Annexes: Selected Issues

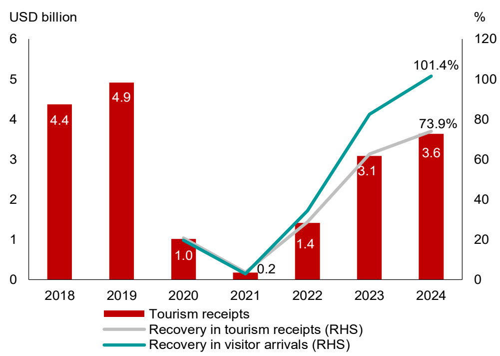
Annex 1. Challenges in the Post-pandemic Recovery of Inbound Tourism to Cambodia: Slow Return of Chinese Tourists[70]

The post-pandemic recovery in Cambodian tourism is uneven across regions and segments, with notable shifts in visitor sources and destinations. In particular, there is a sluggish growth in tourism receipts despite increased visitor numbers after the pandemic, primarily driven by a decline in high-spending tourists, especially from China. Against this development, further policy efforts are required to foster a resilient and high value-added tourism in Cambodia.

Background

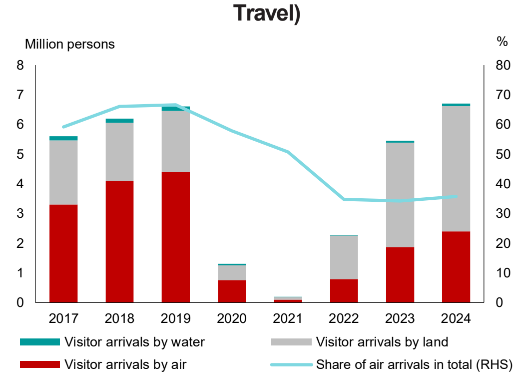
1. Cambodia's tourism sector has seen a sluggish recovery in tourism receipts[71] despite a strong rebound in international visitor arrivals since 2023. International visitor arrivals reached 6.7 million in 2024—up from 5.5 million in 2023, and surpassing the pre-pandemic peak of 6.6 million in 2019. However, aggregate tourism receipts in 2024 were 26 percent below the pre-pandemic level (Figure A1.1). This could reflect a new trend of persistently low average spending per tourist, driven by the slow recovery of high-value visitor segments in the post-pandemic era.

Figure A1.1. Tourism Receipts and Recovery Rates



Source: Ministry of Tourism; AMRO staff calculations
Note: The recovery rates are compared with the 2019 levels.

Figure A1.2. Rebound in Visitor Arrivals (by Mode of Travel)



Source: Ministry of Tourism; AMRO staff calculations

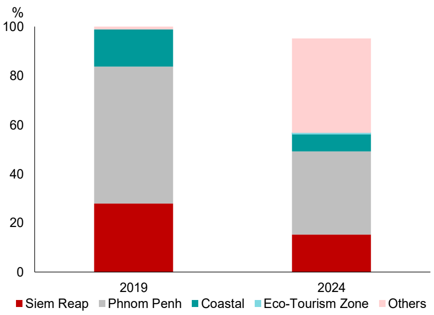
Post-Pandemic Recovery in Cambodian Tourism

2. The high headline visitor number masks significant variation across regions and segments, with fewer high-spending tourists. First, the recovery has been dominated by land-based arrivals, which have more than doubled since 2019, with provinces along the land border experiencing the strongest growth due to a surge in short-stay visitors and casino patrons. These visitors, however, tend to visit for shorter periods of time and contribute less economic value compared to those arriving by air or water (Figure A1.2). Second, the distribution of visitors' destinations has shifted, with popular sites like Siem Reap—typically dependent on air arrivals and longer-staying, higher-spending tourists—still seeing visitor numbers well below pre-crisis levels (Figure A1.3). Third, the sources of international visitors have also shifted, with a notable decline in high-spending tourists from key markets such as China and a growing share of arrivals from neighboring countries (Figure A1.4). These

[70] Prepared by Andrew Tsang, Senior Economist and Kuchsa Dy, Associate.
[71] According to the World Bank, "tourism receipts" refer to expenditures by international inbound visitors, including payments to national carriers for international transport.

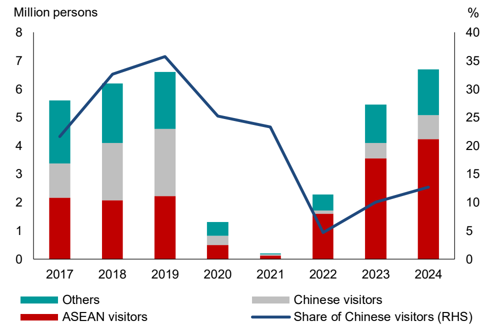
changes have collectively limited the sector's recovery in receipts and broader economic impact.

Figure A1.3. Visitor Arrivals (by Destination)



Source: Ministry of Tourism; AMRO staff calculations
Note: The Ministry of Tourism does not provide additional information on "Others", but it should include land border provinces.

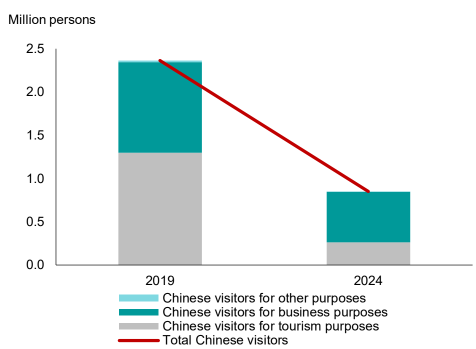
Figure A1.4. Rebound in Visitor Arrivals (by Sources)



Source: Ministry of Tourism; AMRO staff calculations

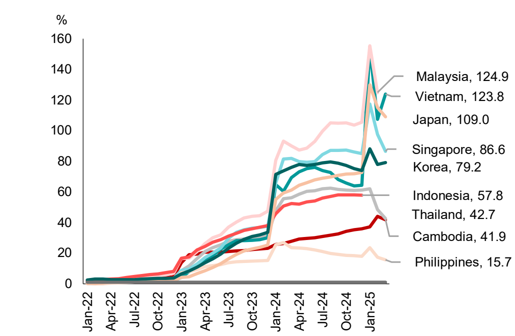
3. The significant shift in Cambodia's incoming visitor profile reflects the continued weak recovery in Chinese visitor numbers. Prior to the pandemic, Chinese travelers accounted for the largest share of arrivals and contributed disproportionately to the sector's revenue. Despite the reopening of China's borders and the gradual resumption of business travel, Chinese visitor arrivals to Cambodia remain subdued (Figure A1.4), particularly for leisure tourism (Figure A1.5). In contrast, visitors from ASEAN and other regions have surpassed or nearly returned to the pre-pandemic levels. Compared with peer countries in the region, the recovery of Chinese visitor arrivals to Cambodia has been slower than most, except for the Philippines (Figure A1.6). Therefore, the main challenge in the recovery of inbound tourism post-pandemic is the slow return of Chinese tourists.

Figure A1.5. Composition of Chinese Visitors (by Purpose of Visit)



Source: Ministry of Tourism

Figure A1.6. Recovery of Chinese Visitor Arrivals since 2022 to March 2025, Compared with the 2019 Level



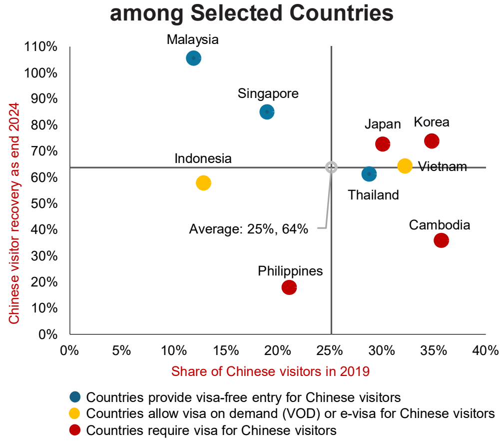
Source: National authorities; AMRO staff calculations
Note: The comparison utilizes year-to-date visitor arrivals to benchmark against the corresponding levels from 2019. Malaysia data was as of February 2025, and Indonesia was as of December 2024.

Determinants for Slow Recovery in Chinese Tourists

4. Several demand-side factors, including shifting travel preferences, could explain the slow return of Chinese tourists to Cambodia. The Chinese market has seen a pronounced move away from group package tours toward free independent travel (FIT), premium products, and experience-driven itineraries.[72] Cambodia's tourism product offering is centered on group tours and Angkor Archaeological Park, with relatively limited innovation in premium or experiential segments. These challenges underscore the need for Cambodia to adapt its tourism products and improve its image as a tourist destination.

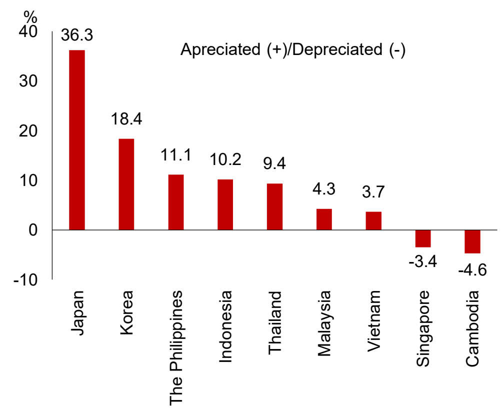
5. Reduced flight connectivity and high travel costs have contributed to the slow return of Chinese tourists. Lower demand for travel to Cambodia has kept direct air connectivity with China below pre-pandemic levels, reducing accessibility and convenience for those who do want to travel, particularly Siem Reap. That its nationals must pay a USD30 visa fee adversely impacts tourism arrivals from China, especially given recent moves by Thailand, Malaysia, and Singapore to offer visa-free entry to Chinese nationals (Figure A1.7). Exchange rate movements have also played a role. Compared with 2019, the Cambodian riel—which is closely aligned with the US dollar—has appreciated against the Chinese yuan, increasing the cost of travel in Cambodia for Chinese tourists. In contrast, many regional peers have seen their currencies depreciate against the yuan (Figure A1.8), enhancing affordability for Chinese tourists in those economies.

Figure A1.7. Recovery of Chinese Visitors, Pre-Pandemic Shares, and Visa Requirements among Selected Countries



Source: National authorities; AMRO staff calculations

Figure A1.8. Valuation Changes in the Chinese Yuan Against Selected ASEAN+3 Currencies, December 2024 versus December 2019



Source: Various central banks via Haver Analytics

6. Cambodia continues to face persistent constraints in both hard and soft infrastructure.[73] The lagging return of Chinese tourists, despite targeted policy efforts, reflects both temporary bottlenecks, including air connectivity, cost, and safety perceptions, and deeper, longer-standing structural constraints. The Travel and Tourism Development Index (TTDI) 2024 ranks Cambodia below its regional peers in air connectivity, modern airports, and urban infrastructure, although it has rich cultural or natural resources. Soft infrastructure gaps are equally significant, including health and hygiene issues, inconsistent service quality, limited Chinese-language support, and digital gaps such as a lack of digital marketing platforms that limit its appeal to free independent travel and higher-spending tourists.[74] These issues also constrain further growth in tourists from other countries, as well as Cambodia's tourism.

[72] See Rapti, E. and Zouni, G. (2024) and Dragon Trail International (2025). For instance, in Dragon Trail International (2025), the highest share of respondents (60 percent) said they prefer independent travel, compared with only 19 percent for semi-self-guided tour and 15 percent for group tours.
[73] See Vanne, K. (2023) on key structural issues and cross-country comparisons in Cambodia's Tourism sector.
[74] See Rapti, E. and Zouni, G. (2024) and Dragon Trail International (2025). In particular, their survey data indicates these are now key priorities for Chinese outbound travelers.

Policy Implications

7. The authorities have initiated policies to support tourism recovery, but further efforts should be made to address fundamental weaknesses in Cambodia's tourism. In recent years, the authorities have carried out some supporting policies, such as investments to enhance airport facilities,[75] the launch of the Tourism Development Master Plan for Siem Reap 2021-2035, the "Go Digital Cambodia" campaign,[76] the recent launch of Bakong Tourist app, as well as ongoing visa and air liberalization reforms. However, to accelerate growth momentum and achieve high value-added tourism, the authorities should further invest in tourism-related infrastructure, particularly in transport, health and hygiene, and other urban amenities. Furthermore, closer collaboration with the private sector is needed to implement more impactful measures, including proactively addressing safety and quality concerns, particularly on social media in key tourism markets; diversifying tourism products beyond traditional cultural attractions; improving digital marketing and language support to appeal to free independent travelers; and encouraging industry-led promotional initiatives. While restoring Chinese tourist arrivals remains important, building a more resilient tourism sector in Cambodia requires diversifying the tourist base by expanding outreach to other emerging markets such as Europe, India, and the Middle East.

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Dragon Trail International (2025). "Chinese Traveler Sentiment Report April 2025." https://dragontrail.com/resources/blog/china-traveler-sentiment-report-april-2025.

Rapti, E. and Zouni, G. (2024). "Changes in Travel Behaviour Caused by COVID-19: Outbound Chinese Tourists." *Tourist Behaviour and the New Normal (Volume I, Chapter 4)*, pp. 51-70, Springer.

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[75] For instance, the expansion of Siem Reap International Airport and the construction of new Phnom Penh International Airport are underway.
[76] The campaign aims to promote and enable the community to become a digitally inclusive society. See https://godigital.gov.kh/about.