
Hospitality Business Environment

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Current Context and Market Landscape

The hospitality sector in Cambodia is undergoing a period of transformation, with Phnom Penh positioned as a potential growth hub in the region. As tourism rebounds and infrastructure improves post-pandemic, understanding the city's evolving business environment is key to identifying strategic opportunities.

In 2025, Phnom Penh is targeting to welcome around 7 million international visitors, a very ambitious figure, but still far behind its regional neighbors. Ho Chi Minh City targets over 23 million, and Bangkok expects around 39 million visitors. The gap is large, but it also represents a major opportunity.

In my opinion, one of the main reasons for this difference has been limited flight access. Phnom Penh has fewer direct and affordable international routes, especially from long-haul markets like Europe. This has capped tourism growth and kept arrival numbers lower than they could be.

The new airport creates a real opportunity, but to fully benefit from it, Cambodia must secure direct, competitive, and regular connections from key markets. Only then can Phnom Penh truly compete as a destination for both business and leisure on a regional and global scale. This will be very helpful for the hospitality sector in Phnom Penh, as improved connectivity will boost occupancy rates, attract new market segments, and support long-term investment in tourism infrastructure.

Phnom Penh is not yet as crowded or commercial as other regional capitals, and that is part of its appeal. The city is seeing steady growth in lifestyle tourism, regional business travel, and MICE activity (Meetings, Incentives, Conferences, and Exhibitions).

New-generation hotels, serviced residences, boutique properties, and mid-range chains are entering the market, all trying to meet the changing needs of post-pandemic travelers. The demand for flexible workspaces, co-living options, and experience-driven stays is shaping the future of hospitality in Phnom Penh.

In addition, the hospitality sector is becoming more digitized. Online bookings, contactless services, and targeted digital marketing strategies are now core components of hotel operations, pushing operators to innovate in order to stay relevant to an increasingly tech-savvy customer base.

To remain competitive, stakeholders in Phnom Penh's hospitality sector must align with international standards while preserving the city's distinct identity. Collaboration between government, investors, and service providers will be essential to capitalize on the momentum and ensure sustained growth in a rapidly shifting regional tourism landscape.

Hospitality Market Dynamics and Demand Trends

Phnom Penh's hospitality landscape is evolving rapidly, shaped by shifting traveler expectations, regional business dynamics, and urban development. The city is witnessing a gradual move away from traditional hotel models toward more lifestyle-oriented or hotel apartments and experience-driven properties. As the capital grows in importance for regional commerce and tourism, hotels are repositioning themselves to serve a more diverse customer base, from business travelers and MICE (Meetings, Incentives, Conferences, and Events) delegates to digital nomads and short-stay leisure guests.

The central districts, especially areas like Riverside, Daun Penh, and BKK, are seeing an increase in new hotel openings, renovations, and rebranding efforts. International chains and boutique operators alike are entering or expanding their footprint, reflecting growing investor confidence in the market. This is complemented by the rise of mixed-use developments, where

hospitality is integrated with office, retail, and residential components, offering new ways to attract and retain guests.

In particular, MICE tourism is becoming a strategic focus for many properties. As Phnom Penh improves its infrastructure and safety standards, demand for meeting venues, conference spaces, and incentive travel is on the rise. Hotels with versatile function spaces and modern amenities are in a strong position to capture this growth. At the same time, smaller boutique hotels are finding success by offering niche experiences, creative design, and personalized services that appeal to independent travelers.

The food and beverage scene is also playing a growing role in shaping hotel competitiveness. Properties that offer multiple, well-executed dining and bar concepts are more likely to attract both in-house guests and local residents. This trend is particularly important in Phnom Penh, where lifestyle, convenience, and social interaction are key selling points for a younger, more mobile generation of travelers.

Overall, the hospitality sector in Phnom Penh is becoming more layered and responsive. Operators who can remain flexible, invest in talent, and build strong community connections will be best positioned to thrive in this new era.

Outlook and Opportunities Ahead

The next few years look promising for hospitality in Phnom Penh. With the new airport coming online and improvements in roads and safety, the city is ready to attract more international travelers. The government and private sector are working on new campaigns to promote Cambodia, which will help build awareness.

One opportunity that remains largely underestimated is golf tourism. Phnom Penh has recently welcomed the Chhun On Golf Resort, a brand-new 37-hole golf course that raises the city's profile as a serious golf destination. This development has strong potential to attract both regional and international golf travelers, especially those combining leisure with business. It also adds a compelling reason for visitors to extend their stay, which directly benefits hotels, restaurants, and other tourism services.

Eco-conscious tourism is another area to watch. Newer hospitality projects are incorporating sustainable

design, energy-efficient systems, and local community involvement to align with the values of environmentally aware travelers.

Phnom Penh may not yet be on the same level as the larger capitals in the region, but the foundation is here. With the right direction, the city can become a top destination in Southeast Asia in the next 10 years.

As the hospitality landscape evolves, adaptability, innovation, and collaboration will be key drivers of sustained growth. By staying attuned to traveler needs and embracing emerging opportunities, Phnom Penh has the potential to not only compete but to lead in shaping the region's next wave of tourism and business travel.