

It is time for Cambodia to have a clear strategy to attract Digital Nomads/Remote Workers.

PART 1

Suggested Changes to Visa Policy (or creation of Residence Permit) to attract long-stay remote workers.

- Immediately implement **3-month multiple-entry Digital Nomad/Remote Worker visa** that is easily extendable to one year or more.
- Grant tourist visa/remote worker Residence Permit for up to one year, no questions asked. The majority of remote workers earn income from sources outside of Cambodia.
- Establish Digital Nomad/remote worker visa (or Residence Permit) upon entry and valid for one year, multiple-entry and easily extendable.
- If necessary only require DN/Remote Worker tax or employment info after one year or more of continuous presence in Cambodia as remote workers earn from foreign sources.

Suggestions are *situation-specific to Cambodia*.

Industry 4.0 employment transition: The relocation of many in the professional classes, many temporarily, is a large market segment. At last count **54 countries have some form of DN/Remote Worker visa**.

New trends in global employment: 35 million remote workers worldwide (2021).

Tangible Benefits to Cambodia: The presence of these workers will help the local economy for lodging, food and beverage, transport, among others.

NOTE: The Digital Nomad Visa or Residence Permit does not interfere with typical or seasonal tourist arrivals. The Nomads are **NOT CORRELATED** with traditional source market channels, they travel year-round and move when it suits them. It is best to avoid standard economic theorizing and instead think in terms of cultural anthropology, the nomads/remote workers are different from the established leisure market.



35 million
remote workers
worldwide (2021)

PART 2

Rationale, Benefits & Justifications

1 Rationale for default Tourist Visa to be 3 months and multiple entry:

Traditional leisure travel has changed, especially the long-haul market. Ageing demographics in source markets, inflation, and increases in the cost of travel resulting in a scarcity of flights are just a few factors. A one-month single-entry visa is unspectacular and does not encourage long stays. A longer DN visa would help service providers, hotel and short-term rentals to increase occupancy. Long stay travelers are more likely to rent properties for multiple months, spend in the destination for F&B, and other services.

Furthermore, a **3-month multiple-entry visa would encourage visitors to the region to use Cambodia as the "base" country.** "Base country" in this context is to encourage travelers to enter AND depart Asia from Cambodia. This would **provide additional volume for the airlines** to/from Cambodia and allow the kingdom to gain additional income from 'repeat' visitors(multiple entry) in the form of living / hotel / accommodation / transport revenues.

2 Rationale for Tourist Visa extensions of one year and easily able to change visa status

Observation and anecdotal information attained prior to 2019: **New Trends in Travel** - As remote work and digital nomads became a market segment, Nomads who might have stayed longer often moved on to Vietnam, Malaysia, and increasingly the Philippines. Depending on the type of online work, internet speeds and connectivity have been identified as an issue for some, especially those who work in media/video.

Cambodia's visa extension policy has not been seen as easy or inexpensive.

As part of the kingdom's new branding strategy, following the success of Bali (Indonesia) and its **KITAS Residence Permit**, it would be wise to provide change of status quickly and cheaply and also provide a Residence Permit for longer stays.

In short, a substantial number of travelers, both remote workers or digital nomads travel to Cambodia and move on once their 2- or 3-month extension is exhausted. Make it easy to extend or convert a tourist visa.

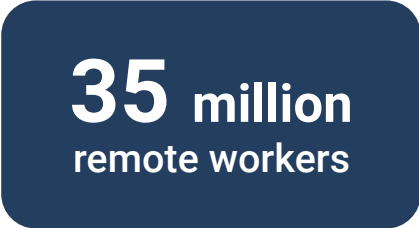
③ Rationale for Digital Nomad Visa, available upon entry. Tax/employment concerns after 1-2 years of continuous presence.

There are several dynamics that could and should be addressed for the "digital nomad" and those that travel and work from a remote location.

Digital Nomads as a subgroup migrate to where there is **fast internet, visas are easy and cheap**, and the **cost-of-living is reasonable**. In recent years Bali, the Philippines, and even Vietnam have done well in capturing this market segment. Cambodia should follow Indonesia/Bali and issue the digital nomad visa/Residence Permit upon arrival and disregard the tax implications as **most digital nomads earn their incomes from jobs worldwide, not locally**.

Remote Work Census: At present there are up to 35 million people worldwide that travel and live in locations other than their home countries for a period of 1 to 6 months each year. This trend is accelerating.

Demographics affecting traditional leisure market: Rapidly ageing populations in the West and East Asia; Peak travel for the Chinese may have already occurred prior to the pandemic. The EU long-haul outbound has already peaked with Germany and Italy as examples; their aging populations are not in the demographic consumer sweet spot for long-haul Asia destinations.



35 million
remote workers

New trends in global employment:
35 million remote workers worldwide(2021)

<https://www.thebrokebackpacker.com/digital-nomad-statistics/>

Economic Geography:

GDP calculation techniques were created in an earlier era **when economies were dominated by the production of manufactured goods**, and may be increasingly poorly suited to measuring value creation in economies characterized by intangible services, rapid innovation rates, complex global production systems, and a wide range of free digital platforms. What this means is that the wider social context of work has changed. Smartphones did not exist in 2007 but they are now ubiquitous and "always on".

Platform capitalism, media and video, online marketing are but just a few segments employing millions of remote workers worldwide.

Platform Capitalism is one segment that has removed **territorial** work requirements and thus created a worldwide market filled by remote workers. The list of platform companies is endless with new ones created almost daily. Note that the table below includes many companies that are global in reach and that routinely employ remote workers.

And keep in mind, though not listed in the table, that some jurisdictions such as the Bahamas, Singapore, etc., have created demand through accommodative legislation that permits industries such as crypto to thrive.

Source: adapted and updated from Langley and Leyshon (2017), table 1. Reproduced with permission of Finance and Society.

Domain	Platform Type	Leading examples
Online market exchanges	Marketplace for sale of products and services through physical distribution, downloads, and streaming	Amazon, Apple, Spotify, eBay, Alibaba, Craigslist, Taobao, Rakuten, Flipkart, etc.
Social media and user-generated content	Host for user communities to post content	Facebook, YouTube, Flickr, Twitter, etc.
Sharing economy	Marketplace for hire of assets and services that would be otherwise be underused	Uber, Airbnb, Turo, JustPark, Lyft, etc.
Crowdsourcing	Marketplace for transactional and contractual work, freelance and informal labour, and know-how	TaskRabbit, Upwork, Amazon, Mechanical Turk, Clickworker, Freelancer, etc.
Crowdfunding and peer-to-peer lending	Marketplace for donation, pledging, lending, or investing money	Kickstarter, Indiegogo, Lending Club, Prosper, etc.

Cost of travel and energy trends for the next 5 to 10 years:

For those worried about the impact of a recession on oil demand and oil prices, higher energy prices are here to stay. The world is consuming 5 times more oil than is being discovered.

A new reality for destinations: In the recent past it was common to assess the arrival numbers from Vietnam/Laos/Thailand and assume that a reasonable percentage of those travelers would also travel to Cambodia. Though there is some truth to this, it is not an accurate way to gauge arrivals. Some countries already do well with long-stays and others have created a 'single destination' mindset. Furthermore, the ease and expense of regional travel is not a guarantee. As a reminder, in 2019 Thailand and Vietnam had big arrival numbers yet Cambodia was in an arrivals recession. And now that the cost of travel is considerably higher, both in time and money, and it is thus wise to look for markets such as remote workers to supplement the traditional leisure market.

Pierre Andurand

Energy/Commodities analyst and trader
[@AndurandPierre](#)

- 1) average annual oil demand growth from 2000 to 2010, and 2010 to 2019 is quite steady around 1.2- 1.3mbd. In line with population growth over time (1.1-1.2%) (2016-2019 1.37mbd) 1/4
- 2) Due to Covid-related lockdowns, demand has been way below trend over the last few years. Taking 2019 as a base, and making demand grow at 1.2mbd/year, we should be at 104.2mbd of demand for 2022. But latest estimate is 99.2. So 5mbd below trend already. 2/4
- 3) estimates for 2023 are for demand at 101.3mbd vs a potential of 105.4mbd. So 4.1mbd below trend. For comparison sake, the largest underperformance relative to trend was in 2009 at 2.5mbd. Very weak demand is already in the forecasts. 3/4
- 4) it is more likely to surprise to the upside, even in a very weak economy, assuming we can get enough supply. 4/4

Below: Energy futures into 2023 indicate that prices are high and will likely stay high. **Presently prices are in backwardation** indicating supply issues and thus higher prices in the years ahead. There are no new oil fields coming online in the coming years so supply, and thus prices, will likely remain high. In the short-term, 6 months to one year, one can expect a recession but beyond the short-term it looks as though higher energy prices are the new normal. Higher energy prices act as a drag on traditional leisure tourism.

KEY DATA

OPEN	DAY RANGE
\$74.30	74.40 - 74.70
<hr/>	
52 WEEK RANGE	OPEN INTEREST
53.40 - 83.60	41,796

PERFORMANCE

5 Day	1.31%
1 Month	 -3.5%
3 Month	 -1.37%
YTD	19.77% █
1 Year	33.09% █

RECENT CONTRACTS

	LAST	CHG	OPEN	HIGH	LOW	DATE/TIME
Crude Oil Sep 2022	\$93.91	-0.79	\$95.10	\$95.76	\$93.90	Jul 24, 2022 9:59 p.m.
Crude Oil WTI (NYM \$/bbl) Front Month	\$93.91	-0.79	\$95.10	\$95.76	\$93.90	Jul 24, 2022 9:59 p.m.
Crude Oil Oct 2022	\$91.69	-0.74	\$92.83	\$93.50	\$91.68	Jul 24, 2022 9:59 p.m.
Crude Oil Nov 2022	\$89.95	-0.65	\$90.96	\$91.71	\$89.95	Jul 24, 2022 9:59 p.m.
Crude Oil Dec 2022	\$88.33	-0.60	\$89.21	\$90.08	\$88.33	Jul 24, 2022 9:59 p.m.
Crude Oil Jan 2023	\$87.14	-0.35	\$88.09	\$88.46	\$87.11	Jul 24, 2022 9:56 p.m.
Crude Oil Feb 2023	\$85.83	-0.42	\$86.98	\$87.29	\$85.83	Jul 24, 2022 9:53 p.m.
Crude Oil Mar 2023	\$84.84	-0.35	\$86.00	\$86.20	\$84.84	Jul 24, 2022 9:58 p.m.

High Crude Prices Are Here To Stay

<https://oilprice.com/Energy/Crude-Oil/High-Crude-Prices-Are-Here-To-Stay.html>



PART 3

Global Context

Cost of Energy, Demography of Source Markets, Geopolitics, Competing Destinations, the NEW ORDER, etc.



- **Cost of energy** impacting travel: the world has entered a secular high cost environment for flight and transportation. First and foremost is high jet fuel/energy prices that reduce demand from all markets leading to fewer destinations being served by airlines, fewer codeshares into both REP and PNH, and preference for short-haul travel in Europe and the Americas.



- **Demographics:** ageing populations (structural) in East Asia, Europe, North America necessitate changes to expectations, new product, and travel and work trends on a global scale. The ageing demographics trump everything, it is not going to be like 2000-2016, those days are gone. Cambodia already had an arrivals crisis in 2019 before the virus, thus, policy adjustments are urgent.



- **Global secular economic regime change** from credit-fuelled bubble levels in that both inflation and interest rates will be higher for longer. Travel, tourism, housing/property development look at new economic environment.



- **Geopolitics:** Global market structure and dynamics in flux for most industries given that there is a slow-down or reversal of globalization; European airlines do not have overflight rights with Russia, thus, volume is down and the Middle Eastern airlines have taken market share; China remains offline for high volume travel and likely will remain so for the foreseeable future.



- New **trends in work and travel.** Are digital nomads another form of migrant workers? Some estimates expect that by 2035 work-travel or remote workers will account for **1 billion 'trips'**. The remote worker class is not easy to conceptualize as it includes freelancers, corporates, families of digital nomads, and retirees with businesses. Thus, many in these categories are adapting to this new 'lifestyle' to the point that it is a major market segment but with different expectations.



- **The NEW ORDER:** Multi-polarity will result in new payment systems to address BRICS+ countries; unipolar dollar standard nearing an end, prepare and welcome new payments systems. Cambodia needs to embrace both the new and old worlds: emerging economies make up three-fifths of the world economy although their per capita income is still much below that of typical OECD countries. This means that over the last three decades, China, India, Russia, Brazil and South Africa and other emerging and developing economies have gradually increased their political, financial and economic influence throughout the world.



- **Competing Destinations in SE Asia:** Indonesia and Thailand dominate the market for remote workers circa 2022. Indonesia plans a 5-year remote worker visa to attract more nomadic workers. However, Indonesia's KITAS Residence Permit is already superior to most visas in the region as it has a 2-year validity and is favored by many nomads looking for a home SE Asia.

Longer-term Considerations to Develop Cambodia as a Remote Worker Powerhouse.

1. Bandwidth

(Bali, Indonesia 100 Mbs fiber optic \$30/month)

Remote workers need bandwidth, it is the number 1 determinant of location. Fast and affordable bandwidth is oxygen for online workers. At present Cambodia is ranked 100th in the world for online connectivity and bandwidth. This has to be improved.

It will likely take years for the local wholesale internet providers to build out an affordable and fast fiber- optic network. This high cost, low bandwidth issue is detrimental to attracting long-stay visitors and it precludes some workers from being based in Cambodia.

Vague generalities do not help with a wider understanding of the bandwidth issues **so we will mention video and media as an example:** Bali is a case in point.

The island has adequate internet speeds that allow video editors to share files, edit, and deliver with relative ease. The new versions of editing applications such as Davinci Resolve Studio have built in sharing capabilities but these applications require a fast connection. Given the speeds one finds in Cambodia it is not practical for the media/video sector of the nomad universe to consider Cambodia as a long-stay destination.

The Royal Government should be encouraged to approve of **Starlink** once it rolls out service coverage of Cambodia in late 2022. This satellite network, a quantum leap in disruptive technology, could change Cambodia's bandwidth/connectivity issue overnight.

<https://www.starlink.com>

**Do Something
Create a Nomad Branding Campaign**

2. Branding

Digital Nomads / Remote Workers

- Create logos/icons or images that can be used by DMCs, hotels, guesthouses, anyone that services the DN industry, directly or indirectly. At present there is nothing, no identity at all despite there being quite a few co-work spaces that cater to remote workers. **This should be addressed quickly.**

- Banners in the arrival halls of all international airports: "Cambodia is Remote Worker-friendly" or "Cambodia is a Digital Nomad Destination".

- Many other branding considerations but the objective is to first address the Digital Nomad/ Remote worker visa or Residence Permit, then create a campaign to raise awareness.

- One could even conceivably encourage Europeans, for the winter 2022-2023, to flee the energy shortages and a cold winter and spend their time and work remotely in sun-drenched Cambodia!



3. Create Product favored by the Digital Nomad/remote workers:

Green tourism, eco-tourism, anyone can choose a term for low carbon or community-friendly tourism. Again, **this is big subject matter** but promote the "remote-friendly" destination in the same manner that the 5* luxury, riverboat boat cruise, Asian MICE were all developed in Cambodia. In short, the same should apply to DN/Remotes with promotions and product that fit the niche.

4. Banking for Digital Nomads:

The Royal Government needs to make it as painless as possible for remote workers to open a bank account so that they can receive multi-currency payments and use the payment functions in the local market.

5. Sense of urgency:

Soon the multi-laterals such as WorldBank/ADB or USAID will provide one-size- fits-all "digital nomad visa guidance" and likely attempt to dictate the terms. **Cambodia should be emboldened to act immediately with its own self-directed policy** to attract long-stay remote workers and their families.

6. Other considerations: Start-up Visa

Establish Start-up Visa: Encourage business formation in Cambodia. "Cambodia My 2nd Home" may be a move in this direction. The 10-year visa is definitely visionary thinking, should have happened years ago. Note that Bali, Indonesia is initiating a 5-year remote worker visa. If the applicant earns from foreign sources there are no tax complexities.

<https://www.euronews.com/travel/2022/06/24/balis-new-digital-nomad-visa-means-foreigners-can-live-and-work-in-indonesia-tax-free>

7. Other considerations too large to include in this brief overview:

- **Be crypto friendly**, both for developers and those that process payments;
- Develop cloud infrastructure(affordable data centers) in Cambodia and permit hosting of any type of site;
- Provide incentives for Battambang, Kampot, Siem Reap, Sihanoukville to have nodes (fiber connectivity) with blazing fast internet. These destinations already offer nomad-friendly services, thus, they would be the most likely to thrive as many remote workers intentionally avoid large urban centers.

Below: Needs to be an entry for Digital Nomads/Remote Workers, both for long-stay visas and perhaps a Residence Permit with a validity of 2 to 5 years.



Cambodia Visa and Work Permit Group

Kram Nadnerb · 4h · 🌐

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Since people continually ask this question and obviously don't bother reading the pinned posts, here is a basic summary for general Foreigners wishing to stay long term, work, retire, study, etc...

1. You must enter the country on an E-type (Ordinary) Visa, \$35 on arrival, valid for 1 month

2. Prior to your Visa expiry date, go to a Visa agency and apply for an Extension of Stay (EOS).

There are different EOS categories available, the main ones are;

- EB (Business/Employment) EOS - 1,3,6,12 month options, can be renewed indefinitely
- ER (Retirement) EOS - 1,3,6,12 month options, can be renewed indefinitely
- ES (Student) EOS - 1,3,6,12 month options, can be renewed indefinitely
- EG (General - seeking employment/business opportunities) - 1,3,6 month options - 1 time deal, cannot be renewed in-country

Only 6 & 12 month options valid for multi-entry/exit.

Each EOS category has it's own supporting documentation requirements, but minimum requirements for all are;

- Valid passport with minimum 6 months validity remaining from the date the EOS will expire ie. If applying for 12 mth EOS, you need at least 18 months validity remaining on your passport
- Minimum 2x blank Visa pages in passport
- 1x Passport pic
- Completed EOS application form (most agents will complete on your behalf)
- FPCS details screenshot

Costs if applying via a Visa agency (price depends on agency and location);

- 1 mth EOS = \$45 - 55
- 3 mth EOS = \$70 - 90
- 6 mth EOS = \$150 - 170
- 12 mth EOS = \$270 - 300

*You also can apply for your EOS directly at the Department of Immigration (DoI) Visa Office in Pochentong, Phnom Penh, but only if you have all of the necessary supporting documentation, which they are very strict about. Official fee for a 12 month EOS applying directly is \$180.

Demographics of Traditional Leisure Markets are stretched with the Exception of India. We have likely already seen PEAK Travel from source markets Germany, most of Europe, China, and Korea.

Examples provided are representative of the changing nature of demographics, not meant to be exhaustive.

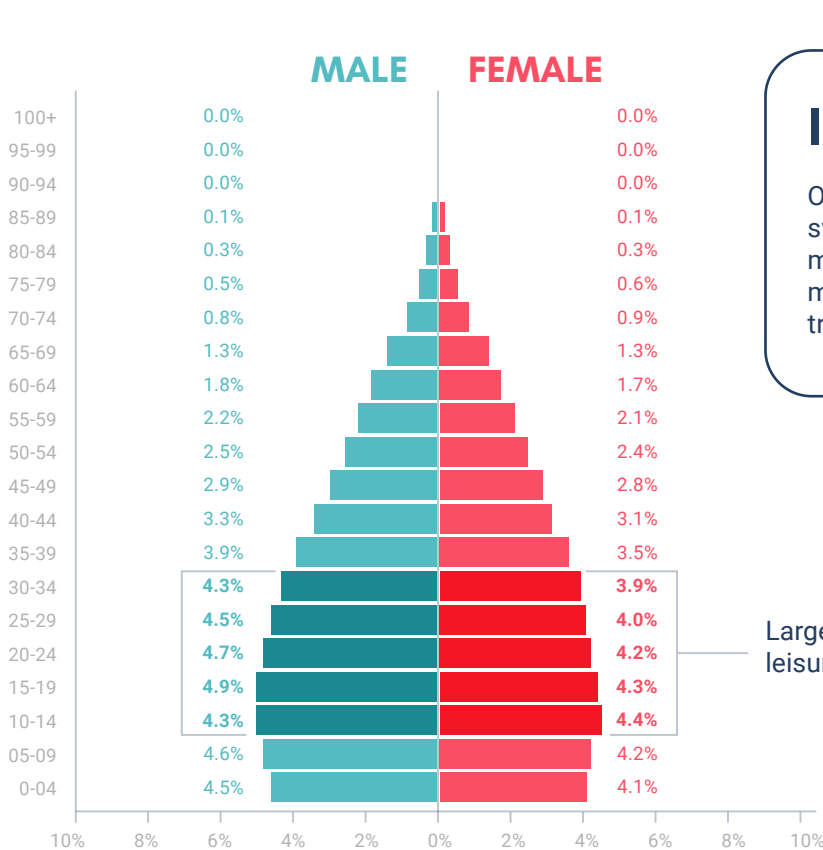

Upper categories are past peak travel; lower categories are transitioning to longer stays, work-holidays, longer term lodging, etc. And should be targeted for new visa types.

ASIA

SHORT-HAUL MARKETS

Demography of Future Travel Demand

Data from 2019, birth cohorts in these examples are older now circa 2022.

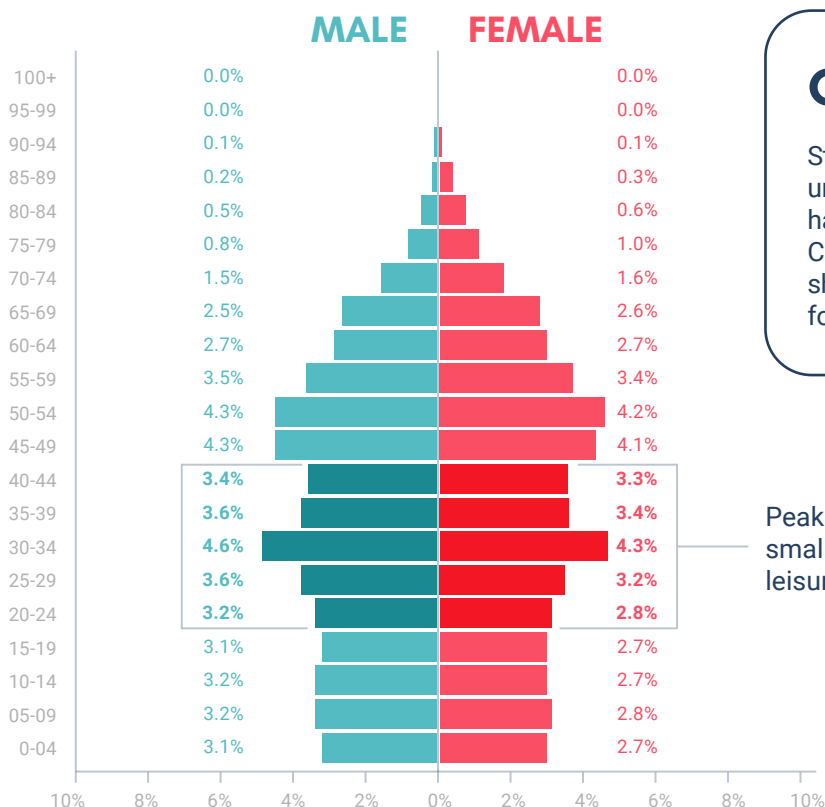



INDIA

Of the major countries, India is in the sweet spot demographically. Growing middle class, increasing earnings, many in birth cohorts that will want to travel and work in foreign countries.

Larger birth cohorts, thus, larger leisure travel cohorts in future.

India - 2019
Population: 1,366,417,755

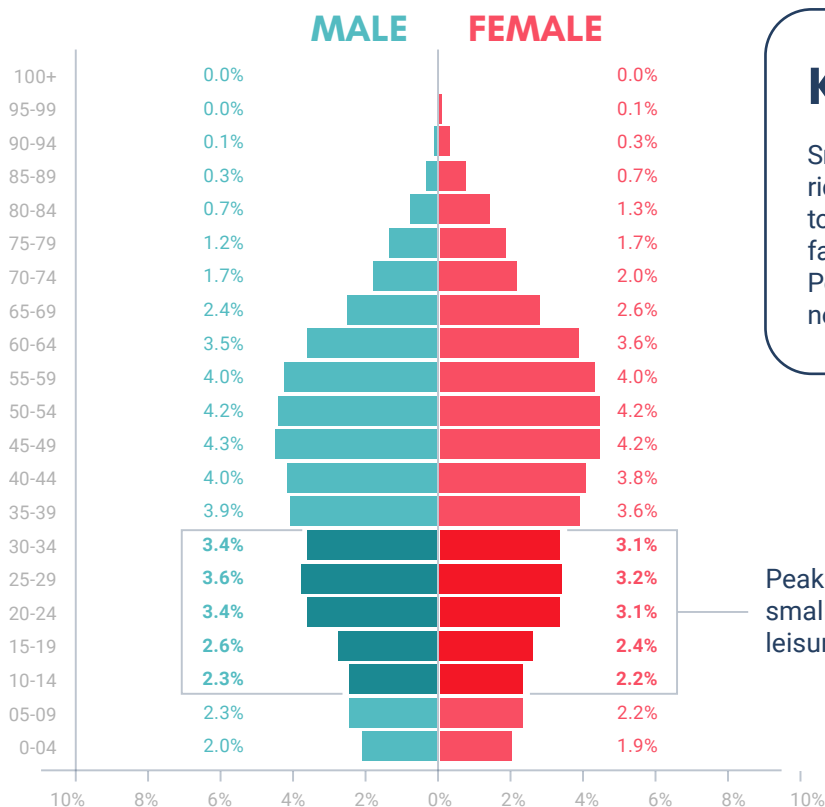


CHINA

Structural deficit of young due to urbanization and one-child policy. Likely have seen the peak of China inbound to Cambodia. However, due to large size, short-haul, short stay always a player for SE Asia tourism and business.

Peak travel, smaller % of population; smaller birth cohorts, fewer future leisure travelers.

China - 2020
Population: 1,439,323,774



KOREA

Smaller birth cohorts though country is rich. Likely seen the peak in mass tourism for Korean outbound. One of fastest ageing populations in the world. Population for peak travel is smaller now as % of the population.

Peak travel, smaller % of population; smaller birth cohorts, fewer future leisure travelers.

Republic of Korea - 2019
Population: 51,225,320

NORTH AMERICA / EUROPE

LONG-HAUL MARKETS

Demography of Future Travel Demand

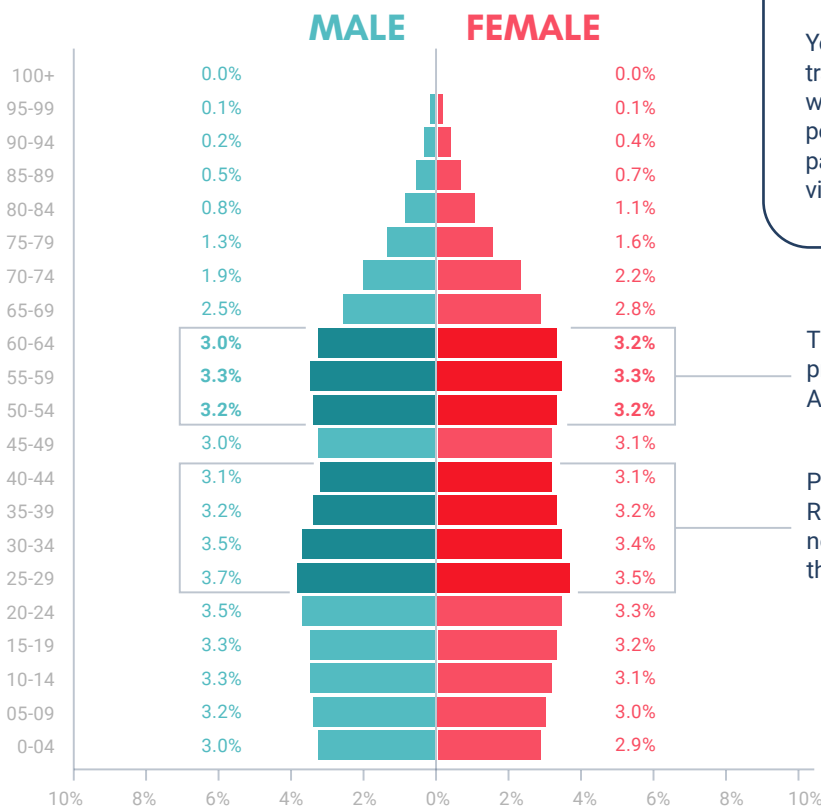
Data from 2019, birth cohorts in these examples are older now circa 2022.



USA

Older population capital rich. But few travel now for long-haul. Prefer stable short-haul less expensive packages. The days of cheap long-haul tickets are limited.

Younger birth cohorts: Peak spending on travel, cars, homes. Also the part of the workforce that will or can travel for longer periods of time given the new work paradigm. Targeted for the remote or Nomad visa. Many travel with family members.



These birth cohorts past peak travel, will prefer short-haul or long stay. Smaller % to Asia than from 2000-2016.

Past peak travel, larger % of population Remote travel segment, longer stays, more nomads; USA has stronger demography than most in DM.

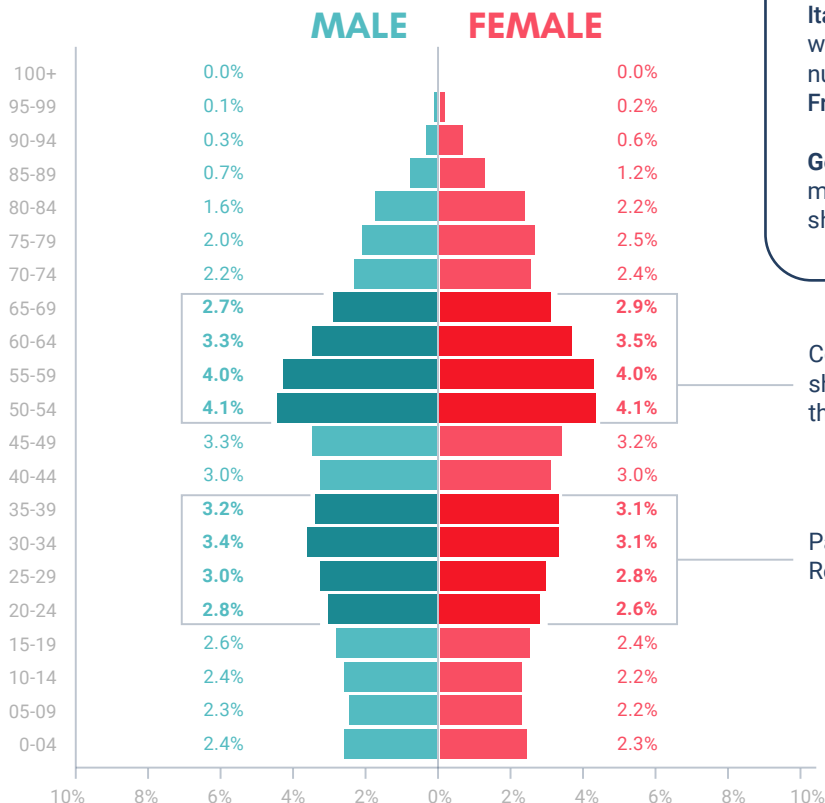
United States of America - 2019
Population: 329,064,916



GERMANY

Europe: Younger cohorts much smaller as % of the population, thus, fewer will travel to Asia. **Italy and Germany:** fewer young people that would travel long-haul. Days of big arrival numbers from Europe have passed. **France** is the exception.

Germany: once the world's largest outbound market in the world in % terms is now shrinking, low birthrates, high costs.



Cohorts past peak travel, will prefer short-haul or long stay. Smaller % to Asia than from 2000-2016.

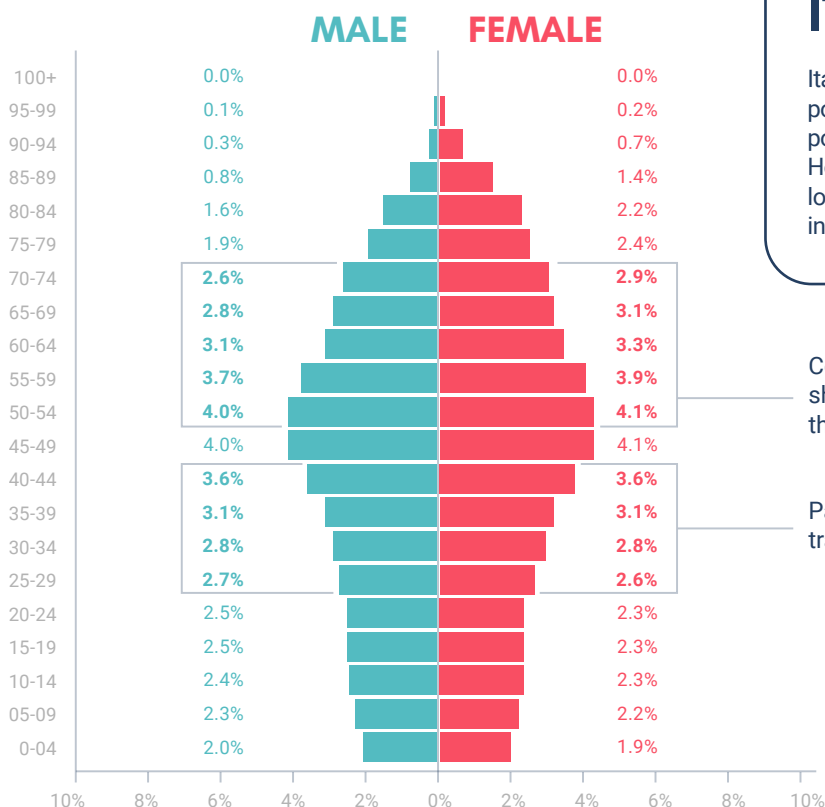
Past peak travel, larger % of population Remote travel segment, longer stays

Germany - 2019
Population: 83,517,046



ITALY

Italy is an example of the Old World. Ageing population, declining earnings, smaller young population that will travel long-haul. However, Old Europe can be targeted for longer itineraries and remote workers as those in 30s 40s are skilled with high earnings.



Cohorts past peak travel, will prefer short-haul or long stay. Smaller % to Asia than from 2000-2016.

Past peak travel, larger % of population to travel for leisure and work.

Italy - 2019
Population: 60,550,092

Relevant Links:

Digital Nomad visas in Indonesia(Bali): Published in India

<https://indianexpress.com/article/explained/explained-indonesias-visa-policy-travellers-tax-free-8021293/>

Work from Anywhere: Must-read articles including the Nomads of 2030, episode 9

<https://www.wfa.team/in-the-news-skift-digital-nomad-families/>

Demographics of Digital Nomads

<https://nomadific.com/digital-nomad-statistics/>

5-year tax free in Indonesia

<https://www.euronews.com/travel/2022/06/24/balis-new-digital-nomad-visa-means-foreigners-can-live-and-work-in-indonesia-tax-free>

Statistics that describe and enumerate the global DN/Remote Worker

<https://www.thebrokebackpacker.com/digital-nomad-statistics/>

21 countries have created Digital Nomad visa/ 53 countries have a form of Digital Nomad/Long-stay visa:

<https://abrotherabroad.com/digital-nomad-visa-remote-worker-visa/>