulen, located in the suburb of Siem Reap Town are very limited with less than 10%. The tourist-visit to Siem Reap concentrates in the dry season, from November to May as well.

Taking all the above-mentioned into consideration, the feature of tourism in Siem Reap can be summarized as 'short-stay and concentrated tourism in terms of time and space'.

Short-stay and concentrated tourism brings about following 3 major problems.

(1) Increasing Environmental Load

Concentration of tourists in terms of time put a huge burden on environment. Tourists consume water more than local people and discharge drainage and garbage in intensive period. As scrutinized in Chapter 7, 9 and 10, the impact of tourism on environment is huge. The concentration of tourists probably takes a risk of damaging the archeological sites as well.

To say nothing about the damage on the archeological sites, but also other environmental deterioration can detract the value of Siem Reap as tourism destination and will threaten the sustainability of tourism development of Siem Reap in the future.

(2) Small Local Benefit

The economic impacts is not big firstly because the tourists stay short and secondly because the main segment visiting Siem Reap is middle-class tourists whose expenses are limited under US\$40/day in average.

The benefit in rural areas are far less than that in urban area because most of the tourists stay around the Angkor Wat temples and do not go out to rural areas though there are many tourism resources there too. The inconvenient transportation to rural areas, lack of promotion, and lack of necessary tourism infrastructures keep tourists from traveling around.

It should be concluded that the potential tourism resources in/ around Siem Reap are not fully exploited to enlarge the benefit.

(3) Little Cultural Interaction

In the short-stay concentrated tourism style, tourists come and leave without interaction with local culture and people lying behind the masterpiece of architecture, Angkor Wat temples, though Cambodia has a lot of interesting culture. Culture do not mean only high culture, such as fine art, theater and architecture but also folks customs, folks

dwellings and daily life styles of people. Also the wisdom how to live balancing utilization and conservation of the nature typified by the water control system is its salient feature. Tourists, however, do not have a chance to touch the deep wisdoms of Khmer culture and rush to the next destination just after scratching its surface though it must add profound enjoyment to the travel. Also deep understanding will enhance the tourists' sense of respect to Khmer culture and nature.

Besides, the concentration of tourists causes traffic jam, crowded uncomfortable atmosphere in temples and noisy restless environment in the city. Though the Angkor Wat is such a great masterpiece, tourists think that it is enough to see it once.

On the other hand, contact with foreign culture can be stimulation for the local culture to develop further. Cultural interaction let the local people rediscover their own identity, culture, and unique customs and revitalize cultural activities. Tourism affects not only guest but also the host culture. Considering its nature, tourism can be defined as mutual interaction among different cultures.

The current style of tourism in Siem Reap, however, does enhance neither the cultural interaction nor cultural revitalization. Short-stay concentrated tourism in terms of time and space creates little mutual interaction between guest and host countries.

Eventually, little mutual interaction failed to capitalize its cultural charm and to make tourists repeaters.

(4) Institutional Framework for Tourism Sector

1) Insufficient Institutional Capacity and Enforcement

As mentioned in 3.1.2, necessary laws and regulations for tourism sector such as Tourism Law and Sub Decree on Classification of Hotels and Tourist Accommodation Services are not enacted so that it is insufficient to control and manage tourism business operation and activities for the central government as well as Siem Reap Provincial government. Regarding tourist transport, a number of motorbike drivers are illegally operated as motor bike taxi without license in Siem Reap. According to the Law on Tax, enacted in 1997, tourism business operators such as hotel and restaurant are supposed to pay the VAT tax (10%) to the central government (Ministry of Economy and Finance); however, many tourism business operators have not paid to the Provincial Taxation Office properly.

2) Lack of Planning and Implementation Capacity at Provincial Tourism Administration

The Department of Tourism (DOT) at Siem Reap Provincial Government has limited power and depends heavily on financial support from Ministry of Tourism. Government officials and staff at DOT have limited professional experience and knowledge in tourism planning and management. In this regards, it is difficult to prepare and carry out sufficient plans/programs at DOT without support from MOT.

3) Limited Capacity of Projects/Programs Formulation and Implementation with Lack of Coordination among Departments

The Angkor Archaeological Zone, Culture and Tourism Zone and other distant

monument sites, Kbal Spean and Beng Mealea are under the responsibility of the APSARA Authority. Especially in the Culture and Tourism Zone, a tourist information center and museums are proposed to be developed in the zone; however, implementation of these tourism facilities seems quite slow. At Kbal Spean and Beng Mealea, necessary tourism service facilities and infrastructures have not been developed in order to serve foreign tourists. In APSARA Authority, lack of coordination and cooperation among Tourism related departments, Department of Tourism Development, Department of Monument and Archaeology I and Department of Urban Planning and Development is constraint for planning and implementation of tourism improvement and development in the zones and monument sites. In addition, those departments also need sufficient coordination with DOT, other tourism related departments and private tourism businesses, in case of necessity for the improvement, development and management of tourist sites.

4) Lack of Public and Private Partnership for Tourism Development and Promotion in Siem Reap

Siem Reap has been growing rapidly as a main tourism destination in Cambodia with booming of hotel development. Siem Reap continues to attract private investment for tourism business including hotels, restaurants and travel agents in recent years. However, tourism service facilities and tourism related infrastructure in Siem Reap have not been developed and improved in order to serve foreign tourists with safety and comfort. In addition to that, marketing and promotion activities are not sufficiently carried out by Department of Tourism in Siem Reap due to limited budget and lack of support from private sectors. It is indispensable to strengthen public and private partnership for tourism development and promotion in Siem Reap.

3.2 Sector Approaches

3.2.1 Objectives

As mentioned in the current situation of tourism sector in Cambodia, Siem Reap has already become a famous tourism destination for Angkor Wat monument in Cambodia, not only among ASEAN countries, but also in the world. The number of foreign tourists continues to grow and has reached over 560,000 in 2004.

However the feature of tourism in Siem Reap, short-stay concentrated tourism, causes three major problems as illustrated in the previous section, 1) Increasing environment load, 2) Small local benefit, and 3) Little cultural interaction as mentioned in the previous section.

To change the feature of current tourism, Siem Reap should try to change itself into an attractive city for the up-market tourists who stay long, explore around making more expenses in varied locations, enjoy Khmer culture harmonizing with its nature profoundly and visit Cambodia repetitively.

Therefore, the objective for the tourism sector development is set as follows:

Creating a Quality Tourism Destinations in context of Khmer History and Culture

Quality Tourism Destinations should provide tourists with chances to have profound cultural interaction as well as quality services and infrastructure that meet international standard. Institutional framework that supports the realization of Quality Tourism Destination is indispensable too.

From another viewpoint, Quality Tourism should aim at balancing economy, environment and society/ culture. The well-balanced tourism development will lead the region to integral sustainable development eventually.

Quality Tourism is, after all, a style of tourism that provides satisfaction for both guests and hosts.

3.2.2 Sector Approaches

To attain the overall objective of the sustainable tourism development for Siem Reap, following approaches are proposed for implementation.

(1) Sector Approach 1: Developing Tourism Destination and Diversified Routing

Siem Reap district and its surroundings cover various types of tourism area including Angkor Archaeological Park, the Old Market area and Siem Reap River for urban amenity, Culture and Tourism Zone, Tonle Sap Lake and rural area for Eco- and Village tourism. Other important Khmer temples and monuments such as Kbal Spean, Beng Mealea, Koh Ker and Sambor Prei Kok are scattered outside Siem Reap district.

For the integrated and effective approach for tourism development of Angkor/Siem Reap Town in the Master Plan, above mentioned areas are classified into four areas based on the location, type of tourism resource and activity as shown below.

- Angkor Heritage Park Area³

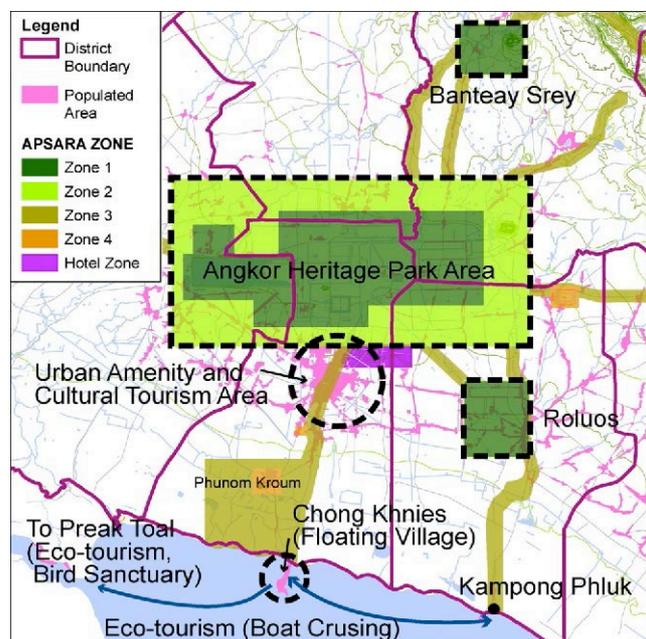


Figure III.3.22 Location of Area-based Tourism Destination in Siem Reap

Source: JICA Study Team

³ Angkor Archaeological Park, Banteay Srey and Roluos

- Urban Amenity and Cultural Tourism Area⁴
- Tonle Sap Lake and Rural Area
- Distant Angkor Monument⁵ Area

Angkor Heritage Park Area

This area is the most important area for Angkor heritage tourism in Siem Reap. It is necessary to improve tourism service facilities, site management and control of tourist flows in the park for enhancement of value of Angkor heritage tourism.

Urban Amenity and Cultural Tourism Area

This area plays an important role of urban amenities and cultural tourism in Siem Reap. The Old Market area, Sivatta Street, streets along the Siem Reap River should be more attractive, clean and pleasant place for tourist to visit, stay and walk around safely in a day and night time by improvement of streets, restoration of historical buildings, development of night market place and tourist information center. Cultural and Tourism Zone has functions for a main tourist gate way to Angkor Wat Archaeological Park and other cultural, commercial and recreational activities. Planned tourist information center and museums should be developed and other necessary facilities should be planned by the APSARA Authority, MOT and other relevant agencies with seeking funds from donors and private sectors.

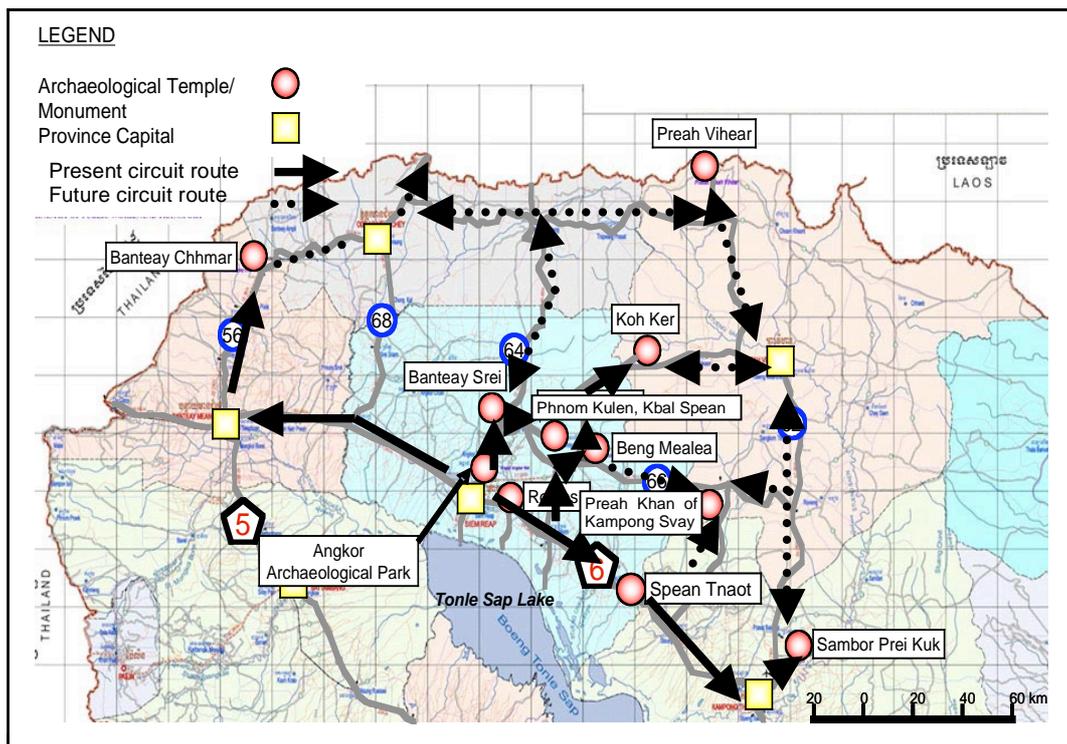
Tonle Sap Lake and Rural Area

This area is a potential area for development of eco- and village tourism. Cruising tour on Tonle Sap Lake visiting floating villages and fish farms should be promoted as an optional tour for foreign tourists. Chong Khneas and Phnom Krom mountain are priority areas for improvement of tourist information and service facilities. Kampong Phluk Village has unique features of dwelling with traditional Khmer living style. This village is recommended to promote as eco- or village tourism area. Other potential sites for village tourism are described in Chapter 5.

- Distant Angkor Monument Area
- Five Angkor temples/monuments, Beng Mealea, Phnom Kulen, Koh Ker, Sambor Prei Kuk and Banteay Chhmar are selected for priority areas to improve tourism information facilities, toilet, resting areas, information signboards, access routes and parking lots. After roads to Preah Vihear and Preah Khan of Kampong Svay are rehabilitated with good access from other Khmer monument area and Siem Reap, necessary tourist information and service facilities need to be improved.

⁴ The center of Siem Reap District including the Old Market, area along Siem Reap River, APSARA Culture and Tourism Zone

⁵ Beng Mealea, Phnom Kulen, Koh Ker, Sambor Prei Kuk, Spean Tnoat and Banteay Chhmar



Source: JICA Study Team

Figure III.3.23 Distant Angkor Monument areas and Networking

Besides Angkor Wat temples and monuments in the Angkor Wat Archaeological Park, important Khmer temples and monuments are located outside Angkor Wat Archaeological Park as shown in Figure III.3.23. Optional tours visiting distant Angkor temples, monuments and other tourist areas have been planned and operated by local tour operators by improvement and rehabilitation of roads connecting to temple and monument sites. Most of group and individual tourists, however, visit only major temples and monuments in the Park and Tonle Sap area. Therefore it is necessary to create new Khmer heritage excursions and circuit tours visiting distant temples and mountains for enhancing value of Khmer heritage. It helps to disperse concentration of tourist flows and environmental load in the urban and park area and increase the expenses of tourists by lengthening their stay.

(2) Sector Approach 2: Giving Tourist a Taste of Rich Khmer Culture, History, Art and the Nature

A main feature of tourism resources and attractions in Siem Reap is Angkor heritage tourism visiting Angkor Wat temple and other Khmer temples and monuments. However, most of foreign tourists participating group tours arranged by local tour operators are only visiting major temples and monuments guided by local tour guide, which are quite limited opportunity to perceive Khmer culture, history, art and local traditions for tourists during their stay. To change Siem Reap into Quality Tourism Destinations, it is essential to revive various Khmer culture and traditions and create local events for tourist, rediscover potential tourism resources, provide opportunities to study Khmer monuments, culture and history in cooperation with local government,

APSARA and academic institutes, and promote community-based tourism programs.

- Eco-tourism at Tonle Sap Lake area showing an interesting life style of Cambodia,
- Heritage-tourism connecting distant temples following the history and the myth,
- Village-tourism providing experience of traditional handcraft creation at a small firm of silk and pottery etc.

Rich cultural experience will bring the tourists back to Cambodia again.

(3) Sector Approach 3: Improving Services and Hospitality for a Pleasant Stay

Siem Reap has been rapidly growing as tourism destination. Still, necessary infrastructure and tourist service facilities have not been developed in the urban area and the Angkor Archaeological Park in Siem Reap. In addition, insufficient manner of motor bike drivers, unclean streets, and limited tourism information service and materials are observed as bottlenecks for Siem Reap as tourist destination to serve foreign tourist. In order to make Siem Reap more tourist friendly destination with safety, security and comfort, following improvement and achievement are indispensable.

- Provision of user-friendly tourist information service
- Safe and reliable tourist transportation
- Enhancement of hospitality for public and private tourism sector, and local people
- Improvement of service of tourism business operators
- Up-grading the present tourism destinations by improvement of urban and service infrastructure

(4) Sector Approach 4: Strengthening Tourism Marketing and Promotion by Public- Private Partnership Targeting Up-Markets

Tourism marketing and promotion activities in Cambodia have been mainly undertaken by Ministry of Tourism in cooperation with private sectors. However, at regional level any specific tourism marketing and promotion activities are not sufficiently carried out by provincial tourism offices including Siem Reap due to limited budget and human resources, and lack of support from private sectors. Marketing and promotion activities are significantly important segment to approach international tourism market.

Tourism marketing and promotion for Siem Reap in short to midterms should set its focus on mainly group and individual tourists visiting Angkor heritage tourism. In the long term, the tourism marketing and promotion should more focus on upper class tourism market, such as quality tourism market with diversified tourism activities including Angkor heritage tourism, pilgrimage tourism, MICE (Meeting, Incentive, Convention and Events) tourism and eco- and village tourism.

As to the effective measures of marketing and promotion, it is essential to establish a government and private coordination body called “Siem Reap Tourism Marketing and Promotion Board (SRTMPB)” consisting of representatives from relevant departments and sections in Ministry of Tourism, Dept. of Tourism, Siem Reap Province, APSARA Authority, Cambodia Hotel Association, Cambodia Association of Travel Agent and

other private tourism businesses. Followings are proposed promotion activities by public and private partner ship.

- Promotion activity for upper class market
- Promotion of MICE tourism
- Promotion of Films and TV location
- Historical and Heritage city forum and convention

In addition to establishment of SRTMPB, tourism marketing strategic plan for Siem Reap should be prepared by Dept. of Tourism, Siem Reap Province, tourism related departments in the APSARA Authority in cooperation with MOT, taking into consideration the change of tourism market demands. The prepared tourism marketing strategic plan is required to discuss at the SRTMPB and approved by the board. SRTMPB is also responsible to support implementation of above mentioned four strategies.

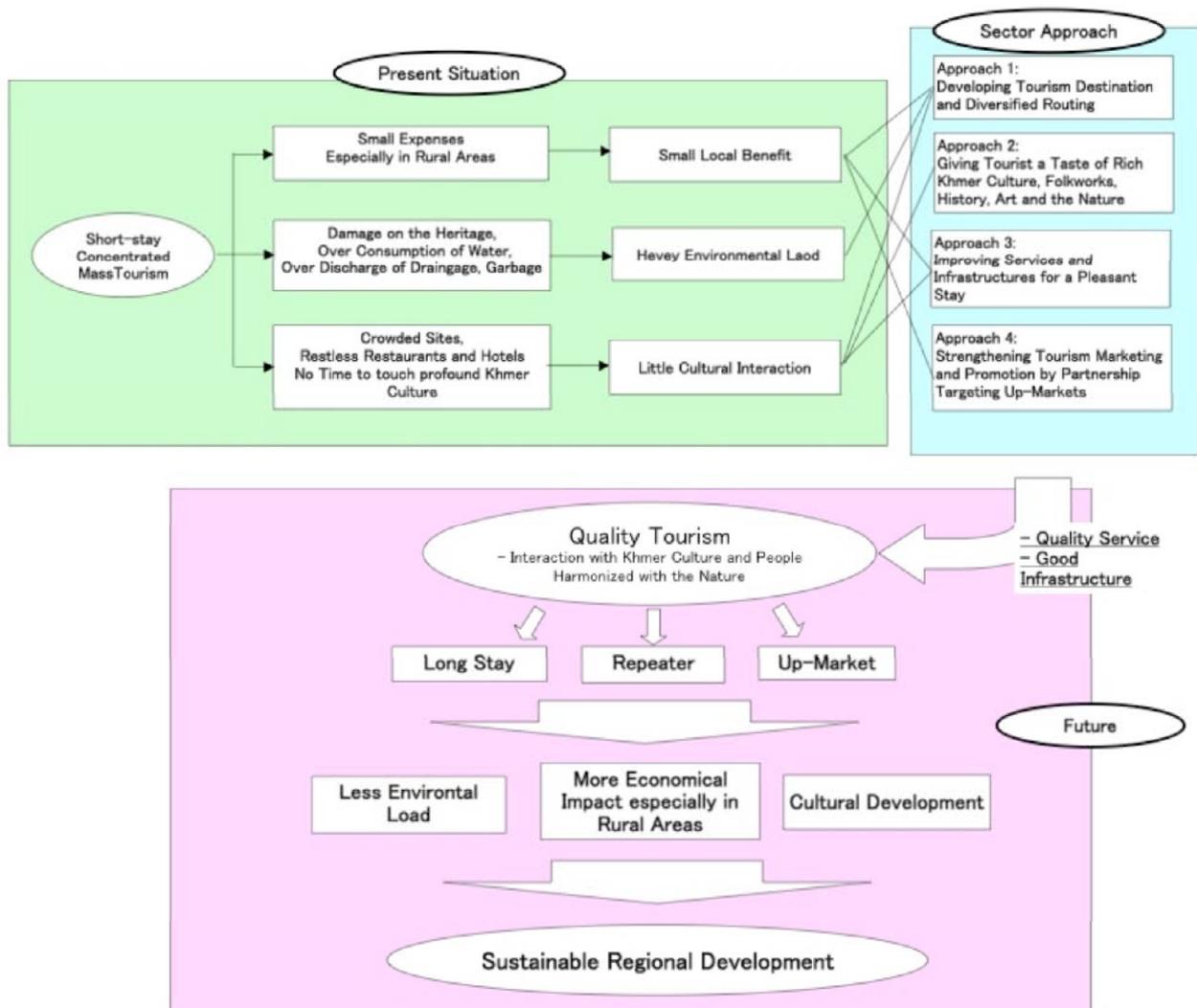


Figure III.3.24 Sector Approach and the Tourism now and Future

3.3 Proposed Institutional Arrangement

To ensure the implementation of sector approaches, necessary institutional arrangement should be taken.

3.3.1 Proposed Institutional Arrangement for Tourism Sector in Siem Reap

(1) Preparation and Enactment of Necessary Laws and Regulations

Drafted Tourism Law and Sub-Decree on Marketing and Promotion Board have been reviewed and updated by Task Forces at the Tourism Private Sector Working Group (TPSWG). Sub-Decree on Hotel Classification has not been enacted by the Ministry of Tourism. It is recommended that the Ministry of Tourism should review and revise draft Tourism Law and these Sub-Decrees by taking into consideration the comments from TPSWG as soon as possible. Government tax for tourism business operator is an important source of revenue for the government so that it is necessary to reinforce tax collection system by the provincial taxation office. It is essential to legalize regulation to control illegal operation of tourist transport in Siem Reap such as motorbike taxi and to legalize fare for *tuk-tuk* taxi (motorbikes with carriages).

(2) Capacity Building of Tourism Planning and Management at Provincial Government

Capacity building will be necessary for the government officers and staff of the Department of Tourism, Siem Reap Provincial Government. It is recommended that dispatching foreign tourism experts to DOT by external technical assistance and providing opportunity to have training of government officers overseas.

Followings are areas for required capacity building for DOT.

- Tourism planning and management,
- Management of tourist sites and facilities,
- Tourism product development,
- Tourism marketing and promotion, and
- Tourism information, service and hospitality.

(3) Reinforcement of Technical and Management Capacity at Tourism and Tourism related Departments for Efficient Project Planning and Implementation at the APSARA Authority

In the APSARA Authority, tourism sector development is under the responsibility of Dept. of Tourism Development (DTD) for Angkor Archaeological Park and Dept. of Urban Planning and Development (DUPD) for urban area in Siem Reap and Cultural and Tourism Zone. Dept. of Monument and Archaeology I (DMA) is responsible for tourism and traffic signboards, tourism transportation and tourism service facilities such as toilet, stall and souvenir shops. Some of the duties and responsibilities undertaken by each department requires good collaboration and coordination. It is recommended that Tourism Sector Committee should be formulated in the APSARA Authority consisting of members from DTD, DUPD and DMA in order to collaborate and coordinate the tourism related work and projects. Committee meeting should be held regularly in the APSARA Authority to discuss tourism plannings and development matters. It maybe possible to have dispatching foreign tourism experts to DTD, DUPD and DMA for necessary area in tourism sector in short and long term by external

technical assistance in order to enhance technical and management capacity of officers and staff.

(4) Strengthening Public-Private Partnership for Tourism Development by Establishment of Siem Reap Tourism Marketing and Promotion Board

As mentioned in 3.1.3 (9), lack of tourism marketing and promotion activities by public sector are constraint for tourism development in Siem Reap. An effective measure for strengthening marketing and promotion activities in Siem Reap requires public and private partnership. In this regard, it is recommended to establish a government and private coordination body called “Siem Reap Tourism Marketing and Promotion Board (SRTMTB)” in Siem Reap. The board members consist of representatives from concerned departments and sections in Ministry of Tourism, Dep. of Tourism, Siem Reap, APSARA Authority, Cambodia Hotel Association, Cambodia Association of Travel Agent and other private tourism businesses. The board meeting should be held in Siem Reap by monthly basis. The principle responsibilities of the board are;

- Marketing and promotion strategy,
- Major tourism development projects,
- Public-private partnership events and programs,
- MICE and Eco-tourism,
- Tourism products,
- Promotion activities for TV, media, and
- Tourism related guidelines, and regulations.

Under the board, several task force teams will be established to support the activities. These task forces are tourism marketing, tourism promotion, tourism business, tourism service and facilities, eco tourism, and human resources development, etc.

3.4 Projects/Programs

For the sustainable tourism development in the study area, six (6) projects/programs are proposed based on four strategies during the Master Plan implementation period as shown in attached Project Long List.

Each project was evaluated by following five criteria.

- Emergency requirement,
- People’s needs including tourists,
- Effectiveness of the projects,
- Realization of the projects, and
- Sustainability of project effectiveness.

The outline of projects/programs including background, purpose, components, output and implementation schedule and estimated cost is shown in the Appendix of this Chapter.

3.5 Priority Projects/Programs

3.5.1 Khmer Heritage Tourism Network and Tourism Facility Development Project (ID No. TO-1)

(1) Project/Program Background

Most of Angkor temples in Cambodia were built between 7th and 14th centuries in Siem Reap and its surrounding provinces. In recent years, tourists are able to visit not only Angkor Wat Complex and other temples in the Angkor Archaeological Zone, but also other Khmer temples and monuments located outside of Siem Reap, such as Beng Mealea, Koh Ker, Kbal Spean, Phnom Kuren, Banteay Chhmar and Sambor Prei Kuk for one-day optional tours arranged by local tour operators. Majority of tourists visiting distant temples and monuments are individual foreign tourist including backpackers. Group tours visiting those temples are potential products. However, most of those distant temple and monument sites lack tourism signboards, tourism service facilities and infrastructure, which are not sufficient to serve foreign tourist. Besides development and improvement of distant Khmer temples and monument sites, various tourism facilities and infrastructure need to be developed in Siem Reap town, Angkor Archaeological Zone, Culture and Tourism Zone and Tonle Sap Lake area in order to improve Siem Reap as an attractive tourism destination and enhance value of Khmer heritage, culture, art, local tradition and nature.

(2) Project/Program Outline

1) Project/Program Purpose

This project aims at developing necessary tourism facilities in Siem Reap and in distant Khmer temple and monument sites and at promoting Khmer heritage tourism.

2) Target Area/Location

Northwest region (5 provinces including Siem Reap, Kampong Thom, Preah Vihear, Banteay Meanchey and Battambang)

Project areas in Siem Reap Province and Distant Angkor Monument Area are shown in Figure III.3.22 and 3.23.

- Siem Reap Province (3 areas)

Angkor Heritage Park Area, Urban Amenity and Cultural Tourism Area, Tonle Sap Lake and Rural Area

- Distant Angkor Monument Area

- Phnom Kulen, Kbal Spean, Spean Tnaot (Siem Reap)
- Sambor Prei Kuk (Kampong Thom)
- Koh Ker, Preah Vihear (Preah Vihear)
- Banteay Chhmar (Banteay Meanchey)
- Ek Phnom, Phnom Banan (Battambang)

3) Prospective Beneficiaries

The expected beneficiaries of the project will be tourists, local residents, tourism related businesses and local public sector (tourism and culture).

4) Project/Program Components/Activities

The project will include the following components by area.

(a) Component 1: Angkor Heritage Park AreaImprovement of stalls and parking areas

Many stalls selling souvenir and drinks are set up around and in front of temples and monuments in the Angkor Archaeological Park. Those stalls are operated by local people. Many of those stalls are in a poor condition and give negative image to foreign tourists. It is necessary to redevelop stalls in unified design and materials suited with the existing area. Parking areas in the park are not sufficiently developed so that many tourist vehicles are parking open space or along the road. For the effective management of tourist vehicles in the park, additional parking areas are required to be developed in line with introduction of shuttle bus system in the park.

Installation of street lighting and signboard

Phnom Bakheng is the most popular sunset area in the park. There are no street lightings installed from Phnom Bakheng to the area near the Angkor Wat Temple. For the safety of vehicles and bicycles of tourists, it is necessary to install street lightings.

(b) Component 2: Urban Amenity and Cultural Tourism AreaDevelopment of Cambodia National Institute of Tourism (CNIT)

Cambodia National Institute of Tourism is a professional tourism training and research institute, proposed by Ministry of Tourism. CNIT is to develop human resources by providing higher degree of tourism studies, upgrade research capability for tourism sector and conduct economic and tourism research and analysis. Due to the lack of financial resources at MOT, the proposed CNIT has not implemented in Siem Reap yet. Since Siem Reap is a center of tourism in Cambodia, it is a suitable location of CNIT. CNIT will play an important role not only for training of tourism professionals and academic research in Khmer heritage tourism, but also for contributing to supporting sustainable tourism development in Siem Reap. The development components of CNIT include building, equipment, and course and training programs.

Development of tourism information centers

Existing tourist information center at Siem Reap Tourism Office are in a very poor condition and insufficient to serve foreign tourists. Tourist information center (TIC) is an important tourism service facility for especially individual tourists to get necessary information. The new tourism information center is necessary to develop at major tourist arriving and meeting points, Siem Reap Airport, the Old Market area, Siem Reap Provincial Tourism Office and bus terminal area. TICs are inter-connected by on-line database and internet network system so that user can access necessary tourism information such as tourism resources, access routes, transportation, accommodation, eating, attractions and events from any points, which are useful for both individual and group tourists. TICs are operated and managed by MOT, Dept. of Tourism, Siem Reap Province and the relevant departments in the APSARA Authority.

Table III.3.22 Location and Components of Tourist Information Center

Location of tourism information center	Components
Siem Reap Tourism Office	Information corner (user-friendly tourism information database system), exhibition space, library and meeting room, toilet
Old Market area	Information counter (user-friendly tourism information database system), small exhibition space, toilet
Siem Reap Airport	Information corner (user-friendly tourism information database system)
Bus terminal area	Information corner (user-friendly tourism information database system)

Source: JICA Study Team

Development of parking space at the Old Market area

Parking space is quite limited in and around the Old Market area. After April 2006, any vehicles and motorbikes are scheduled to be restricted to pass through and park on small streets in the Old Market area in the evening. An additional car parking space will be developed for tourist vehicles in the same area. The new Old Market building includes handicraft shops, souvenir shops, restaurants, local product exhibition spaces, tourist information center and toilets for tourist. Site area is approximately 2,500m².

Redevelopment of the existing Old Market building

An existing Old Market building sells handicraft, general local products, vegetables meats and fishes, but it is rather shabby and gives negative image. It is closed at night time. The Old Market building is situated the South corner of the Old Market area and facing along the Siem Reap River. It is recommended that existing shops in the building should move to the central market or other markets and the existing building is going to be redeveloped with Khmer design harmonize with surrounding buildings in the area. Site area is approximately 7,500m².

Development of Angkor Traditional Culture and Ethnology Museum

The proposed museum is to exhibit local Khmer culture, tradition, history, village life on agriculture and fishery, and unique traditional agricultural and fishing tools in Siem Reap and its surrounding areas from ancient times. The facilities will include exhibition spaces, information counter, audio-visual presentation space, resting areas, meeting hall, library and research room and storage space. The proposed museum is possibly developed in Cultural and Tourism Zone. A detailed component of exhibits, space and function need to be discussed with relevant departments of APSARA and Department of Culture and Fine Arts, Siem Reap Province.

Development of Botanical Garden and Nature Study Center

Various types of trees, plants and flowers are seen in Siem Reap and other areas in Cambodia. The project is to develop a botanical garden including tropical flowers and plants, spice and herb trees. The garden area also provides demonstration of making spices and herb products. The nature study center includes exhibition space, library room, student and academic research facilities.

(c) Component 3: Tonle Sap Lake and Rural Area

Improvement of visitor facilities at Chong Khneas Village

Chong Khneas village is situated by the Tonle Sap Lake, and is a place for charter tourist boats for cursing tour on the Tonle Sap Lake. Present condition of Chong Khneas village is very poor and requires urgent improvement to serve tourists. The proposed plans for Chong Khneas village are improvement of access road to boat area,

development of pier, and tourism service facilities including tourist information booth, toilets, signboards, resting areas, parking areas and landscaping.

Improvement of Phnom Krom area

Phnom Krom is a hill, located next to Chong Khneas. The top of the hill is a good observation point to overview the Tonle Sap Lake and the surrounding rural areas, which is a potential tourism area in Siem Reap. Ruins of Khmer temple remain on the top of the hill. Development of observation facilities, resting areas, toilets, parking lots, information signboards and landscaping are necessary in this area.

(d) Component 4: Distant Angkor Monument Area (Khmer Heritage Network Development)

All distant Angkor monuments were built between 7th and 13th century and connected to Angkor Wat Temple in Siem Reap. For promoting Khmer heritage tour network, following tourism facilities development are indispensable at each distant monument site to serve foreign tourist and enhance significant value of Khmer heritage as well.

Table III.3.23 Features and Necessary Development of Tourism Facilities at Distant Temples/Monuments for Khmer Heritage Network

Temple/ Monument	Feature	Built period (Century)	Location (Travel time from SR)	Necessary development of tourism facilities
Phnom Kulen	Sacred mountain, waterfalls, lingas	9 th	NE50km (2hr)	Access road, parking, information center, signboard, resting area, toilet, parking
Kbal Spean	River of 1000 lingas	Late11 th	NE50km (2hr)	Information center, parking, signboard, toilet
Beng Mealea	Similar design of Angkor Wat	12 th	E60km (1.5-2hr)	Information center, signboard, toilet
Koh Ker	A former capital of the Angkorian empire	10 th	NE100km (2.5-3hr)	Information center, signboard, toilet
Banteay Chhmar	Massive temple complex	Earlier13 th	NW125km (3hr)	Information center, signboard, toilet, resting facility
Sambor Prei Kuk	A former capital named Isanapura	Earlier 7 th	E120km (2.5hr)	Information center, toilet, resting facility
Spean Tnaot	Khmer stone bridge (90m L, 15m W)	12 th	E60km (1hr)	Explanation signboard, observation and resting facility
Ek Phnom	Angkorian ruin built as Hindu temple	11 th	N10km from Battambang city	Tourism service facilities (Need site survey)
Phnom Banan	Angkorian ruin on the top of mountain	10 th	SW23km from Battambang city	Tourism service facilities (Need site survey)

Source: JICA Study Team

5) Project/Program Output

Siem Reap will become more attractive Angkor heritage with user-friendly tourist information and service facilities, tourism facilities at distant Khmer temple sites, and optional tourism attractions. The project will help to disperse tourist concentration in the Angkor Archaeological Park at tourist peak time and season and increase the length of stay of tourist in Siem Reap.

Khmer heritage tour circuit routes are shown in Figure III.3.23. Except for Preah Vihear Temple, all other distant Khmer temple and monument sites are accessible for one day from Siem Reap.

6) Project/Program Input

The inputs for this project are considered to be the followings.

- Inventory survey and preparation of project components
- Feasibility study (6 months)
- Detailed design with consulting service (6-12 months)
- Preparation tender documents (3-6 months)
- Construction work (6-12 months)
- Monitoring and site inspection
- Operation and maintenance, capacity building (Soft component)

Establishing a project management unit (PMU) for the project implementation and consulting service.

7) Environmental and Social Impact

The project will select sites, development infrastructure and facilities that shall have little social and environmental impact.

(3) Institutional Arrangement and Implementation Schedule**1) Implementation Organization**

The Ministry of Tourism is an executing agency for the project in cooperation with Department of Tourism, Siem Reap Province and relevant Provincial Governments, APSARA, MPWT and MOCFA. For an effective and smooth operation of the project implementation, Project Management Unit (PMU) shall be established in MOT consisting of responsible project officers from MOT, DOT, APSARA and other relevant agencies, and consulting groups.

2) Operation and Maintenance Organization

Ministry of Tourism in cooperation with Department of Tourism, Siem Reap and relevant Provincial Governments, APSARA, MPWT and MOCFA.

3) Implementation Schedule

Inventory survey and preparation of project components: 2006

Feasibility study (6 months): 2007

Detailed design (6-12 months): 2008

Tender and award (3-6 months): 2009

Construction (6-12 months): 2009-11

Operation and maintenance, capacity building: 2012

(4) Financial Arrangement**1) Preliminary Cost Estimation****(a) Project Cost**

Approximately 20 Million USD

(b) Operation and Maintenance Cost

N/A

2) Expected Founding Sources

The expected funding source is the tourism sector loan from Japan Bank for International Cooperation (JBIC).

3.5.2 Public-Private Partnership Tourism Quality Improvement Program (ID No. TO-3)

(1) Project/Program Background

Siem Reap has been rapidly growing as a mass tourism destination; however, the city center area and surroundings of hotels are not properly developed and managed to accommodate foreign tourists with comfort and safety. Lack of tourism marketing and promotion activities by public sector and limited capacity of human resources in public sector are constraint for tourism development in Siem Reap to be a "quality tourism destination". It is also necessary to upgrade tourism quality of Siem Reap in order to enhance value of Khmer heritage with public and private partnership in tourism sector.

(2) Project/Program Outline

1) Project/Program Purpose

The program aims at enhancing value of Khmer heritage through reviving cultural and traditional events, strengthen public and private partnership by establishing the marketing and promotion board, prepare strategic marketing plan, carry out public awareness program for local people and prepare tourism guidelines for improvement of tourism quality in Siem Reap.

2) Target Area/Location

The target area covers the whole study area.

3) Prospective Beneficiaries

The expected beneficiaries of the project will be tourists, local residents, tourism businesses and public sector (tourism and service) in Siem Reap.

4) Project/Program Components/Activities

The program will include the following components.

(a) Establishment of Siem Reap Tourism Promotion and Marketing Board

An effective measure for strengthening marketing and promotion activities in Siem Reap is to have public and private partnership. In this regard, it is recommended establishing a government and private coordination body called "Siem Reap Tourism Marketing and Promotion Board (SRTMTB)" in Siem Reap. The board members consist of representatives from concerned departments and sections in Ministry of Tourism, Dep. of Tourism, Siem Reap, APSARA Authority, Cambodia Hotel Association, Cambodia Association of Travel Agent and other private tourism businesses. The board meeting should be held in Siem Reap by monthly basis. The responsibilities of the board are discussing following;

- Marketing and promotion strategy,
- Major tourism development projects,
- Public-private partnership events and programs,
- MICE and Eco-tourism tourism,
- Tourism product,
- Promotion activities for TV, media, and
- Tourism related guidelines, regulations.

Under the board, several task force teams will be established to support the activities.

These task forces are tourism marketing, tourism promotion, tourism business, tourism service and facilities, eco tourism, human resource development, etc.

Secretariat office for the board is operated by Department of Tourism, Siem Reap Province in cooperation with APSARA Authority.

Technical support for the activities of the board will be assisted by dispatched foreign tourism experts. Dispatching foreign tourism experts to Department of Tourism will be mentioned in the project component (c).

(b) Preparation of Strategic Marketing and Promotion Plan for Siem Reap

Tourism promotion and marketing for Siem Reap in short to mid -terms will focus on mainly group and individual tourist visiting Angkor heritage. In the long term, the tourism promotion and marketing should be more focusing on targeting upper class market, such as “Quality tourism market”. Considering the above, it is urgently needed to prepare a strategic tourism marketing and promotion plan. For preparing the plan, detailed marketing and tourist survey and comprehensive analysis of marketing survey are required. The plan includes strategic marketing measures, promotion plan and action plan (annual) and institutional supports. The prepared strategic tourism marketing and promotion plan are required to review at Siem Reap Tourism Marketing and Promotion Board and approved by the board. Technical support and advice for preparation of the plan will be assisted by dispatched foreign tourism experts.

(c) Strengthening Capacity of Tourism Sector in Siem Reap by Dispatching Foreign Tourism Experts

Department of Tourism (DOT) in Siem Reap Province is insufficient in capacity for tourism management, administration, training, marketing and promotion. It is indispensable to strengthening these capacities in DOT by dispatching foreign tourism experts to DOT. Foreign experts will be responsible for provision off technical support to other tourism related departments in APSARA Authority and the Provincial Government in case of cooperation work. Necessary foreign tourism experts will be in following positions.

Tourism marketing and promotion expert

This expert shall assist to prepare strategic marketing and promotion plans, action plans, and necessary marketing and promotion plans and programs, and to provide technical advice in term of marketing and promotion activities at the Siem Reap Tourism Marketing and Promotion Board. The expert shall assist various tourism promotion activities including seminars and workshops. The expert shall strengthen capacity of provincial officers and staffs in marketing and promotion through on-the-job trainings and lectures.

Human resources development/management expert

This expert shall be responsible for reviewing present training and management system in DOT, to prepare improvement plan of human resources development and management for DOT. The expert shall provide training programs and hold seminars and workshops to provincial officers and staff based on the improvement plan in order to strengthen training and management capacity for provincial officers in DOT.

Database/IT expert

This expert shall support to improve and develop tourism information, resource and statistics database and management system at DOT. The expert shall develop a user-friendly Siem Reap Tourism Information home page on the web-site, which include tourism resources, attractions, events schedules, tour routes, restaurant and accommodations, various booking systems for tourist needs in Khmer, English and other languages. Developed tourism database and home page will be utilized at tourist information centers in Siem Reap. The expert shall provide technology transfer to officers at DOT.

Product development expert

This expert shall provide technical support for planning and development of local tourism products including souvenirs, tourism attractions, events and tour routing in cooperation with tourism business sector. Planned and developed local tourism products will encourage enhancing value of Khmer heritage and increase to social and economic benefits to local people in Siem Reap.

(d) Public-Private Partnership (PPP) Programs

Public-private partnership (PPP) is an effective measure for planning and implementing of projects/programs which involve various stakeholders such as tourism sector. PPP programs consist of followings.

Public awareness program and campaign

It is important that local people know and have appropriate manner and attitude toward foreign tourists. For example, local children are often seen on the streets in and around the Old Market area for chasing foreign tourists and begging money. Many local bike drivers in Siem Reap illegally operate bike taxi without license, which are negative factors for the quality tourism market. Concerning safety and reliable tourism transportation in Siem Reap, it is necessary to restrict bike drivers not to operate bike taxi without license. It is essential to have a public awareness program for tourism in Siem Reap in order to improve people's manner and attitude toward quality tourists.

The proposed public awareness program includes following components.

- “Do or Do Not” rule for local people toward foreign tourists at the Old Market and tourist sites
- Tourism education for local people and school children by Department of Tourism, Siem Reap Province.
 - What is tourist, tourist behavior?
 - “Do or Do Not” regulation
 - Manner and hospitality toward tourists
- Control of bike taxi

Public awareness programs and campaign for enhancing quality tourism shall be prepared and carried out by DOT in cooperation with MOT, Hotel Association, other private tourism businesses and NGOs.

Support for implementing classification of hotel and accommodation services

A draft action plan for the implementation of Sub-decree on Classification of Hotel and Tourist Accommodation Services is in the process of preparation by Ministry of Tourism. MOT has lack of capacity to implement the classification system following

guidelines and procedures in the Sub-decree. Siem Reap has a large share of hotel and guesthouse in Cambodia. It is recommended that Cambodia Hotel Association and other relevant private sector should provide necessary technical support for a formed Hotel Classification Task Force at MOT to implement the system.

Hospitality improvement week for tourism business sector

Hospitality is the most important factor. Any tourism sites, facilities, transportation, accommodation, shops require to have sufficient hospitality toward tourist. Public and private tourism sector in Siem Reap still needs to upgrade hospitality in order to serve Siem Reap as “quality tourism destination”. It is recommended that “hospitality and quality service awareness week” should be planned and carried out at tourist peak season with holding workshops and events by public and private partnership.

Preparation and holding events and forums

Siem Reap has limited cultural and tourism events and attractions throughout the year. It is necessary to develop cultural and tourism events by reviving local traditional events in order to enhance value of Khmer heritage, culture and traditions.

- Local traditional and cultural events

Besides major events such as Khmer New Year (April), Water Festival (Nov.), Pchum Bann Festival (Sep.), New Year Countdown Festival (Jan.), Angkor Product Fair (Dec., JICA pilot Project), Khmer Heritage Week and local event contests should be planned and held in Siem Reap for tourist as well as for local people. Various events and attractions will be planned by museums which have been proposed, planned and under construction in Siem Reap. It is also recommended to hold an event for conservation and restoration work of Khmer temples and monuments for local people and tourist.

- Forums related to Khmer heritage

Siem Reap is a center of Angkor heritage. During 12th and 13th centuries, the Khmer Empire under the Jayavarmen VII (1181-1220), a large part of Southeast Asia, southern part of Thailand and Lao PDR, and western part of Vietnam were dominated by the Khmer empire. Outside of Cambodia, there are some important Khmer temples, Phimai, Phnom Rung in Thailand, and Wat Phu in Lao PDR. It is recommended that “Khmer Heritage City Forum” and “World Heritage City Forum, should be planned and held in Siem Reap inviting cities having Khmer heritage, and UNESCO World Heritage sites, respectively, in cooperation with UNESCO Phnom Penh Office, the Ministry of Tourism and Ministry of Culture and Fine Art. Other international meetings and conference related to cultural and archeological monument should be also promoted in Siem Reap.

(e) Participation of Tourism Sector Training Program in Japan for Government Officials

Provincial government and APSARA officials have lack of knowledge and experience for planning, development and implementation and management of tourism projects. It is essential that government officials should participate in Tourism Sector training programs in Japan, provided by JICA. The program is planned and organized by JICA in cooperation with local governments, tourism departments at universities and institutions, tourism associations and private tourism business sectors. The program will be included following items.

- Tourism planning and management
- Management of tourism site and facilities
- Tourism product development
- Tourism marketing and promotion
- Tourism information, service and hospitality
- Site visits of tourism destinations

5) Project/Program Output

The direct output of the program will strength the capacity of tourism planning, management, promotion and marketing by public and private partnership and improve tourism service and quality in Siem Reap for accepting quality tourism market with enhancement of value of Khmer heritage.

6) Project/Program Input

The inputs for the program are considered to be the followings.

- Establishment of PPP Siem Reap Promotion & Marketing Board
- Preparation of strategic marketing and promotion plan
- Dispatching foreign tourism expert in Siem Reap
 - Tourism marketing and promotion expert (2 years)
 - Human resources development/management expert (1 year)
 - Database/IT expert (2 years)
 - Product development expert (1 year)
- Participation of tourism sector training program in Japan
4 government officials nominated from DOT, Siem Reap Province and Department of Tourism, Department of Urban Development, APSARA Authority (2 months)

7) Environmental and Social Impact

The program will have no adverse effects on environmental and social impact.

(3) Institutional Arrangement and Implementation Schedule

1) Implementation Organization

Department of Tourism (Siem Reap) in cooperation with MOT, APSARA, Tourism business associations.

2) Operation and Maintenance Organization

Department of Tourism (Siem Reap) in cooperation with MOT, APSARA, Tourism business associations.

3) Implementation Schedule

Preparation of program component: 2006

Establishment of PPP Siem Reap Promotion & Marketing Board: 2007

Dispatching foreign tourism expert in Siem Reap: 2007-9

Preparation of strategic marketing and promotion plan: 2008

Pubic-private partnership (PPP) programs: 2010-12

Government officials (Tourism sector) training program in Japan: 1010-11

(4) Financial Arrangement

1) Preliminary Cost Estimation

(a) Project Cost

Approximately 760,000 USD

(b) Operation and Maintenance Cost

N/A

2) Expected Founding Sources

The expected funding source is the official development aid (grant) for technical cooperation.

Appendix of Chapter 3

Flagship Project for the Safeguarding and the Development of Angkor from 2003 to 2013

Project No	Name of Project	Schedule	Estimated cost	Tourism Related Project		Department/ organization in charge	Status
				The Angkor Park World Heritage: Tourist Planning and Management	Siem Reap, Between the Old and the New		
1	Assistance to the APSARA Authority as "Project owner" for tourist planning and management in Angkor Park	Jan.04	600,000Euros (US\$678,000) for 3 years			HE. Bun Narith	
2	Assistance to the APSARA Authority as "Project owner" for organization of evening shows at Angkor Park	Starting 2005/06	60,000Euros (US\$68,000)	Park animation		HE. Bun Narith	
3	Training in sustainable tourism development at Angkor Park	2004/2005	420,000Euros (US\$475,000) for 3 years	Authenticity and quality of intakes in the park		DTD	
4	Angkor site landscape study	2004	250,000Euros (US\$283,003)	Cultural and natural landscapes		DMA2	
7	Structuring work on monument approach areas: Angkor Wat, Banteay Srei and Phnom Bakheng	Starting 1998	Angkor Wat: 4M Euros (US\$4.52M), Banteay Srei: 2M (US\$2.26M), Phnom Bakheng: 1M Euros (US\$1.13M)	Site planning		DMA1	
8	Directional and cultural information signs at monument perimeters and inside monuments	2004: studies and overall design concept, 2005: set up on a test area, 2006: extension to the entire part	Study and design: 60,000Euros (US\$68,000), Making panels and installation: 150,000-500,000Euros	Signage and showcasing and the monuments			First stage done by DUD and Second Stage by DMA2
9	Construction of bypass roads east and west of the Angkor site	Starting in, no later than 2005		Tour itineraries and traffic			Finished 9Km by DUD and continue by Korea, KOICA this year
20	Landscaping the banks of the Siem Reap River in six sequences from the Tonle Sap Lake to Angkor Park and ongoing cleaning of the river channel	Ongoing work depending on the means implemented				DUD	Not feasibility study conducted
25	Directional and informational signs and map of Siem Reap town	2005/2006	500,000-1M Euros (US\$565,000-1.13M)			DUD	No fund
26	Study of Siem Reap's urban heritage	2005	150,000 Euros (US\$170,000)			DUD	No detail study conducted
27	Showcasing the tourist and heritage value of pagodas along the banks of the Siem Reap River	Starting in 2005	Approx. 500,000Euros (US\$565,000)			DUD	No detail study conducted
28	Enhance the landscape in public spaces	Starting in 2005	Approx. 500,000Euros (US\$565,000)				No fund
29	Study for restoration and showcasing the Angkor-era bridges on National Highway 6	2004	250,000Euros (US\$283,000)			DMA1	
30	Assistance to the APSARA Authority to assume its role as "project owner" for servicing, structuring and marketing the "Gates of Angkor" zone	2005	1.2 Euros (US\$1.36M) for 3 years			DUD	

31	Organizing an international invitation to bid for structuring the "Gates of Angkor" zone	2005-2006	150,000Euros (US\$170,000)			DUD	
32	"Gates of Angkor" zone: study, construction and monitoring of access roads to the lots and drainage main for an initial section of 90 hectares	2005	Approx. 1M Euros (US\$1.13M) studies and monitoring included.			DUD	No fund
33	Studies for and Construction of the APSARA Authority headquarters in the "Gate of Angkor" zone	2005-2006	700,000Euros (US\$791,000)			DUD	Architectual design was completed. Bidding for contractor: Dec., 2005. Fund from APSARA, a
34	Studies for and constuction of the visitor intake and information	Studies to be undertaken in 2004, with implementation in 2006	1.4M Euros (US\$1.58M)		The "Gates of Angkor" Development Zone-Link Between Siem Reap and Angkor (Infrastructure for visitor intake and orientation)	DUD + DTD	The program design is still on going and reviewing.
35	Studies for a cultural complex and subsequent construction	Preliminary study to go ahead in late 2004	3.6 Euros (US\$4.07M)		The "Gates of Angkor" Development Zone-Link Between Siem Reap and Angkor (Program for cultural facilities)	DUD + DTD	No fund
36	Studies for a commercial complex for traditional fine crafts and luxury commodities, and subsequent constructions	Staring in 2005	1.2 Euros (US\$1.4M)		The "Gates of Angkor" Development Zone-Link Between Siem Reap and Angkor (Hotel facilities, leisure and sports activities)	DUD + DTD	No fund
37	Installing a golf course in the "Gates of Angkor" zone	Look for investors in 2004 so thet implementation can start in 2006	F/S: 30,000 Euros (US\$34,000), Constuction 5-10M Euros (US\$5.65-11.3M)		The "Gates of Angkor" Development Zone _ Link Between Siem Reap and Angkor (Leisure and sports activities)	DUD + DTD	No fund
38	Landscaping the access roads to the "Gates of Angkor" zone and grassing in the ditches (Including 1st to 5th sequences)	To be completed in 2004 /2005 (2004 for grassing in the ditches)	965,000 Euros (US\$1.09)			DUD	

Source: Second Intergovernmental Conference for the Safeguarding & the Development of Angkor, Paris 14-15, November 2003

DTD: Department of Tourism Development
 DTA2: Department of Monument and Archeology 2
 DSD: Department of Social Demographic
 DUD: Department of Urban Planning and Development
 DTA1: Department of Monument and Archeology 1
 DWF: Department of Water and Forest

**JICA - Study on Integrated Master Plan for Sustainable Development of Siem Reap/Angkor Town
Project Brief**

Sector: Tourism Development

ID No.	Project Title	Beneficiaries and/or Target Group	Assumed Fund	Estimated Cost	Project Priority
TO-1	<p align="center">Khmer Heritage Tourism Network and Tourism Facility Development Project</p> <p align="center">Project Site North west region (5 provinces)</p>	<p align="center">Tourists, local residents, tourism related businesses and public sector (Tourism and culture)</p>	<p align="center">Loan (International)</p>	<p align="center">26,550 (thousand US\$)</p>	<p align="center">Priority</p>
	<p align="center">Project Site North west region (5 provinces)</p>	<p align="center">Department</p>	<p align="center">Contact Person</p>	<p align="center">Telephone</p>	<p align="center">E-mail</p>
<p>Background: Most of Angkor temples in Cambodia were built between 7th and 14th centuries in Siem Reap and its surrounding provinces. In recent year, tourist will be able to visits not only Angkor Wat Complex and other temples in the Angkor Archaeological Zone, but also other Khmer temples and monuments such as Beng Mealea, Koh Ker, Kbal Spean, Phnom Kuren, Banteay Chhmar and Sambor Prei Kuk for day trip tour. Tours to distant Khmer temples and creating Khmer heritage tour circuits are potential tourism resources for understand and follow the Khmer Heritage Routes. However, most of those distant temple and monument sites lack tourism signboard, tourism service facilities and infrastructure, where are not sufficiently to serve foreign tourist. Besides development and improvement of distant Angkor temples and monuments sites, various tourism facilities and infrastructure need to be developed in Siem Reap town, Angkor Archaeological Zone, Culture and Tourism Zone and Tonle Sap Lake area in order to improve Siem Reap as attractive tourism destination and enhance value of Khmer heritage, culture, art, local tradition and nature.</p>	<p align="center">Implementation Agency MOT, Provinces, APSARA, MPWT, MOCCA</p>	<p>Project and Program Outline/Components: Project areas consist of four areas as follows: 1. Angkor Heritage Park Area (1) Improvement of stalls and parking areas (2) Installation of street lighting and signboard 2. Urban Amenity and Cultural Tourism Area (1) Development of Angkor Traditional Culture and Ethnology Museum (2) Development of Botanical Garden and Nature Study Center (3) Development of Cambodia National Institute of Tourism (Professional tourism training and research institute) (4) Development of Tourism information centers (areas at Dept. of Tourism, the Old Market area, and bus terminal) (5) Development of Parking space at the Old Market area (6) Redevelopment of the existing Old Market building 3. Tonle Sap Lake and Rural Area (1) Improvement of visitor facilities at Chong Khneas (Tourist information booth, toilet, signboard, resting area, parking) (2) Improvement of Phnom Kraom area (Observation facility, resting area, toilet, parking, signboard) 4. Distant Angkor Monument Area (Khmer Heritage Network Development) Improvement and development of tourism infrastructure and facilities at Spean Tmaot, Sambor Prei Kuk, Phnom Kulen, Kbal Spean, Koh Ker, Banteay Chhmar, Preah Vihear, temple sites in Battambang.</p>			
<p>Project Purpose: The project aims to developed necessity tourism facilities in Siem Reap and promote Khmer heritage tourism tour and circuit by improvement and development of tourism service facilities and infrastructures.</p>		<p>Project Output: Siem Reap becomes more attractive heritage tourism destination with diversified tourism products, Khmer heritage network development and optional tourism attractions for foreign tourist. The project will help to disperse tourist concentration in the Angkor Archaeological Park at tourist peak time and season and increase the length of stay of tourists in Siem Reap.</p>			
<p>Environmental and Social Impact: The project will select sites, development infrastructure and facilities that shall have little social and environmental impact.</p>				<p>Project Cost: (000 USD) 1) Direct costs 20,000 2) Capacity building 500 3) Physical conti. 2,000 4) Price Escalation 2,050 5) Engineering service 2,000 sub-total 26,550 TOTAL 26,550</p>	
<p>Related Projects: 1) Community development project (handicraft making) funded by GTZ in Sambor Prey Kuk, started in 2004. 2) Improvement of roads in and around the Old Market area by Siem Reap Provincial Gov., started in Dec., 2005.</p>					

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Project Brief
Sector: Tourism Development

ID No.	Project Title		Beneficiaries and/or Target Group Visitors, local residents, local tourism business in Siem Reap	Assumed Fund	Estimated Cost 260 (thousand US\$)	Project Priority																
	Project Site	Implementation Agency																				
TO-2	Night Market Development Project	Implementation Agency Private sector	Department Contact Person	Private	Telephone	E-mail																
<p>The Old Market area in Siem Reap Town Area</p> <p>Background: Tourist attraction and entertainment at night time is very limited in Siem Reap, which depends on Apsara dance or traditional shadow puppet show at restaurants. Night market is a place gathering many small shops for selling local product, souvenir, eating and holding night event show, and becomes one of tourism attractions and also tour options.</p> <p>Project and Program Outline/Components: 1) Selection of location for development of night market (Streets or area near the Old Market area) 2) Preparation of project concept plan 3) Site plan 4) Detailed shop layout plan 5) Implementation plan 6) Operation and management plan</p>																						
<p>Project Purpose: The project aims to create tourist attraction and tour option at night by development of a night market in Siem Reap. This is not only attract local and foreign tourists, but also creates employment opportunity.</p> <p>Project Output: The direct output of the project will be creating night attraction for foreign and local tourist to buy various kind of local products and foods. It helps to provide places for selling local products and increase to generate income for local people.</p>																						
<p>Environmental and Social Impact: The project will select the location that shall little social and environmental impact.</p> <p>Related Projects: A study of night market is conducted by ADB.</p>																						
<p>Implementation Schedule: 2006: Selection of site 2007: Preparation of site plan and detailed shop layout plan 2008: Implementation and Operation Plan</p>				<p>Project Cost: (000 USD)</p> <table border="0"> <tr> <td>1) Direct costs</td> <td align="right">200</td> </tr> <tr> <td>2) Capacity building</td> <td></td> </tr> <tr> <td>3) Physical contingency.</td> <td align="right">20</td> </tr> <tr> <td>4) Price Escalation</td> <td align="right">20</td> </tr> <tr> <td>5) Engineering service</td> <td align="right">20</td> </tr> <tr> <td>sub-total</td> <td align="right">260</td> </tr> <tr> <td>6) Land acquisition</td> <td></td> </tr> <tr> <td>TOTAL</td> <td align="right">260</td> </tr> </table>			1) Direct costs	200	2) Capacity building		3) Physical contingency.	20	4) Price Escalation	20	5) Engineering service	20	sub-total	260	6) Land acquisition		TOTAL	260
1) Direct costs	200																					
2) Capacity building																						
3) Physical contingency.	20																					
4) Price Escalation	20																					
5) Engineering service	20																					
sub-total	260																					
6) Land acquisition																						
TOTAL	260																					

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Project Brief

Sector: Tourism Development

ID No.	Project Title	Beneficiaries and/or Target Group	Assumed Fund	Estimated Cost	Project Priority
TO-3	Public-Private Partnership Tourism Quality Improvement Program	Tourists, local residents, tourism businesses and public sector (Tourism and service) in Siem Reap	Grant	to be determined (thousand US\$)	Priority
	Project Site Siem Reap	Department Contact Person		Telephone	E-mail
	<p>Background: Siem Reap has been rapidly growing as mass tourism destination; however, urban area and tourist sites are not properly managed to accommodate foreign tourists with comfortable and safe. Lack of tourism marketing and promotion activities by public sector is constraint to Siem Reap for targeting "quality tourism destination". It is also necessary to upgrade tourism quality of Siem Reap for enhancing value of Khmer heritage with public and private partnership.</p> <p>Project Purpose: The program aims to enhance value of Khmer heritage through reviving local cultural and traditional events, strength public and private partnership by establishing the marketing and promotion board, prepare strategic marketing plan, carry out public awareness program for local people and prepare tourism guidelines for improvement of tourism quality in Siem Reap.</p>	<p>Project and Program Outline/Components:</p> <ol style="list-style-type: none"> 1) Establishment of Siem Reap Tourism Promotion and Marketing Board 2) Preparation of strategic marketing and promotion plan for Siem Reap 3) Strengthening capacity of tourism sector in Siem Reap by dispatching foreign tourism experts (Tourism marketing & promotion, human resource development/management, database/IT specialist, tourism product development) 4) Public-private partnership (PPP) programs <ul style="list-style-type: none"> - Public awareness program and campaign - Hospitality improvement for tourism business sector - Preparation and holding events and forums 5) Participation of tourism sector training program in Japan for government officials 			
	<p>Environmental and Social Impact: The program will have no adverse effects on environmental and social impact.</p> <p>Related Projects:</p>	<p>Project Output: The direct output of the program will strength the capacity of tourism promotion and marketing by public and private partnership and improve tourism service and quality in Siem Reap for accepting quality tourism market.</p>			
		<p>Implementation Schedule:</p> <p>2006: Preparation of program 2007-9: 1) Establishment of PPP Siem Reap Promotion & Marketing Board 2) Sending foreign tourism expert in Siem Reap 3) Preparation of strategic marketing plan 2010-12: 1) Public-private partnership (PPP) programs 2) Government officials (Tourism sector) training program in Japan</p>		<p>Project Cost: (000 USD)</p> <ol style="list-style-type: none"> 1) Direct costs 2) Capacity building 3) Physical contingency. 4) Price Escalation 5) Engineering service <p style="text-align: right;">sub-total ----- TOTAL ----- -</p>	-

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Project Brief
Sector: Tourism Development

ID No.	Project Title		Beneficiaries and/or Target Group		Assumed Fund	Estimated Cost	Project Priority
TO-4	Development and Promotion of Community-based Eco and Village Tourism		Tourist, local people in target villages, tourism businesses in Siem Reap		Grant/APSARA	158 (thousand US\$)	
	Project Site	Implementation Agency	Department	Contact Person	Telephone		E-mail
	Rural areas and Tonle Sap Lake	NGO, APSARA	Dept. of Tourism				
<p>Background: In Siem Reap, Tonle Sap Lake, its lakefront area and rural areas are potential areas for development of eco-tourism and village tourism. Besides cruising tour on Tonle Sap Lake visiting floating village and fish farms, Prek Toal Bird Sanctuary tour is promoted as eco-tourism tour operated by a private company from January to June. Kampong Phluk, fishery village in Tonle Sap Lake is also a potential eco-tourism site and will be able to create new tour circuit connecting Chong Khmies and Roluos. Some other handicraft villages such as Pradak Village and silk and handicraft village near Banteay Srey, operated by Institute of Khmer Traditional Textiles (IKTT) will be promoted for village tourism.</p>							
<p>Project Purpose: The project aims to develop and promote community-based eco and village tourism as optional tour products for diversified tourism market, which helps to contribute more benefit to local economy with interaction between tourist and local people.</p>							
<p>Project Output: 1) Increase income of village people and create employment opportunity. 2) Enhance value of local culture and tradition and improve infrastructure for the village community. 3) Enhance awareness of conservation, management and sustainable use of the environment</p>							
<p>Environmental and Social Impact: The project will select the location that shall little social and environmental impact.</p>			<p>Implementation Schedule: 2008: Preparation 2009: F/S of site selection for the pilot 2010-11: Implementation 2012: Promotion and marketing plan</p>			<p>Project Cost: (000 USD) 1) Direct costs 100 2) Capacity building 25 3) Physical conti. 10 4) Price Escalation 13 5) Engineering service 10 sub-total 158 6) Land acquisition TOTAL 158</p>	
<p>Related Projects: 1) Community base ecotourism development in Kampong Phluk has been carried out by FAO since 2005. 2) Community development and environmental improvement program in the Angkor Heritage Park, proposed by New Zealand, The government signed a bilateral cooperation with ZN in 2005. (5 year program)</p>							

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Project Brief

Sector: Tourism Development

No.	Project Title	Beneficiaries and/or Target Group	Assumed Fund	Estimated Cost	Project Priority																
TO-5	Strengthen of Tour Guide Training and Introduction of Advanced Tour Guide System	Tourists, tour operators, local tourist guides, MOT, APSARA	MOT, International	120 (thousand US\$)																	
	Project Site Siem Reap	Department	Contact Person	Telephone	E-mail																
	<p>Background: In Siem Reap, a shortage of Korean and Chinese speaking local tour guide is critical problem due to rapid increases of Korean and Taiwanese tourists. A number of licensed tour guides still need retraining in order to improve knowledge and guiding skill. In addition to one type of regional tour guide system in Siem Reap, it is necessary to have advanced and specific tour guide specialized on Archaeology, culture, ecotourism for accepting up-market and various types of visitor's needs.</p>	<p>Project and Program Outline/Components: 1) Review of existing tour guide training and licensing system 2) Revision of tourist guide training program (Curriculum, materials) 3) Revision of tourist guide retraining program 4) Training of instructor 5) Case study of tour guiding system in other countries 6) Plan of new tourism guide licensing system (Guide type, responsibility, examination and training)</p>																			
	<p>Project Purpose: The project is to strengthen of tour guide training program and upgrade current tour guide licensing system.</p>	<p>Project Output: The direct output of the project will improve capacity of tour guiding skill and knowledge of local tourist guides.</p>																			
	<p>Environmental and Social Impact: The program will have no adverse effects on environmental and social impact.</p>	<p>Implementation Schedule: 2006: Review and existing tour guide training and licensing 2007-8: Plan and conduct tourist guide training 2010: Case study of tour guiding system 2011: Plan and introduction of new tourism guide licensing system</p>																			
	<p>Related Projects:</p>	<p>Project Cost: (000 USD)</p> <table border="0"> <tr> <td>1) Direct costs</td> <td>120</td> </tr> <tr> <td>2) Capacity building</td> <td>50</td> </tr> <tr> <td>3) Physical conti.</td> <td>12</td> </tr> <tr> <td>4) Price Escalation</td> <td>17</td> </tr> <tr> <td>5) Engineering service</td> <td>12</td> </tr> <tr> <td>sub-total</td> <td>211</td> </tr> <tr> <td>6) Land acquisition</td> <td></td> </tr> <tr> <td>TOTAL</td> <td>211</td> </tr> </table>				1) Direct costs	120	2) Capacity building	50	3) Physical conti.	12	4) Price Escalation	17	5) Engineering service	12	sub-total	211	6) Land acquisition		TOTAL	211
1) Direct costs	120																				
2) Capacity building	50																				
3) Physical conti.	12																				
4) Price Escalation	17																				
5) Engineering service	12																				
sub-total	211																				
6) Land acquisition																					
TOTAL	211																				

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Project Brief

Sector: Tourism Development

No.	Project Title	Beneficiaries and/or Target Group	Assumed Fund	Estimated Cost	Project Priority
TO-6	Comprehensive Study for Carrying Capacity and Site Management	Tourists, site management staff in the Angkor Archaeological Park	APSARA/ International	163 (thousand US\$)	
	Project Site	Department	Contact Person	Telephone	E-mail
	Angkor Archaeological Zone	APSARA (Dep. of Tourism, Dep. of Monument and Archeology)			
<p>Background: The major problem in the Angkor Archaeological Zone is concentration of foreign tourist flows at major temples, especially at Angkor Wat, Bayon, Banteay Srei, Ta Prohm and Phnom Bakheng during the specific times and tourist peak season. The congestion of tourist flows was caused by similar tour pattern with limited number of stay for visitor in Siem Reap.</p> <p>Project and Program Outline/Components: 1) Visitor counting survey (hourly, daily, monthly) at selected major temple and monument sites 2) Traffic flows counting survey (hourly, daily, monthly), analysis of surveys, visitor movement pattern 3) Carrying capacity analysis (max. no. of visitors) for selected major temple and monument sites, and in the whole park 4) Impact survey and analysis at selected major temple and monument sites 5) Site management guidelines 6) Site management and operation plan including staff training 7) Monitoring of visitor flows and site management Survey will be conducted during the tourist peak and low seasons.</p>					
<p>Project Purpose: The project aims to study carrying capacity of visitor flows at each temples and monuments in the zone and prepare an optimal site management plan for visitor to the Zone for the sustainable management of visitor and traffic flows in the zone.</p>					
<p>Project Output: 1) Solve the congestion of visitor flows at major temples and monuments during the visitor peak hours and tourist peak season by controlling visitor flows at temples and monuments and traffic flows in the park area. 2) Decrease damage of temples and monuments by visitors. 3) Increase capacity of site management and enhance awareness of historical and archeological value of Khmer heritage.</p>					
<p>Environmental and Social Impact: The program will have no adverse effects on environmental and social impact.</p>					
<p>Related Projects: A visitor survey conducted at Angkor Wat and Banteay Srey and Ta Prohm temples from Oct. to Dec., 2004 by the Survey Unit, Department of Tourism, APSARA.</p>					
<p>Implementation Schedule: 2008: Preparation of study 2009-10: Conducting surveys and analysis 2011: Site management guidelines and operation plan 2012: Capacity building and Monitoring</p>			<p>Project Cost: (000 USD) 1) Direct costs 100 2) Capacity building 30 3) Physical conti. 10 4) Price Escalation 13 5) Engineering service 10 sub-total 163 TOTAL 163</p>		