

Hotelier books profits in capital



The Little Garden's Pisey Pech

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Cambodia's year-on-year tourism growth has drawn more investment in the hotel sector. The Little Garden, a boutique hotel in Phnom Penh that opened just six months ago, continues to draw a large number of foreign visitors. Phnom Penh Post reporters Sorn Sarath and Siem Bunthy interviewed The Little Garden's owner, Pisey Pech, who opened the hotel with local partners and investment capital of US\$100,000.

Why did you choose to invest in a hotel?

I first began my interest in business when I was travelling around a lot previously, and studied abroad so I could get ideas from other countries. I noticed that in Cambodia, most hotels are foreign-style and are owned by foreigners. Because of

this, foreigners living in Cambodia receive all the profit.

You've just started, and your hotel is small compared to others. What strategies do you have to grow the business?

First, for the past six months we have invested in internet advertisements and have put strict budgets on our operating expenses. We also have a website that allows tourists to book before they come to Cambodia. Also, the hotel is well-equipped and a bit cheaper than similar hotels in the area.

You mentioned that foreign investors are interested in the hotel sector. Why don't Cambodian investors have a larger presence in the business?

Nowadays, most of the investors in Cambodia are Thai, Malaysian and South Korean. Cambodians also have money, but the investment level is low and most of them like investing only in real estate that delivers a quick profit. These hotels also risk not being around for long. For example, the eruption of the economic crisis two years ago stunned this business.

Is your decision to start a hotel connected with the present economic and tourism growth of Cambodia?

Although we know the growth rate of hotels in Siem Reap has increased, in Phnom Penh it remains limited and cannot accommodate a lot of visitors. I think my hotel contributes to strengthening the tourist sector in Cambodia. The government considers the tourism sector a good field in which to push for economic growth. But most good hotels are controlled by foreigners, and this money simply flows back overseas.

How do you propose to curb this problem, and what should the government do about it?

The Ministry of Tourism and Ministry of Commerce must create an environment that offers opportunities to local investors so our economy becomes more stable and doesn't have to depend on foreign investment. Some investors just invest for a short period of time, which is not good for our economy.

To encourage Cambodians to run businesses by themselves, it's important for Cambodians to have better access to loans from banks and to make the laws for opening a company more relaxed.

Many tourists from China and Korea visit Cambodia on travel packages offered by foreign companies, so the profits often stay in their countries. What is your opinion on this?

It's a free market, so it's difficult to ban them. But Cambodians and the government should work closely to try to absorb some of those visitors. We should find a way to provide good services, and the government should give technical assistance to local companies.