

Evaluating Effects and Efficiency of Cambodian Tourism



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1. External and internal effects

To evaluate effects on the Cambodian tourism over the past years and thereby to build the strategy for sustainable development, we have to build matrixes to assess the industry's external and internal effects as follows:

- External factor effects: Based on the analysis of the importance of external factors and the tourism industry's adaptability, we draw up the following table:

To evaluate effects of each external factor on the industry, we can rate external factors into four levels: 1= lowest adaptability; 2 = medium adaptability; 3 = higher adaptability; and 4 = highest adaptability.

The table shows the industry's total marks are 2.46, which means its adaptability is not good to make the best use of opportunities and avoiding threats.

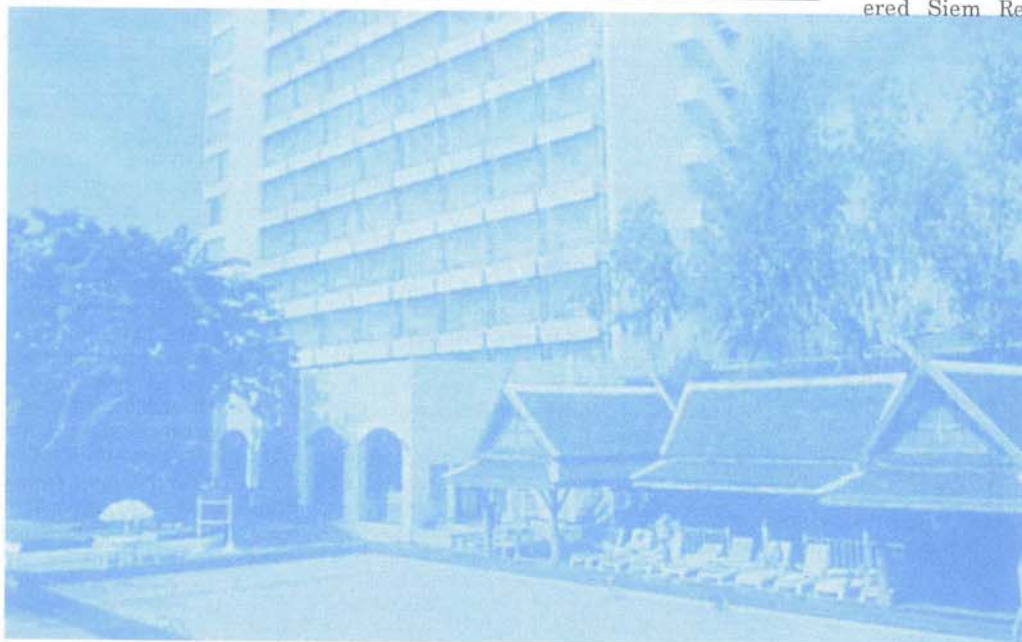
- Internal factor effects: Based on the importance of internal factors and the industry's adaptability, we can set up the following table:

Table 1: External indicators of Cambodian tourism

Indicators	Assessment of importance	The sector's adaptability	Total marks
Unstable global politics	0.05	2	0.10
Unstable domestic politics	0.05	2	0.10
Social order	0.05	2	0.10
Social security	0.05	2	0.10
Low per capita income	0.04	2	0.08
Low spending power	0.02	2	0.04
Much leisure time	0.02	3	0.06
Few forex changes	0.03	2	0.06
Slow growth of global economy	0.04	2	0.08
Low prices of commodities	0.04	3	0.12
Low educational attainment of people	0.01	2	0.02
Increasing life expectancy	0.01	2	0.02
Developed cultural and urban environment	0.05	3	0.15
Entertainment behavior	0.03	2	0.06
Low quality of public goods	0.03	2	0.06
Poor infrastructures	0.05	2	0.10
High hospitality	0.05	3	0.15
Liberal laws and policies	0.04	3	0.12
Technological effects	0.03	2	0.06
Less changed climate	0.01	2	0.02
Favorable terrain	0.02	2	0.04
Abundant natural resources	0.02	3	0.06
Peoples	0.02	2	0.04
Ancient cultural and historical relics	0.09	3	0.27
Unique architects	0.08	3	0.24
Interesting cultural festivals	0.04	3	0.12
Traditional handicraft villages	0.03	3	0.09
Total	1.00		2.46

Table 2: Internal indicators of Cambodian tourism

Indicators	Assessment of importance	The sector's adaptability	Total marks
Limited infrastructure, electricity and water supply	0.11	2	0.22
Small investment in tourism	0.10	2	0.20
Adaptability of management and business	0.10	1	0.10
Tourist facilities	0.10	2	0.20
Low quality of tourist products	0.09	1	0.09
Backward media	0.07	2	0.14
Restricted human resources	0.08	1	0.08
Non-professional advertising	0.08	2	0.16
Ineffective policies on tourism development	0.08	3	0.24
Low tour prices	0.12	4	0.48
Small tourist sites	0.07	2	0.14
Total	1.00		2.05



Like external factors, internal factors are also rated into four levels: 1 = weakest; 2 = weaker; 3 = stronger; 4 = strongest.

The above table indicates the industry's total marks are 2.05, which means its activity remains weak and less developed and it has not yet utilized its advantages and overcome its shortcomings to seize opportunities and avoid risks.

2. Evaluating efficiency of the Cambodian tourism

Over the past years the tourist industry has earned large amounts of

foreign currency to the country as well as increased economic growth, generated jobs for local residents and kept the environment clean and beautiful.

- **Economic efficiency:** Tourism is a general industry related to many activities in the society. The tourists' spending in their stay has created income to the people and multiplied over years. According to a report of UNDP in 1996 one dollar earned from tourist services has generated US\$1.52 of income in the economy such as: offering more jobs, revitalizing traditional handicraft and

boosting production, transport, and telecommunications. The tourism created 15% of GDP in 2002 and attracted US\$2,181,317,531 of investment capital. Its development has also accelerated urbanization across the country.

- **Social efficiency:** Tourism is an industry having high socialization; it produces strong impacts on human life, for example, offering more than 100,000 jobs in 2002; raising people's intellectual level; improving living standard; revitalizing traditional customs and preserving cultural values.

- **Environmental efficiency:** In the process of tourist development, the environment and landscape have been upgraded and strictly protected. Investments have been increasingly poured in entertainment projects, for example, eco-tourist site in the National Park of Kiri-rum, Phnom Tamao Zoo and bird sanctuary in Tonle Sap forest, etc. Phnom Penh City has reclaimed waste canals and grew grass and trees along streets. The Government of Siem Reap has recovered Siem Reap stream,

making the urban scenery greener. As a result, sustainable development of tourism is preservation and recovery of biological resources with the aim of balancing the ecological system.

In short, Cambodian tourism has contributed to the renewal of the country's image over the past years; however, it still encountered a lot of difficulties, especially challenges arising from the globalization process. Yet, it has taken few effective measures to overcome these obstacles and therefore, has not fully exploited available potentials. ■