



KINGDOM OF CAMBODIA

Ministry of Public Works and Transport



Logistics Master Plan Development in the Kingdom of Cambodia

**Workshop on Strengthening Transport Operational Connectivity among Cambodia,
Lao People's Democratic Republic, Myanmar, Viet Nam and Thailand (CLMV-T)
Hanoi, 30 November – 01 December 2017**



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- Related Policies and Strategy
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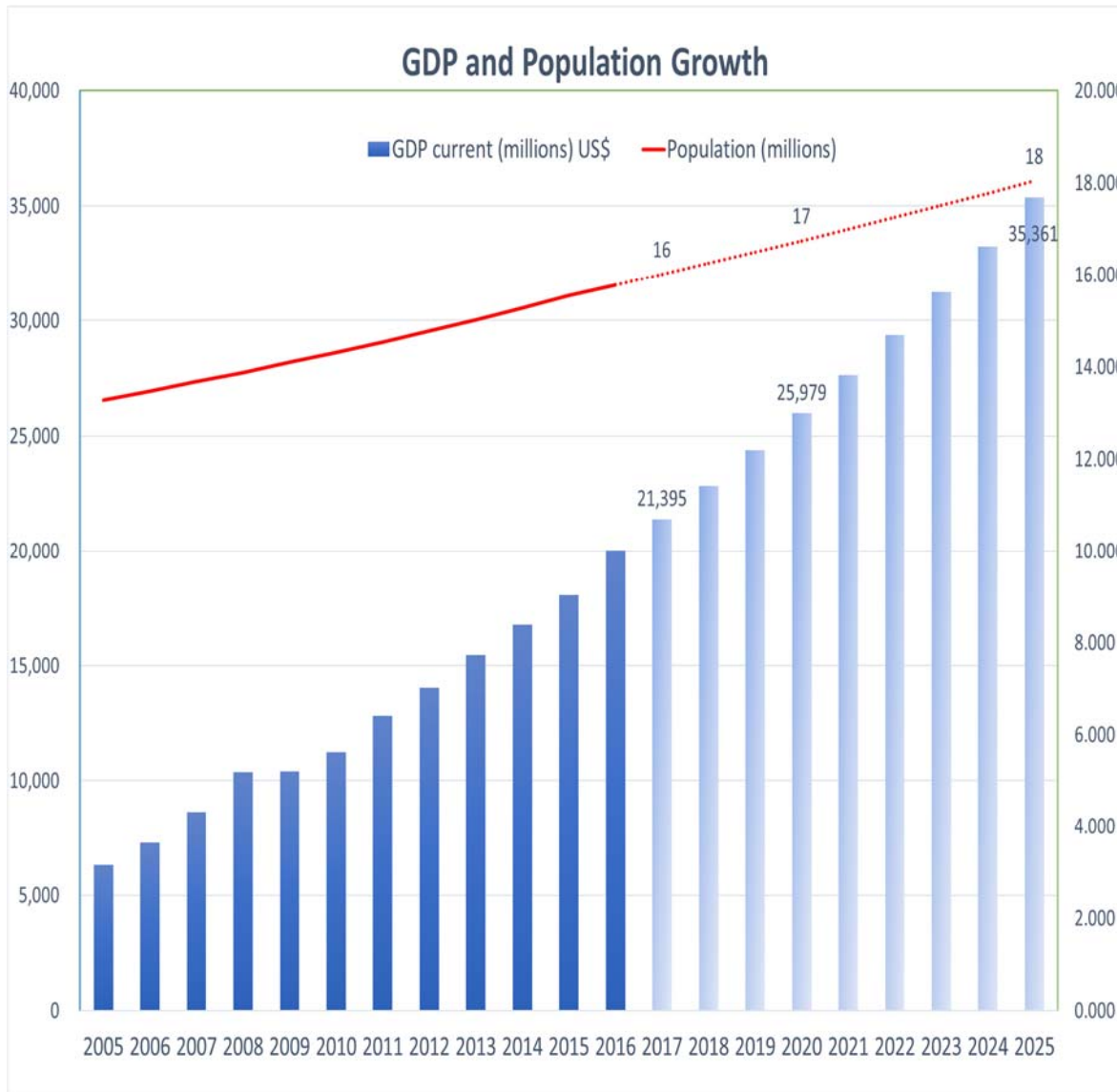
Kingdom of Cambodia
Ministry of Public Works and Transport



1. Current Status of Logistics Sector

Background: Future Socio-Economic Perspectives

Population and Economy will steadily grow.



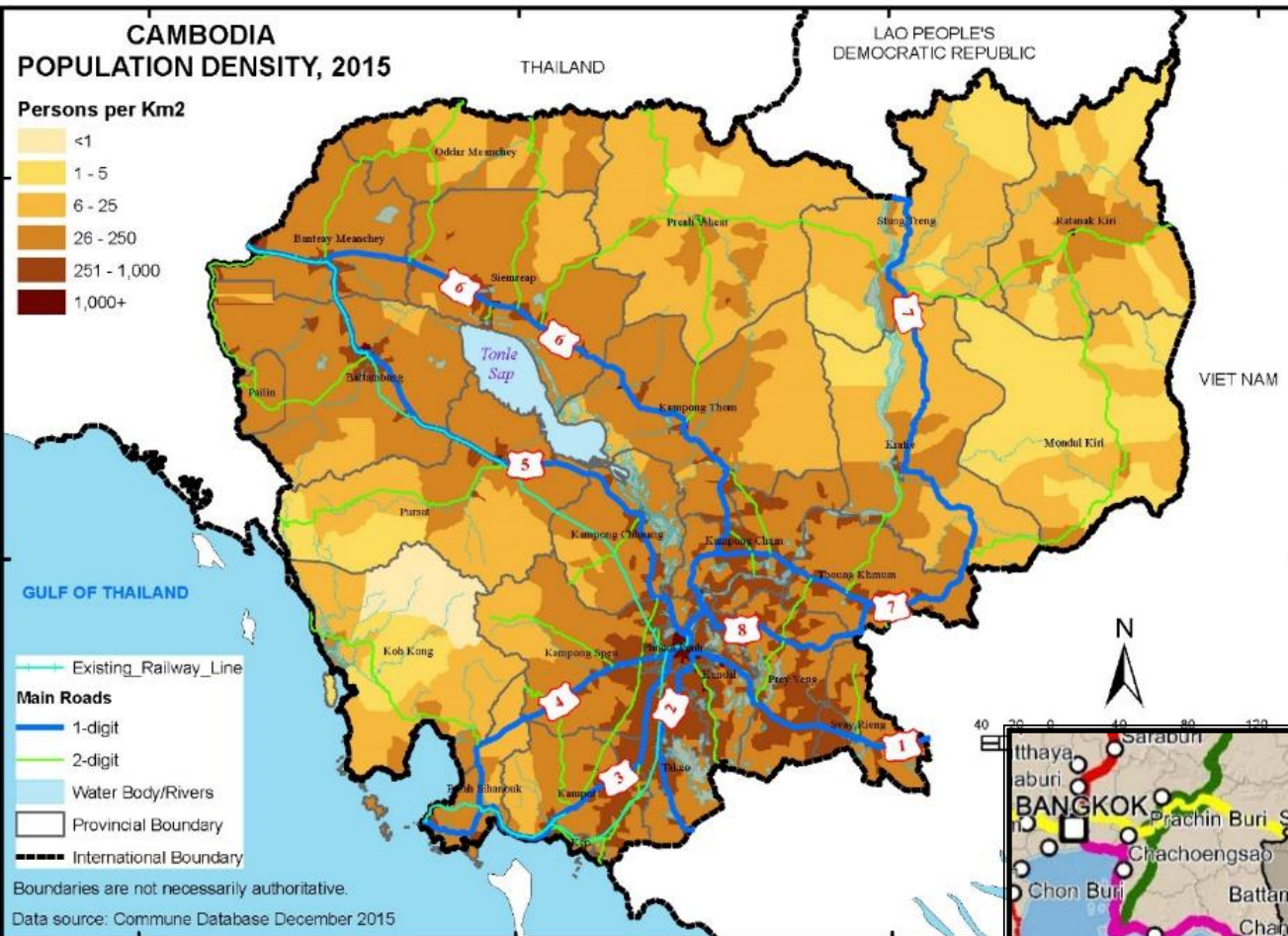
Towards 2025:

- Gradual Population Growth (x 1.13)
- Continued Economic Growth Expected (economic scale x 1.65)
- Income level is expected to further increase



Domestic logistics capacity needs to be expanded depending on future demand to support economic growth and population increase.

Background: Population Density



➤ Population and industries are concentrated along the Southern Economic Corridor. Thus strengthening it, as well as connecting all regions to it, are vital for Cambodia's future development.

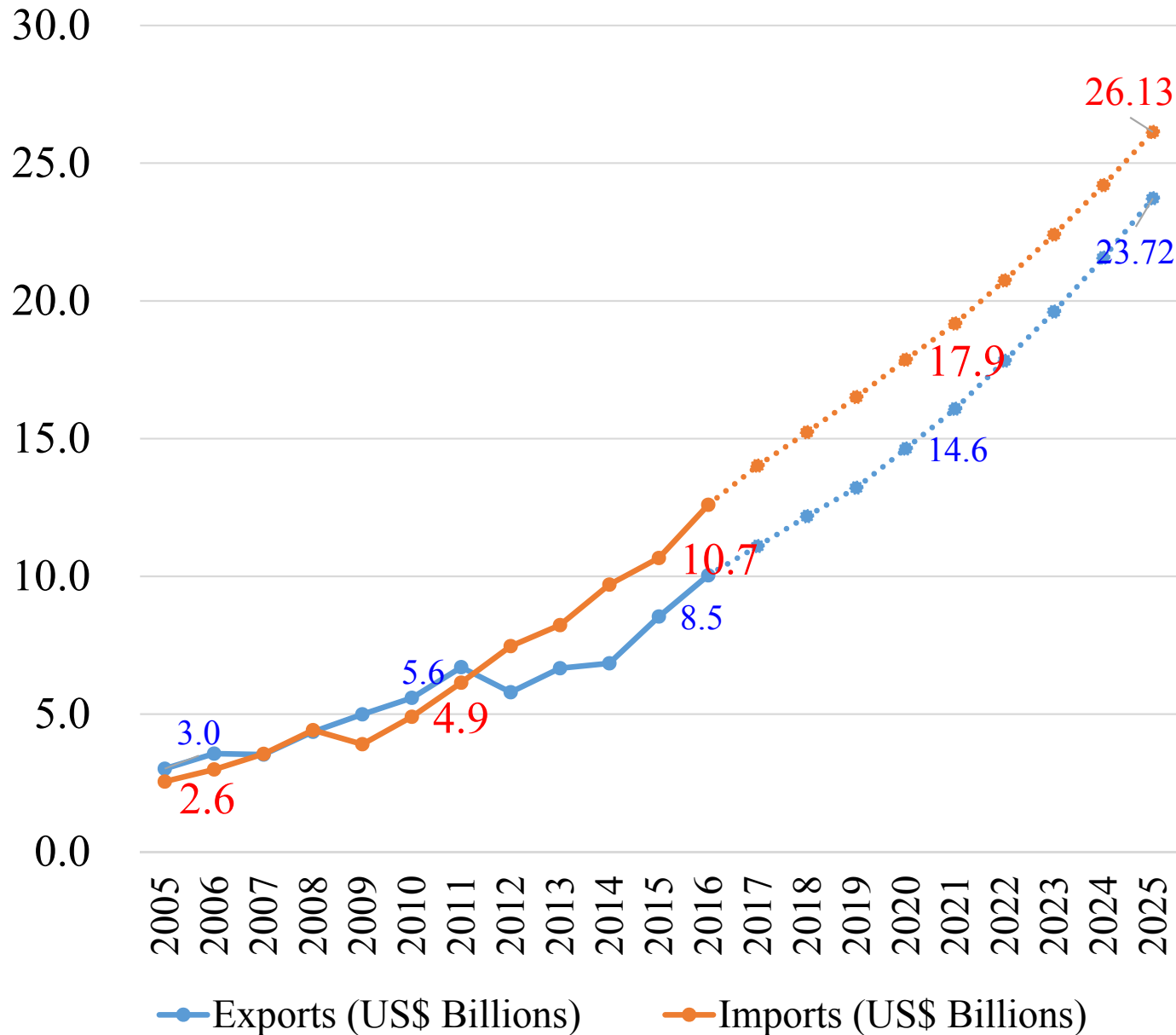
➤ The logistics situation in Cambodia has steadily improved in the last 6 years.

Transport Corridors of the Greater Mekong Subregion



Background: Perspectives on External Trade

Exports and Imports (2005-2025)



Towards 2025:

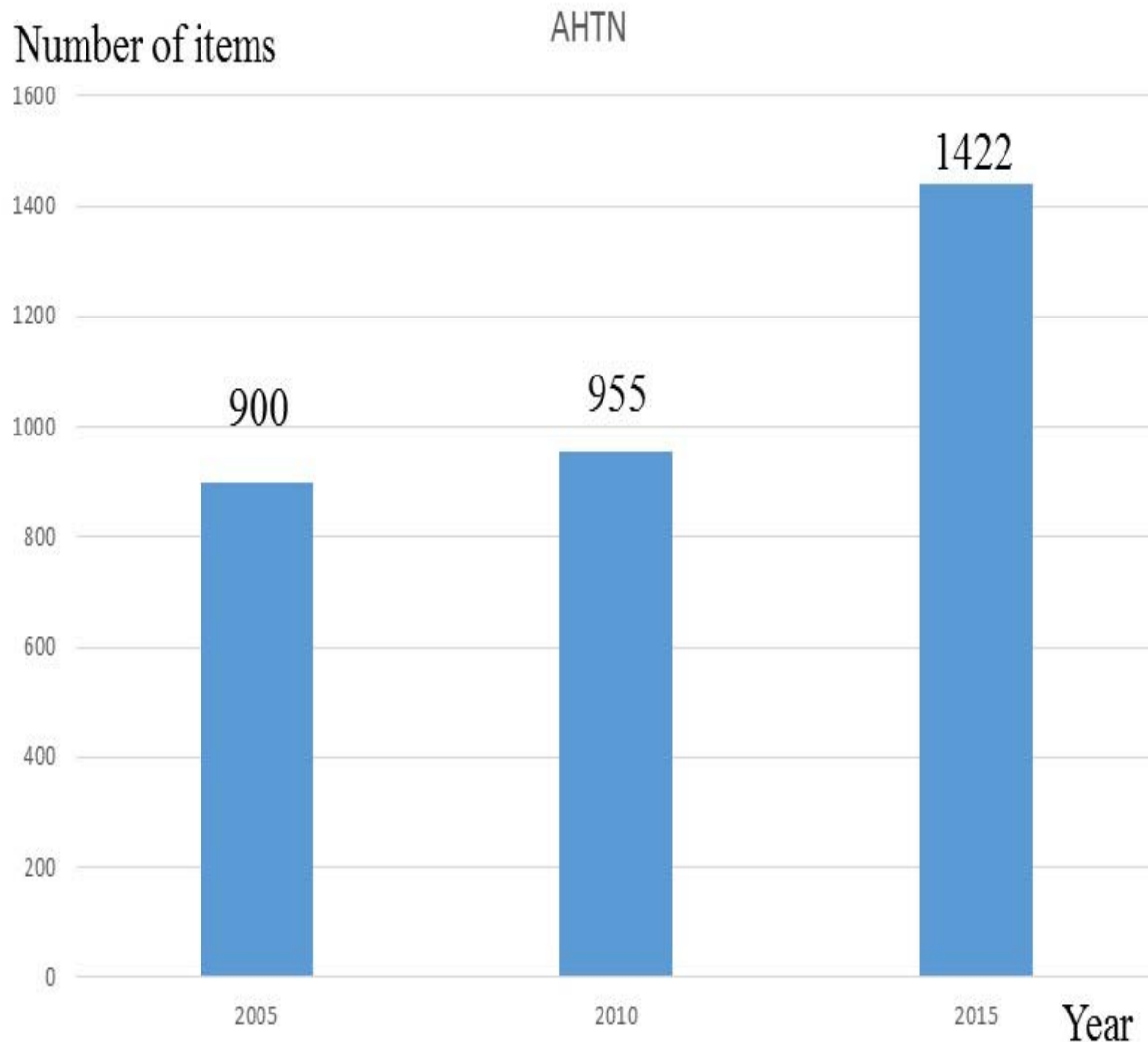
- Trade will continue to increase (x 2.2) in both import and export.
- Types of industries will be diversified.
- Imports and Exports are more diversified with higher value-added products.



Port and land border capacity needs to be expanded significantly. Border control needs to be more efficient.

Background: Diversification of Logistics Needs

Logistics needs are being more diversified.



Source: Ministry of Commerce.

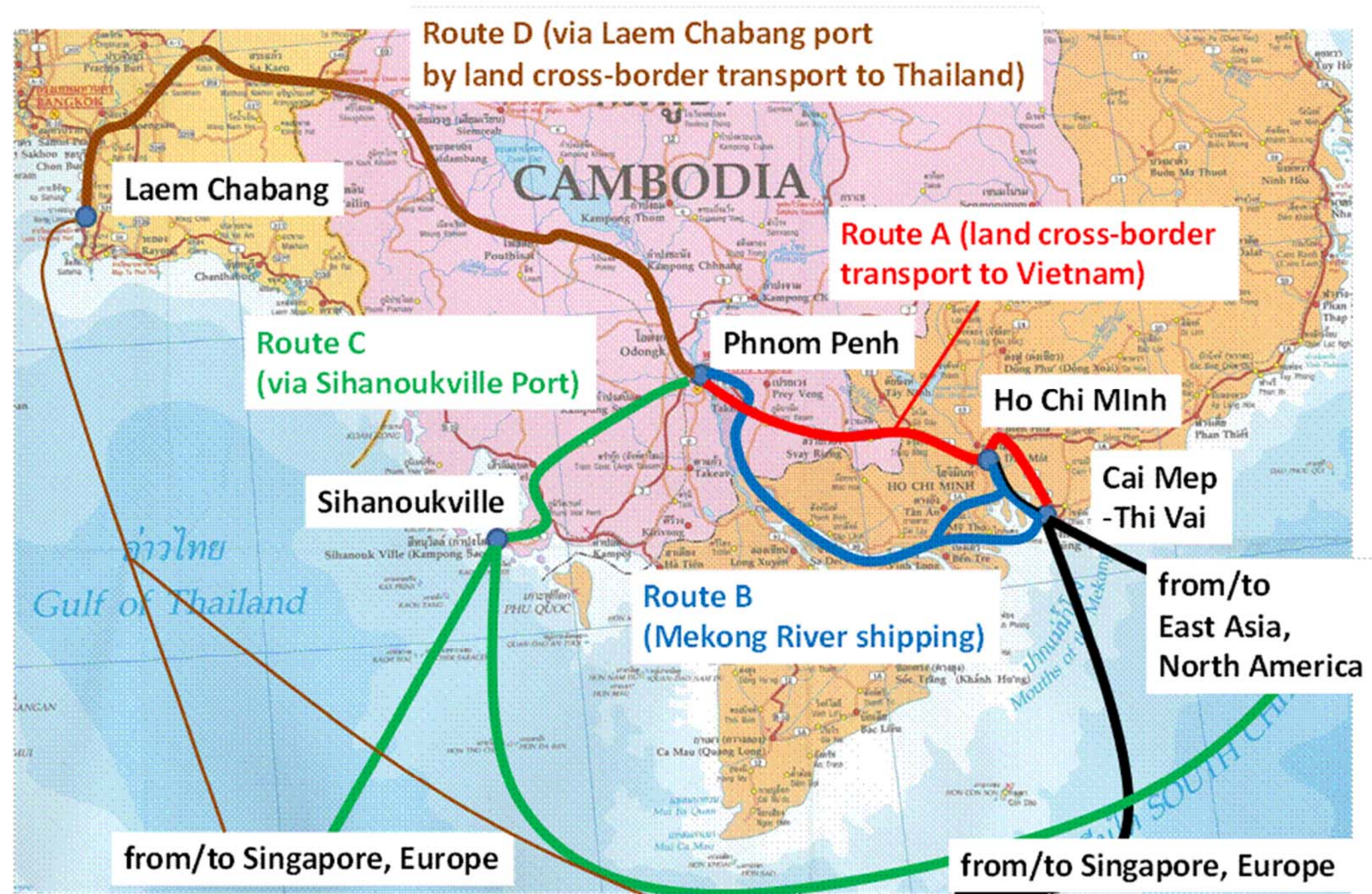
Towards 2025:

- Variety of trade commodities are diversified. (900 in 2005 to 1422 in 2015 in HS code).
- Logistics needs are more diversified as the economy develops
- A more diversified modes of transport is required to meet transport demand.



Logistics should get prepared for diversified needs and destinations. Aviation plays an important role.

Background: Cambodia Trade Routes



Background: Freight Movement

Sihanoukville and Phnom Penh Ports are gateways of freight movement. Bavet and Poipet have more industrial goods.

	Export (%)		Import (%)	
	Weight	Value	Weight	Value
Bavet	1.1	5.3	6.2	11.1
Phnom Penh	26.6	16.1	18	9.3
Poipet	1.4	15.7	41.3	13.4
Sihanoukville	70.9	62.9	34.5	66.2
Total	100	100	100	100

Poipet:

Imports:

- Salt
- Sugar
- Construction Materials

Exports:

- Vehicle parts
- Machinery
- Metal products

Phnom Penh:

Imports:

- Construction materials
- Sugar
- Chemicals

Exports:

- Rice
- Garment
- Rubber

Sihanoukville:

Imports:

- Garment materials
- Plastics & Chemicals
- Minerals (salt)

Exports:

- Garment
- Rice
- Palm and Coconut Oil

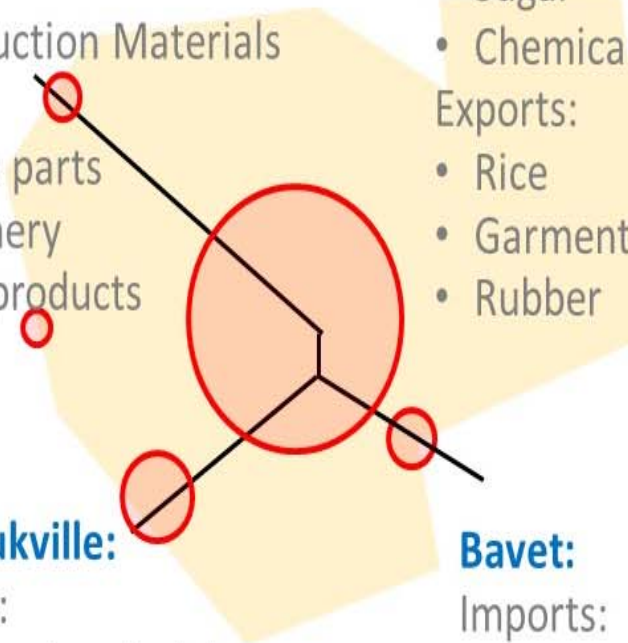
Bavet:

Imports:

- Garment materials
- Construction materials
- Metal products

Exports:

- Metal products
- Sugar
- Garment

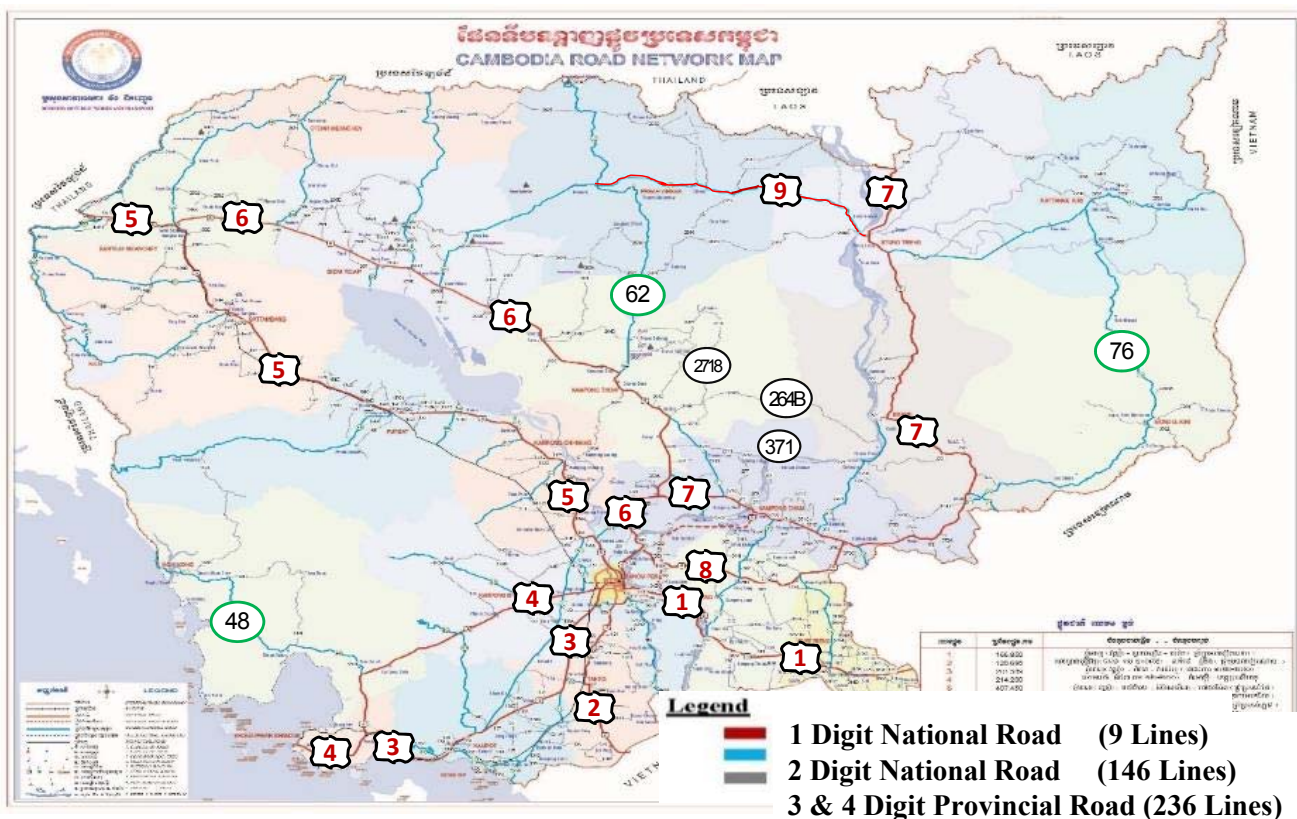


Logistics Infrastructure: Road Network

National and Provincial Road Network in Cambodia

Road Density: 0.3 Km/km² (2014)

National Road Density: 0.06 Km/km² (2014)



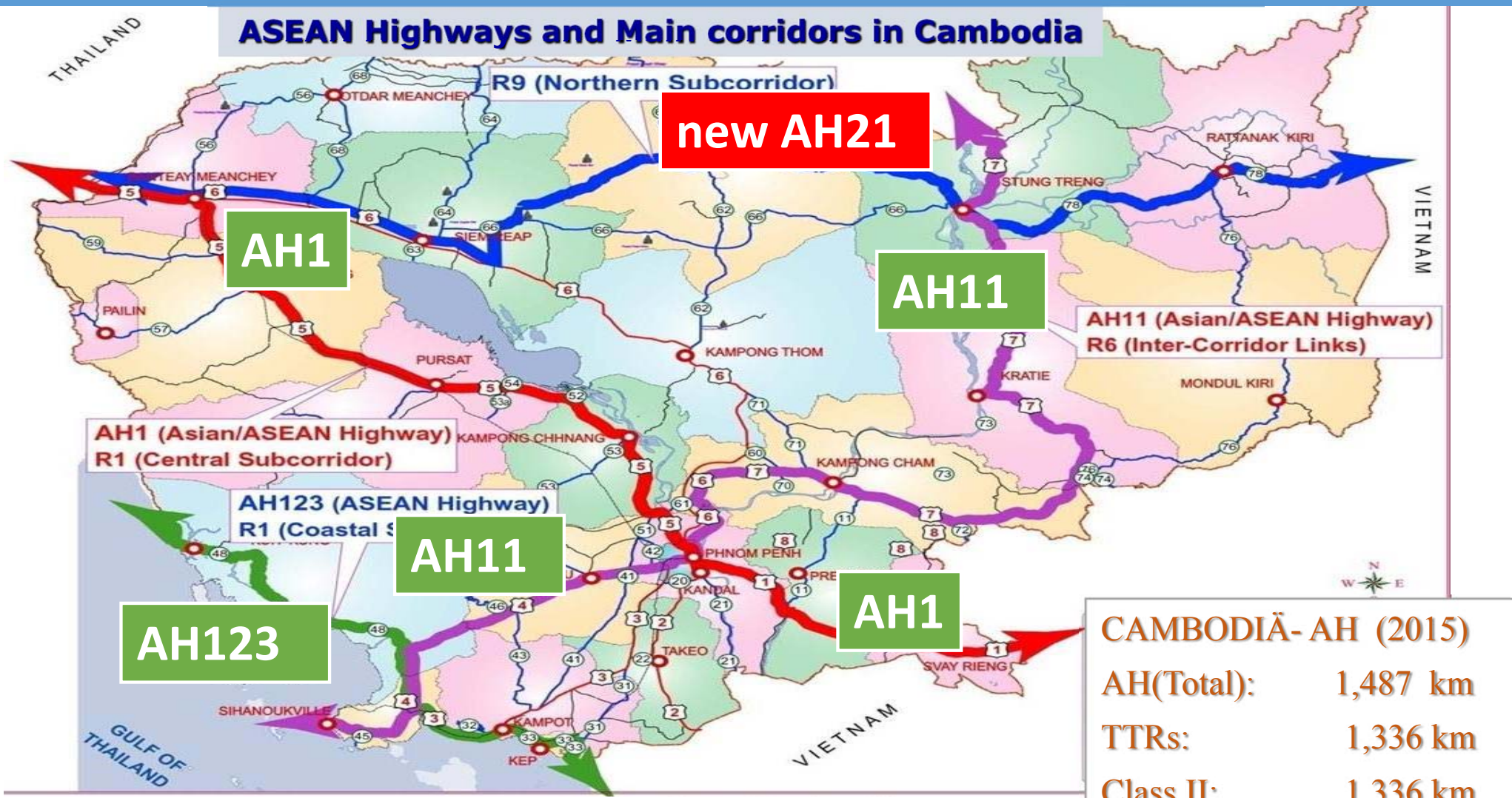
Road Class	Length (Km)
National Road 1 Digit	2,243
National Road 2 Digit	8,864
Provincial Road 3 & 4 Digit	4,407
Rural Road (*)	39,728
City Road (**)	Under Survey
Total	55,242

(*) Rural Road is under jurisdiction of Ministry of Rural Development

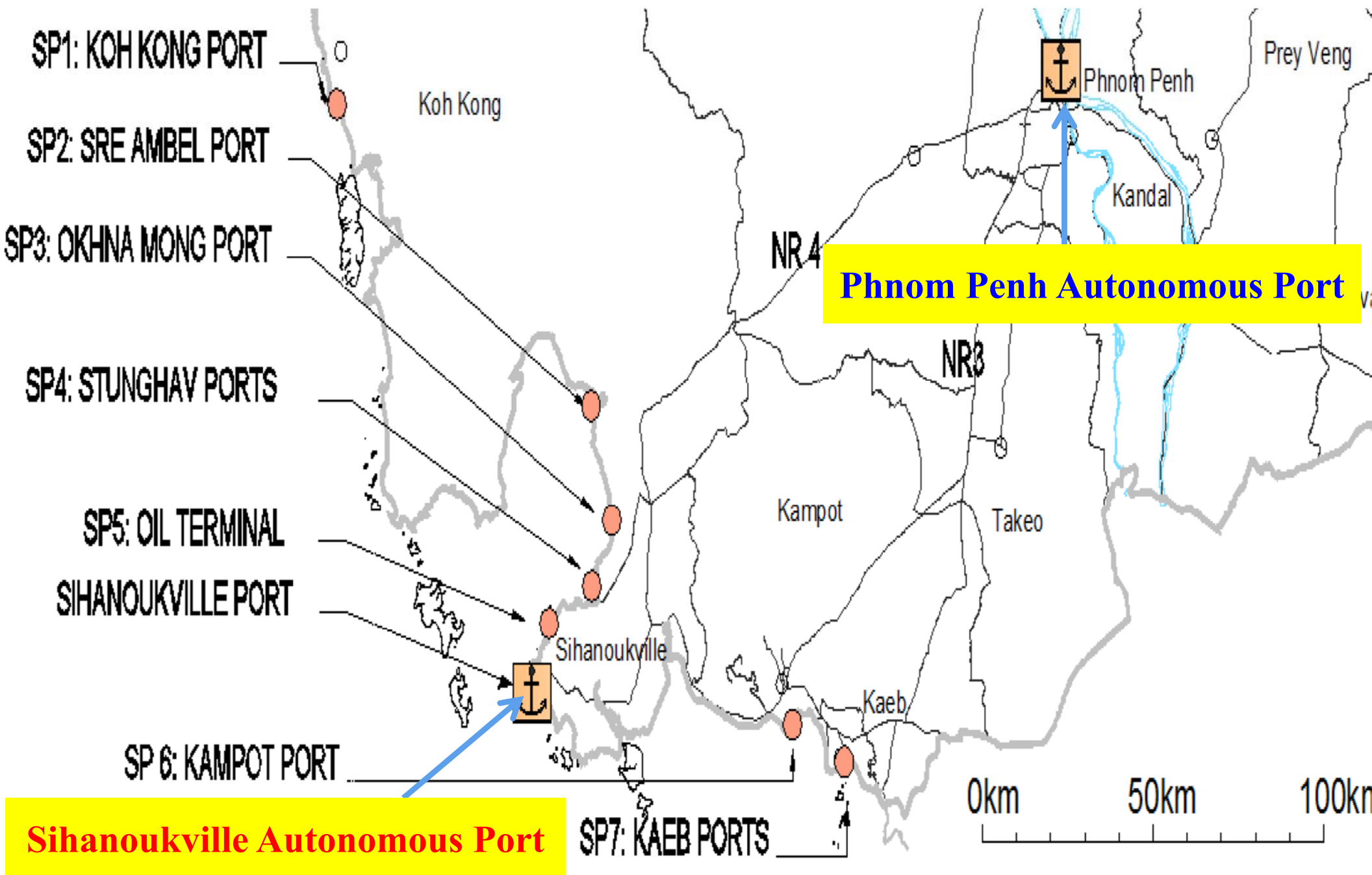
(**) City Road is under management of local government

Logistics Infrastructure: International Corridors

International Road Network in Cambodia



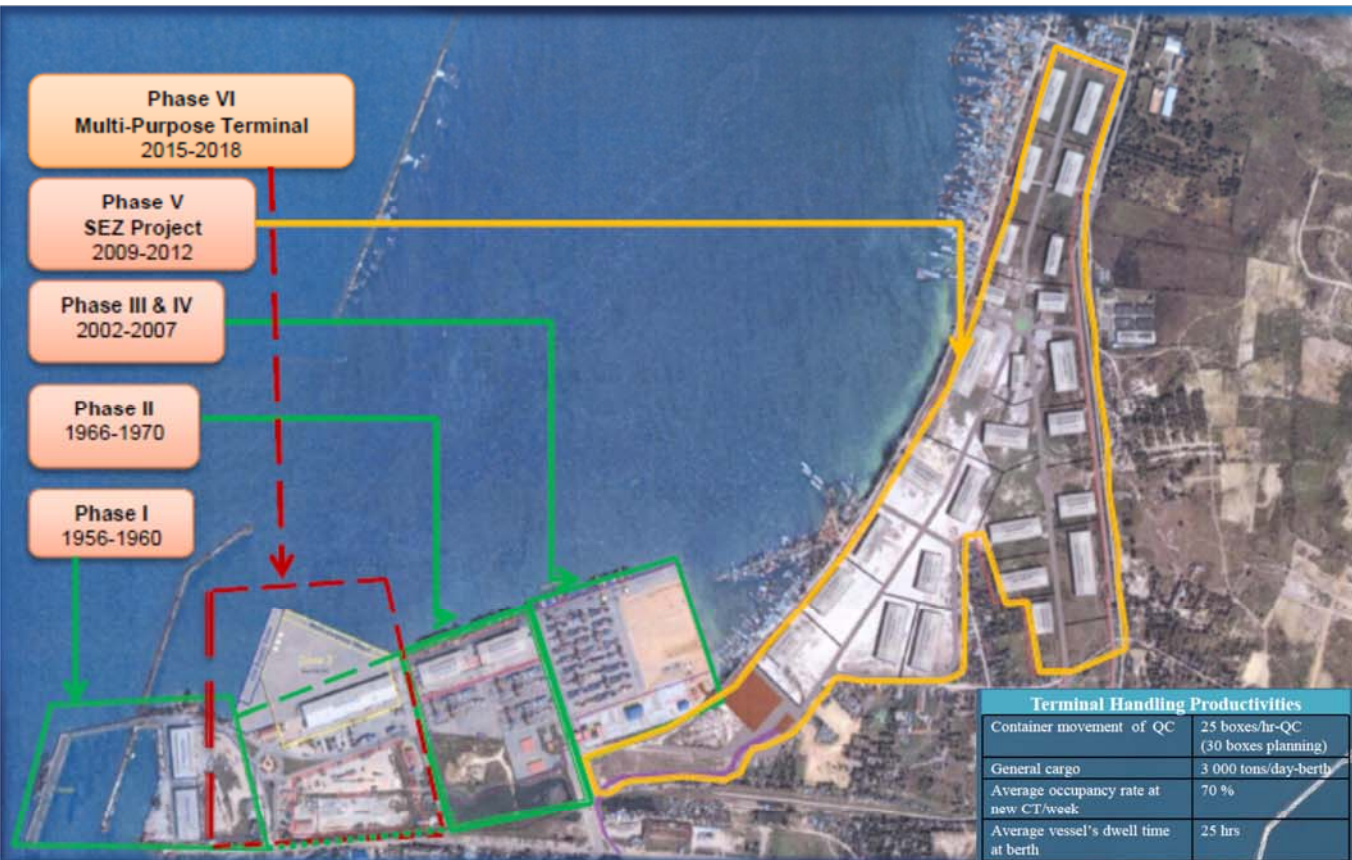
Logistics Infrastructure: Sea and River Ports



Logistics Infrastructure: International Maritime Routes



Logistics Infrastructure: Sihanoukville Autonomous Port (PAS)

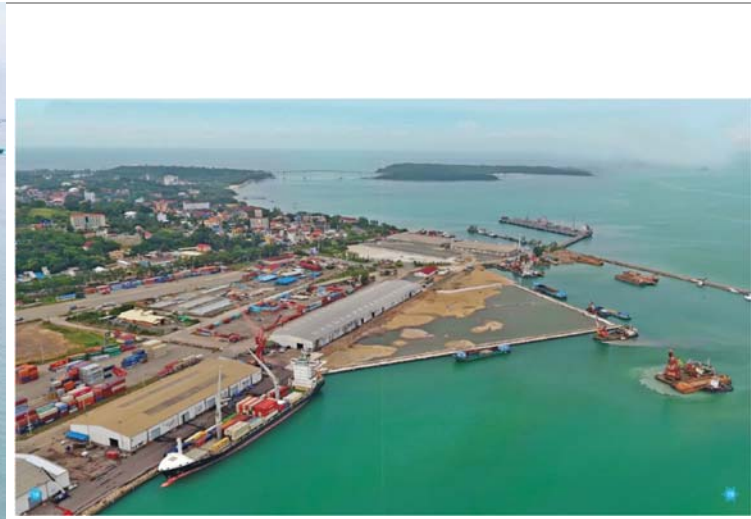


Terminal Handling Productivities	
Container movement of QC	25 boxes/hr-QC (30 boxes planning)
General cargo	3 000 tons/day-berth
Average occupancy rate at new CT/week	70 %
Average vessel's dwell time at berth	25 hrs
Container dwell time in CY	5 days
Vessel Capacity to Call	~ 1400 TEUs (<20 000 tons)



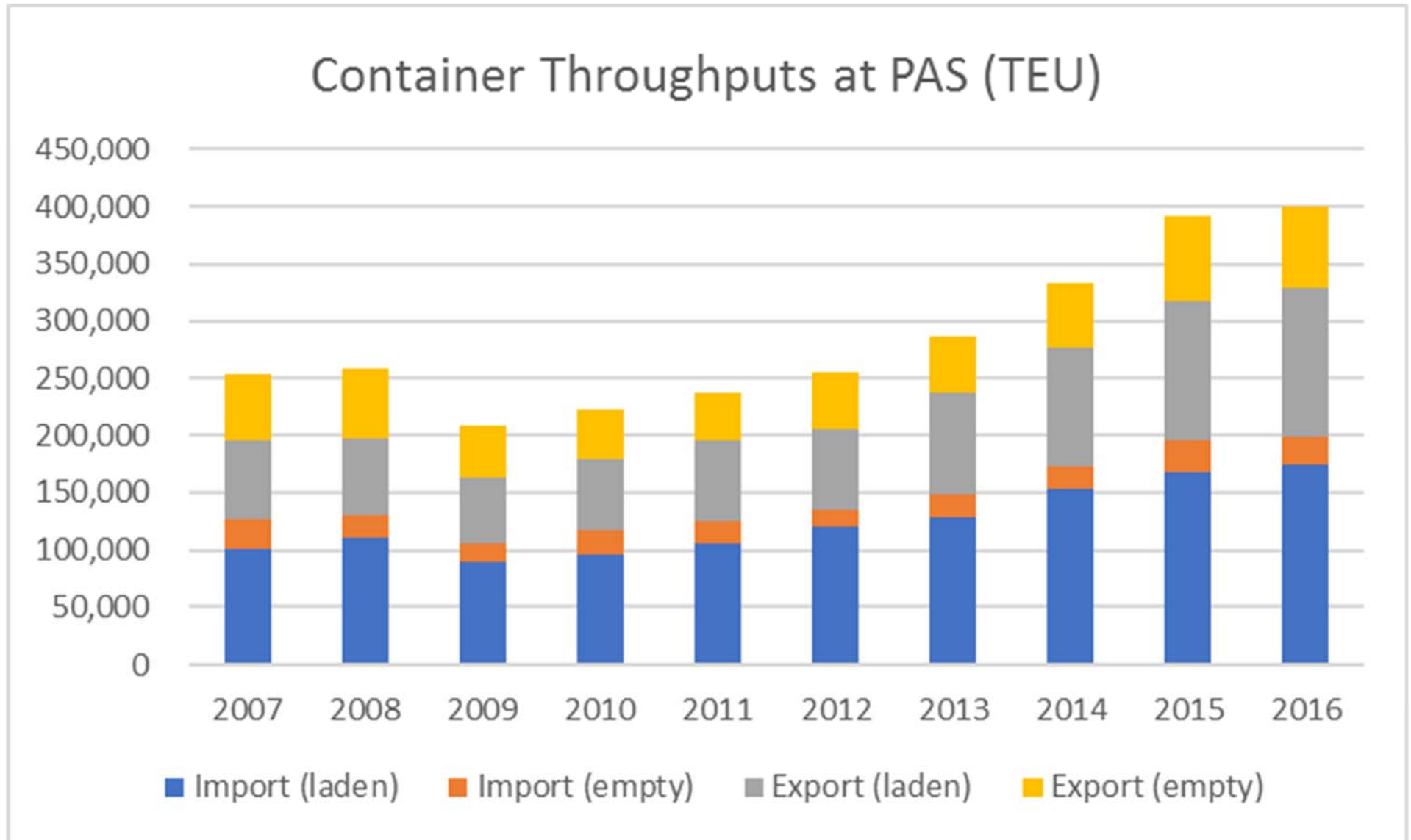
Source: PAS

Logistics Infrastructure: Sihanoukville Autonomous Port (PAS)



Logistics Infrastructure: Sihanoukville Autonomous Port (PAS)

Container Throughput of Sihanoukville Autonomous Port (PAS)



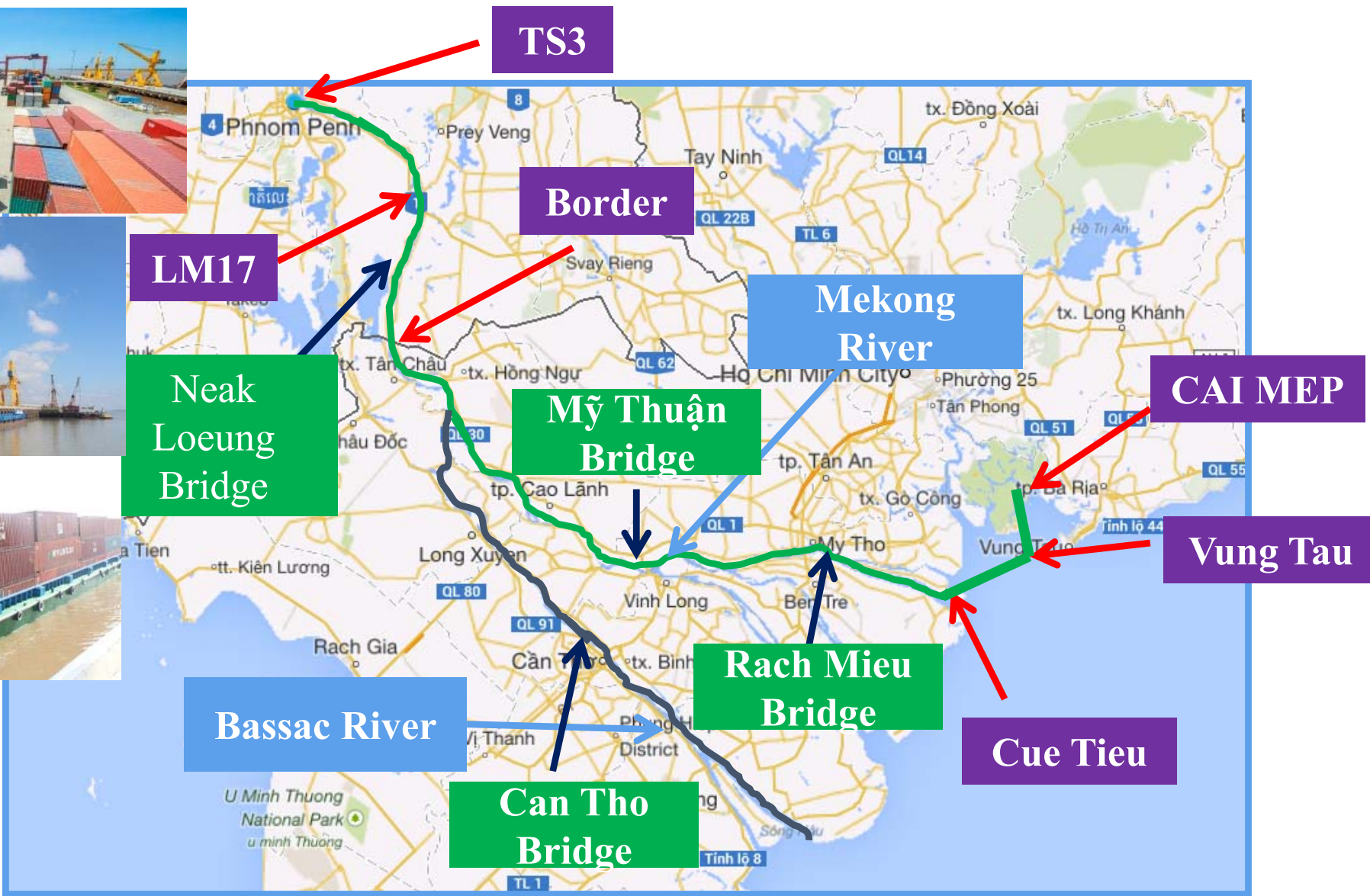
Source: PAS

Phnom Penh Autonomous Port (PPAP)



Logistics Infrastructure: River Port (PPAP)

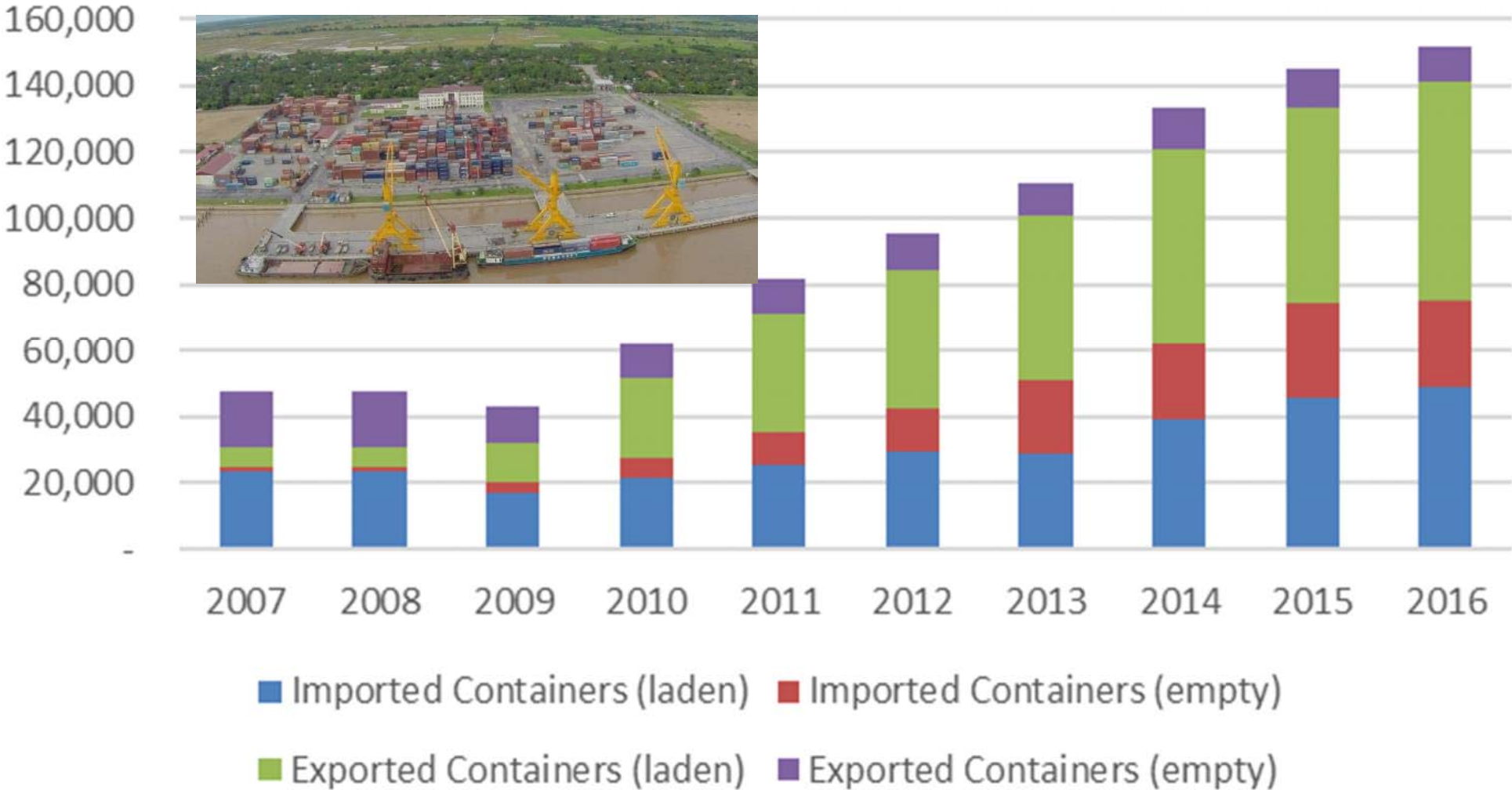
Inland Waterway Connection



Logistics Infrastructure: River Port (PPAP)

Container Throughputs of Phnom Penh Autonomous Port (PPAP)

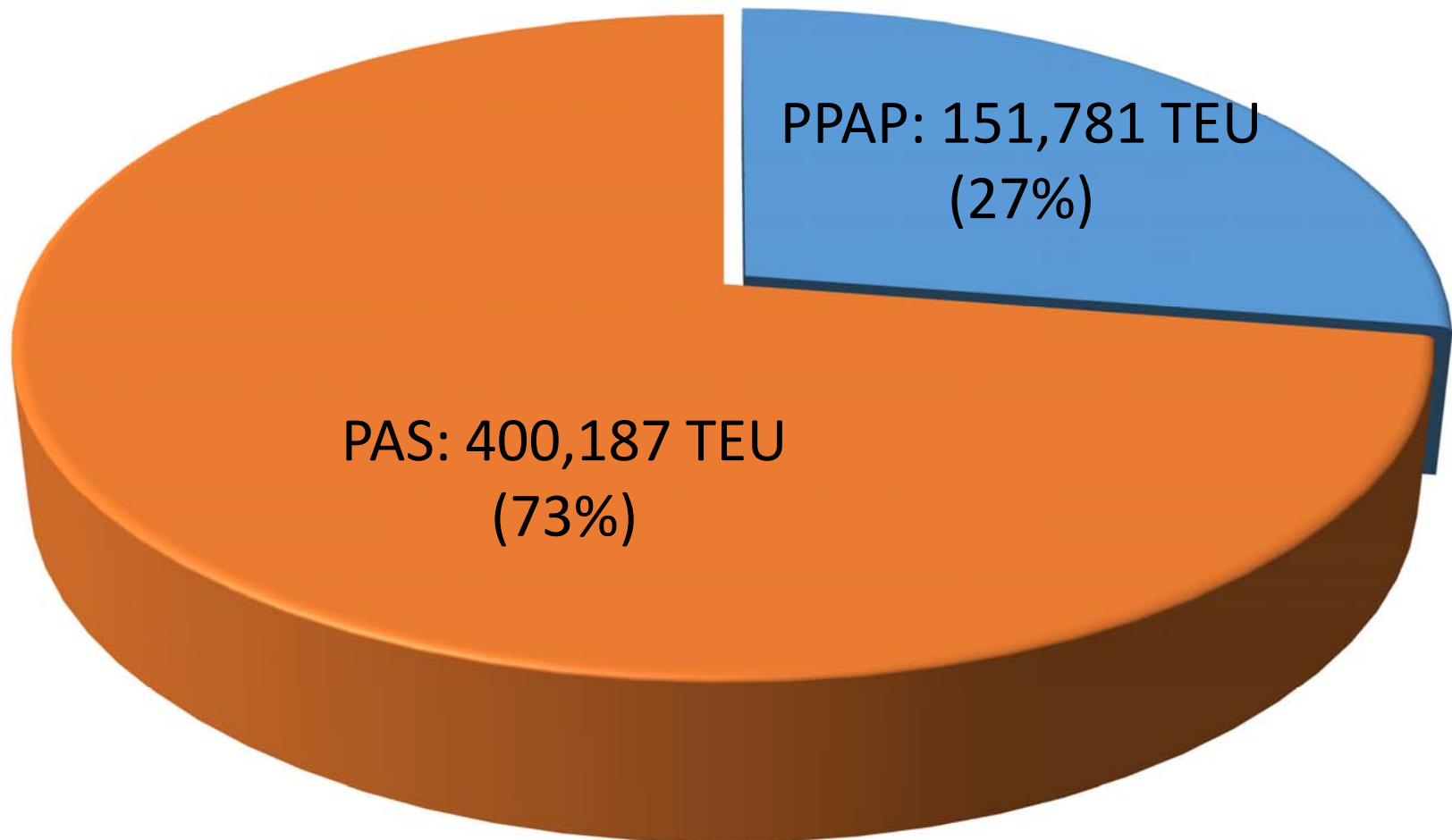
Container Throughput of PPAP (TEU)



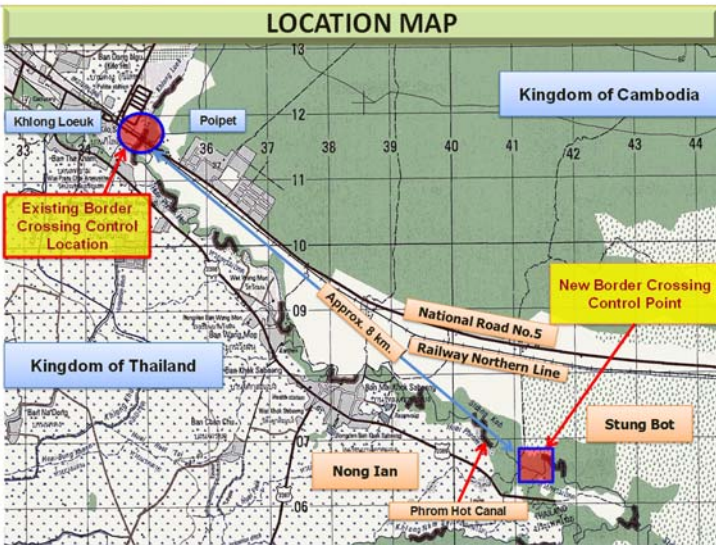
Source: PPAP

Logistics Infrastructure: PPAP versus PAS

Main Ports Market Share Container Throughput 2016



Logistics Infrastructure: Cross Border Facilities



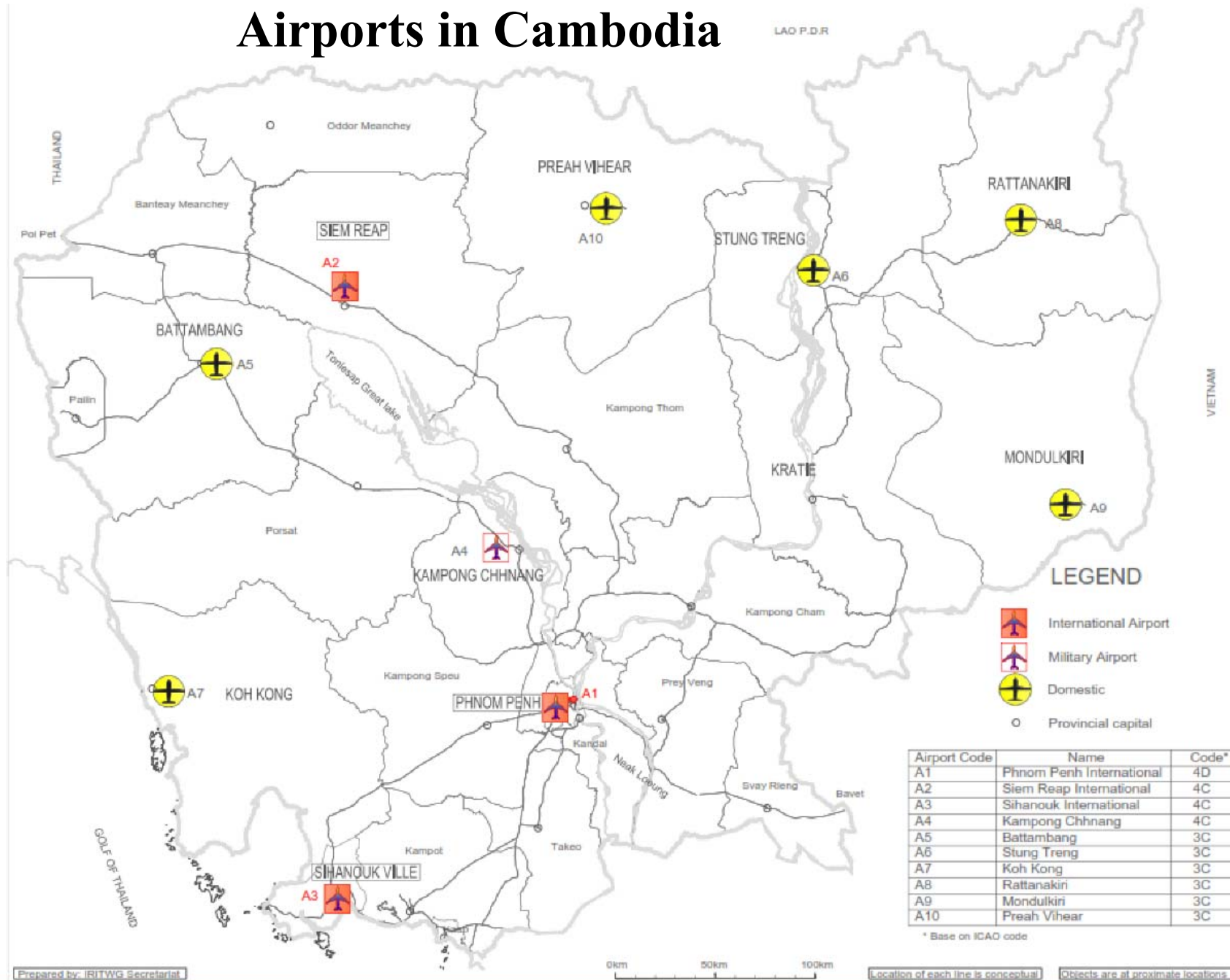
Border Control Facilities : MAIN BUILDING



Centerline of Road
 Junction RN5 & RN58 :
 N = 1 508 324.120
 E = 241 779.697
 Second Point :
 N = 1 507 609.620
 E = 241 618.317

Logistics Infrastructure: Air Transport

Airports in Cambodia



Logistics Infrastructure: Air Transport

The upgrading of the international airports at Phnom Penh, Sihanouk ville and Siem Reap, along with the establishment of direct international services into Siem Reap, has boosted tourism in the sense that international passenger traffics increased an average of 8% yearly between 2008 and 2015 from 2.5 million to over 5.6 million passengers.

International air cargo traffic increased by over 13% annually during the same period of time to over 36,898 tons in 2015.



Logistics Challenges

Current issues in the Logistics Sector are Identified.

Infrastructure: Infrastructure (road, railway, port and inland waterways) has been gradually developed with lengthy efforts. Capacity Enhancement will be necessary to continue to meet future demand increase.

Transport: Transport hubs are not effectively organized.

Border Control: Limited capacity of border facility causes congestion. Border operating hours are not fit to business needs.

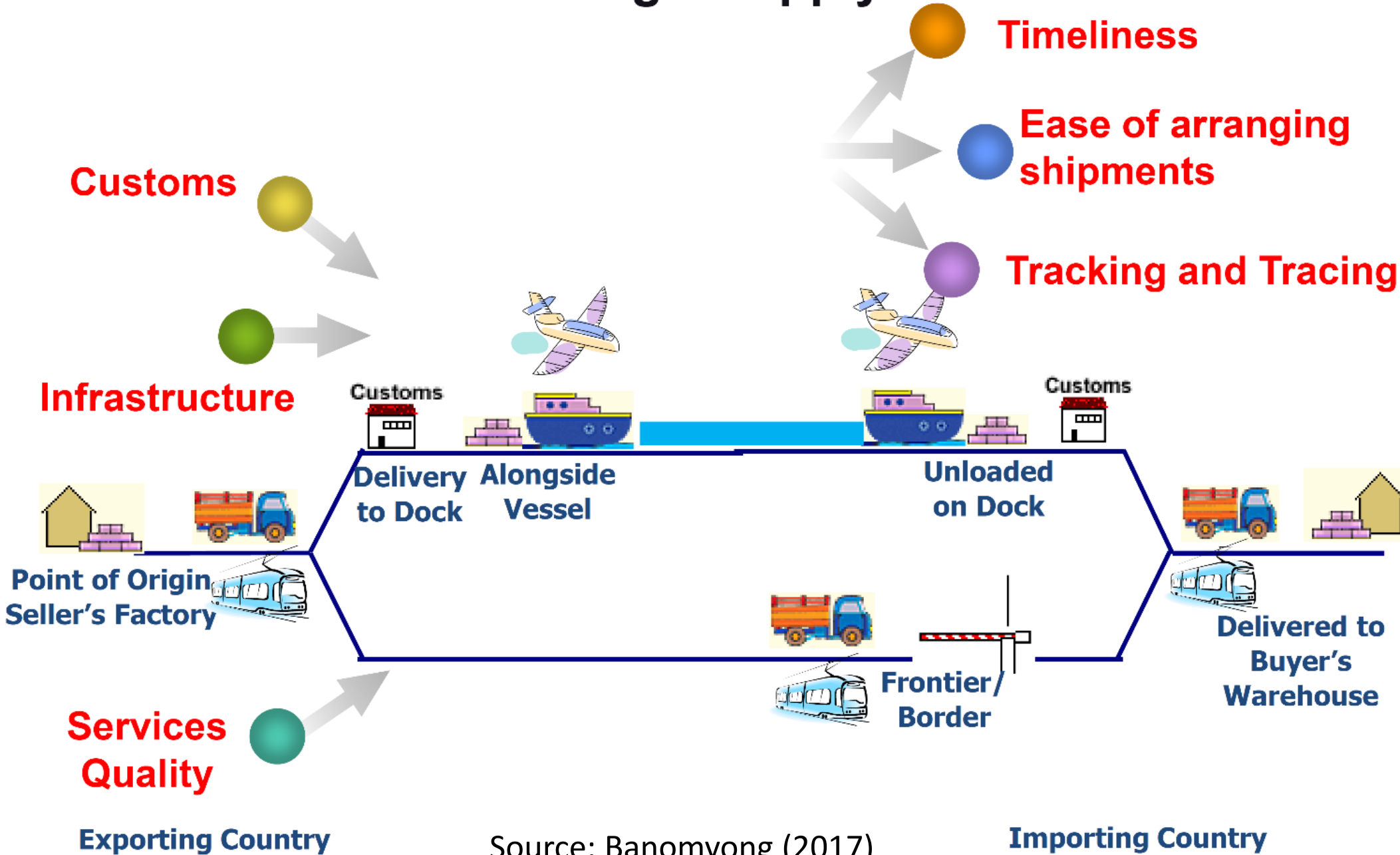
Logistics Costs: Logistics costs are expensive compared with Thailand and Vietnam. In particular, forwarding charge and port charge are high in Cambodia.

Logistics Services: Logistics services are not sufficiently qualified as professional service. For example, truck drivers with appropriate skills is scarce. Modern logistics services like LCL services and Cold chain service are still in beginning stage.

Regulatory and Institutional Framework: Many logistics-related regulations are missing. Even if they are prepared, some are not well functionalized. Inter-governmental coordination is just starting.

WB Logistics Performance Index (LPI)

6 LPI dimensions along a supply chain framework



Source: Banomyong (2017)

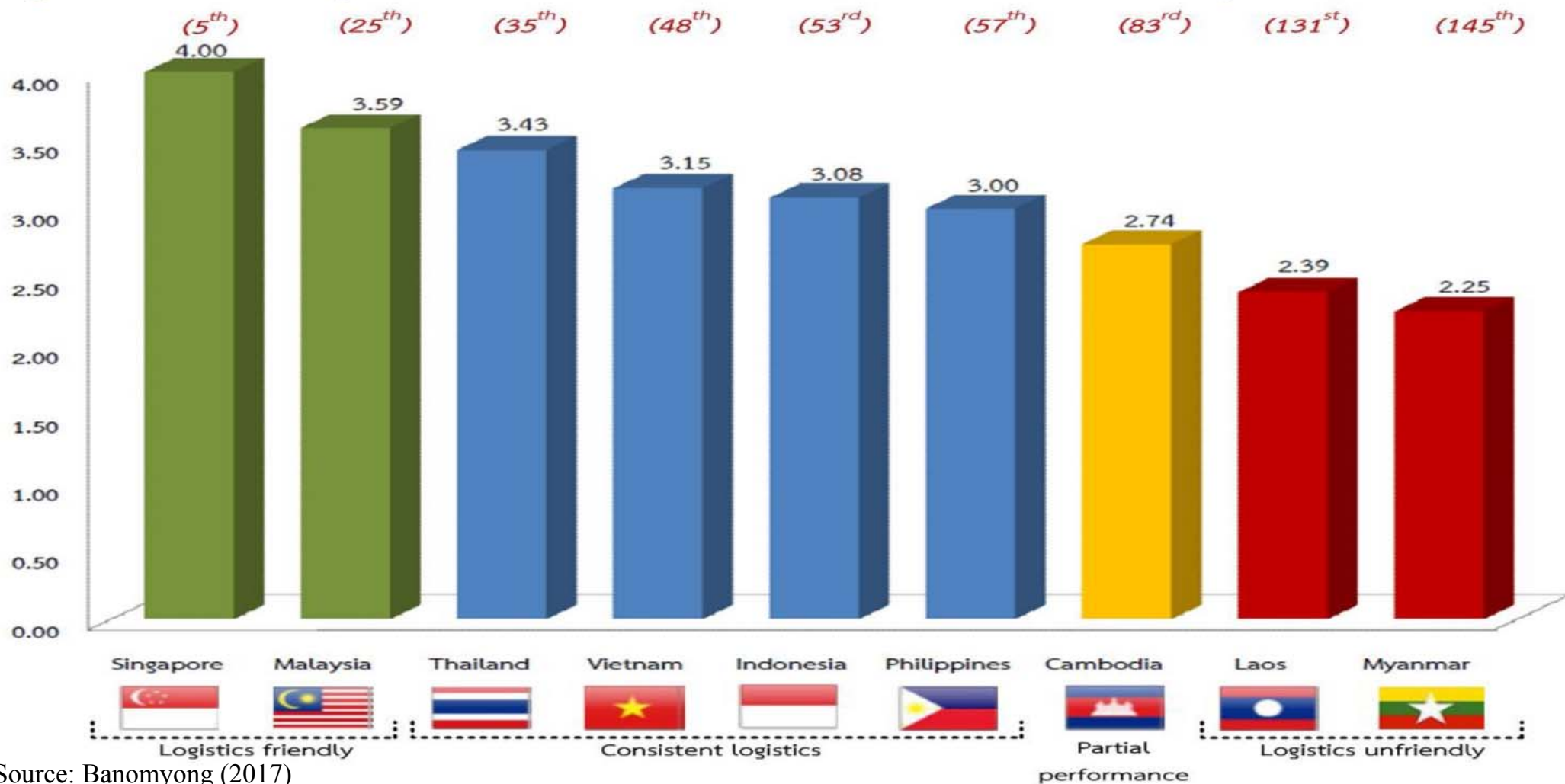
GMS LPI 2016 Ranking

LPI implies logistics issues may exist in customs & border procedures, infrastructure, logistics competence and tracking & tracing.

	LPI Rank	Customs	Infrastructure	International Shipments	Logistics Competence	Tracking & Tracing	Timeliness
Cambodia	73	77	99	52	89	81	73
Lao PDR	152	155	155	148	144	156	133
Myanmar	113	96	105	144	119	94	112
Thailand	45	46	46	38	49	50	52
Vietnam	64	64	70	50	62	75	56

ASEAN LPI 2014 Ranking

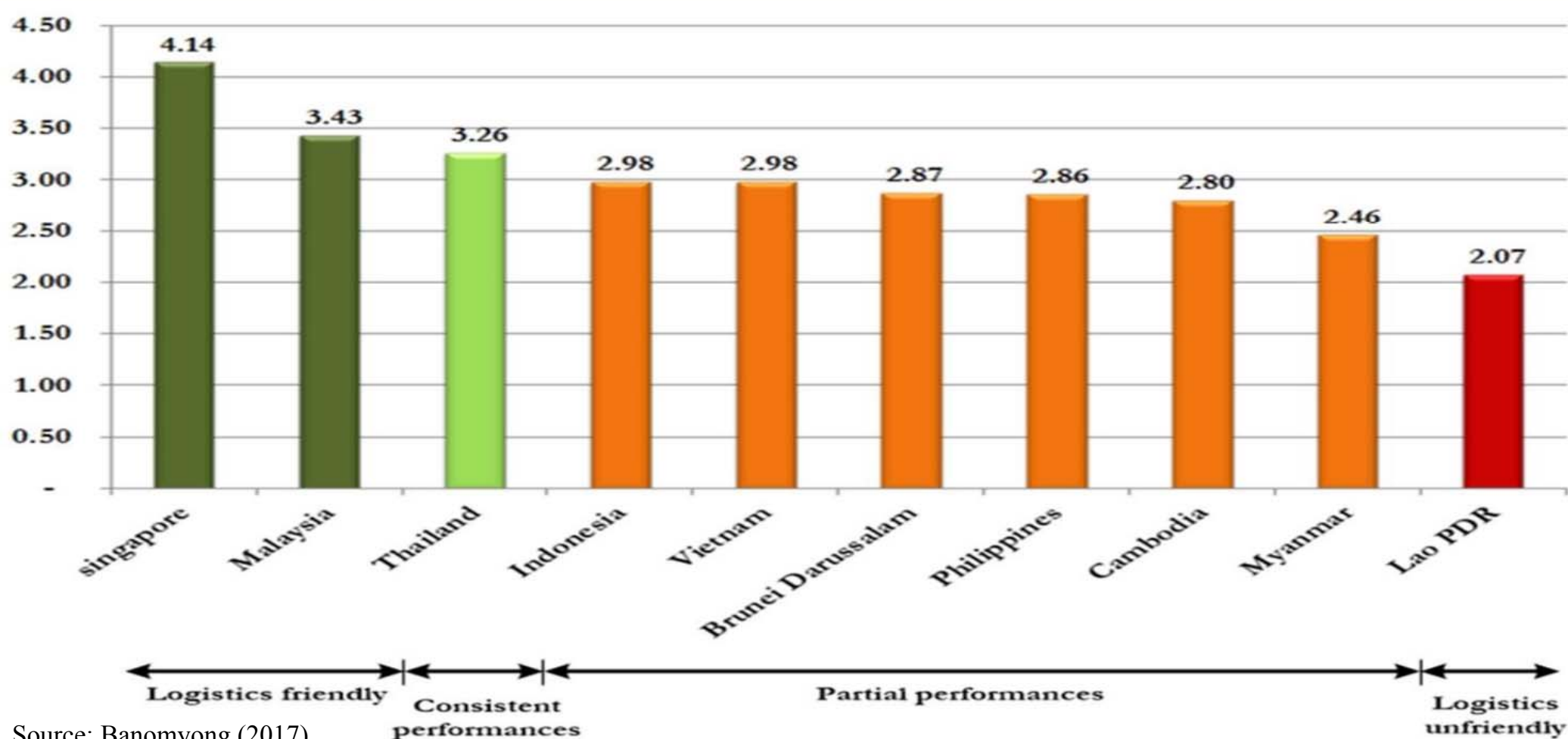
Typology	LPI Score	ASEAN countries
logistics friendly	3.50 - 5.00	Singapore Malaysia
consistent performers	2.95 - 3.49	Thailand Philippines Vietnam Indonesia
partial performers	2.40 - 2.94	Cambodia
logistics unfriendly	0.00 - 2.39	Laos Myanmar



Source: Banomyong (2017)

ASEAN LPI 2016 Ranking

Typology	LPI Score	ASEAN countries
logistics friendly	3.50 - 5.00	Singapore Malaysia
consistent performers	2.99 - 3.49	Thailand
partial performers	2.40 - 2.98	Indonesia, Vietnam, Brunei, Philippines, Cambodia, Myanmar
logistics unfriendly	0.00 - 2.39	Lao PDR





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Ministry of Public Works and Transport



2. Establishment of National Institutional Framework for Logistics Improvement and Development

National Institutional Framework

National Logistics Council (NLC)

- Deputy Prime Minister as Chairman
- Member: MPWT, MEF, CDC, MoP, MoC & SNEC
- Annual Meeting

National Logistics Steering Committee (NLSC)

- MPWT as Chairman
- Member: Line ministries, private sector & academia
- Semi-annual Meetings

Secretariat (General Department of Logistics-GDL / MPWT)

- Use GDL Structure
- Monthly, Quarterly & Annual Meetings
- Use MPWT budget

Royal Decree on the Establishment and Functioning of NLC and NLSC No. NS/RD/1117/1092 dated 24 Nov 2017

MPWT: Ministry of Public Works and Transport; MEF: Ministry of Economy and Finance; MoC: Ministry of Commerce; MoP: Ministry of Planning; CDC: Council for Development of Cambodia; SNEC: Supreme National Economic Council.



Kingdom of Cambodia

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3. Logistics Master Plan Development in the Kingdom of Cambodia

Industrial Development Policy 2015-2025

Target Year: 2018

Practical Measures: Develop and implement a master plan for transport and logistic system development with the aim of creating integrated and highly effective multimodal transport and logistics system, focusing on connecting the major economic poles and the three economic corridors – Phnom Penh – Sihanoukville, Phnom Penh – Bavet and Phnom Penh – Poipet – to become key national economic corridors through the construction of internationally standards highways and the setup of an effective logistics system.

Performance Indicators: **Master Plan for Integrated and Effective Logistics System**

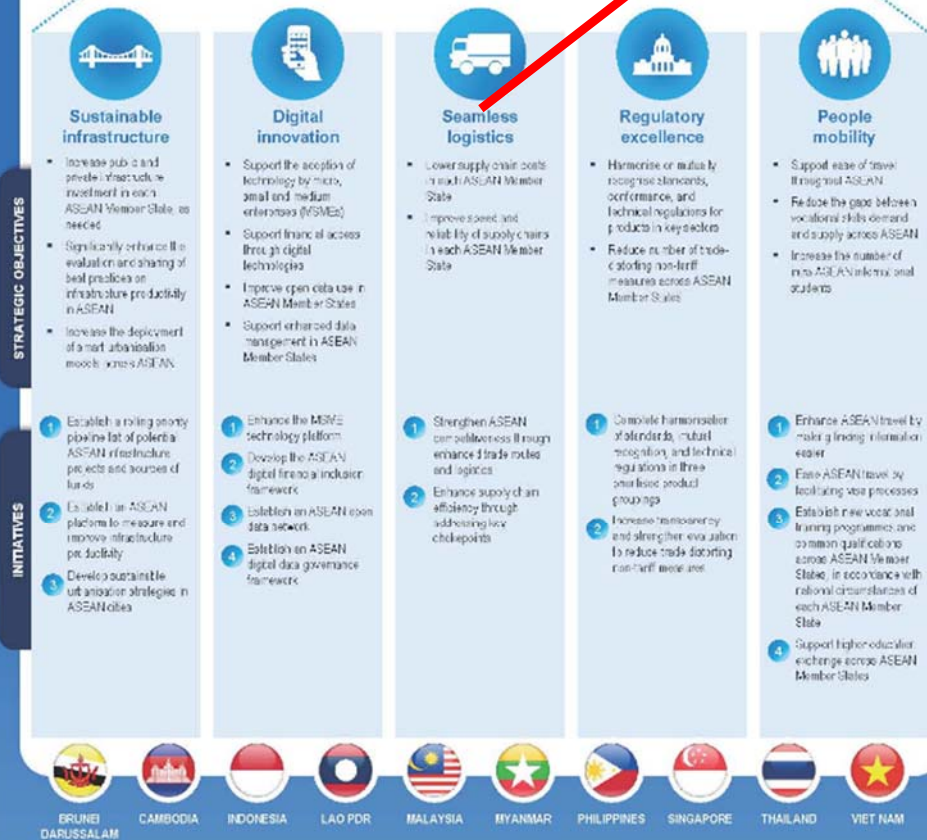
Coordinated by: Committee for Economic and Financial Policy

Implemented by: MPWT, MEF, MoC, CDC

Master Plan of ASEAN Connectivity (MPAC) 2025

ASEAN Connectivity 2025

Vision: "To achieve a seamlessly and comprehensively connected and integrated ASEAN that will promote competitiveness, inclusiveness, and a greater sense of Community."



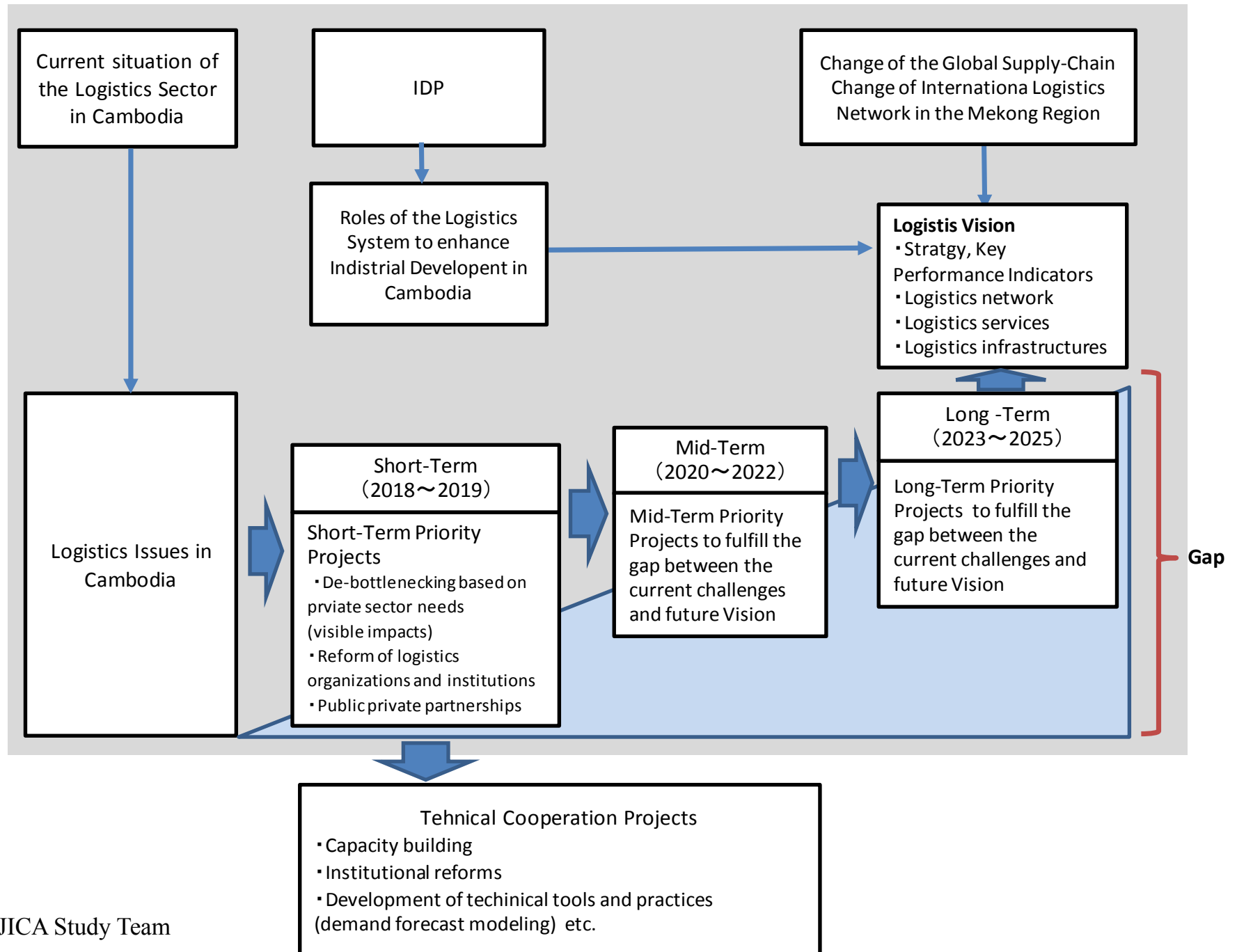
Seamless Logistics:

- Lower supply chain costs in each ASEAN Member State,
- Improve speed and reliability of supply chains in each ASEAN Member State.

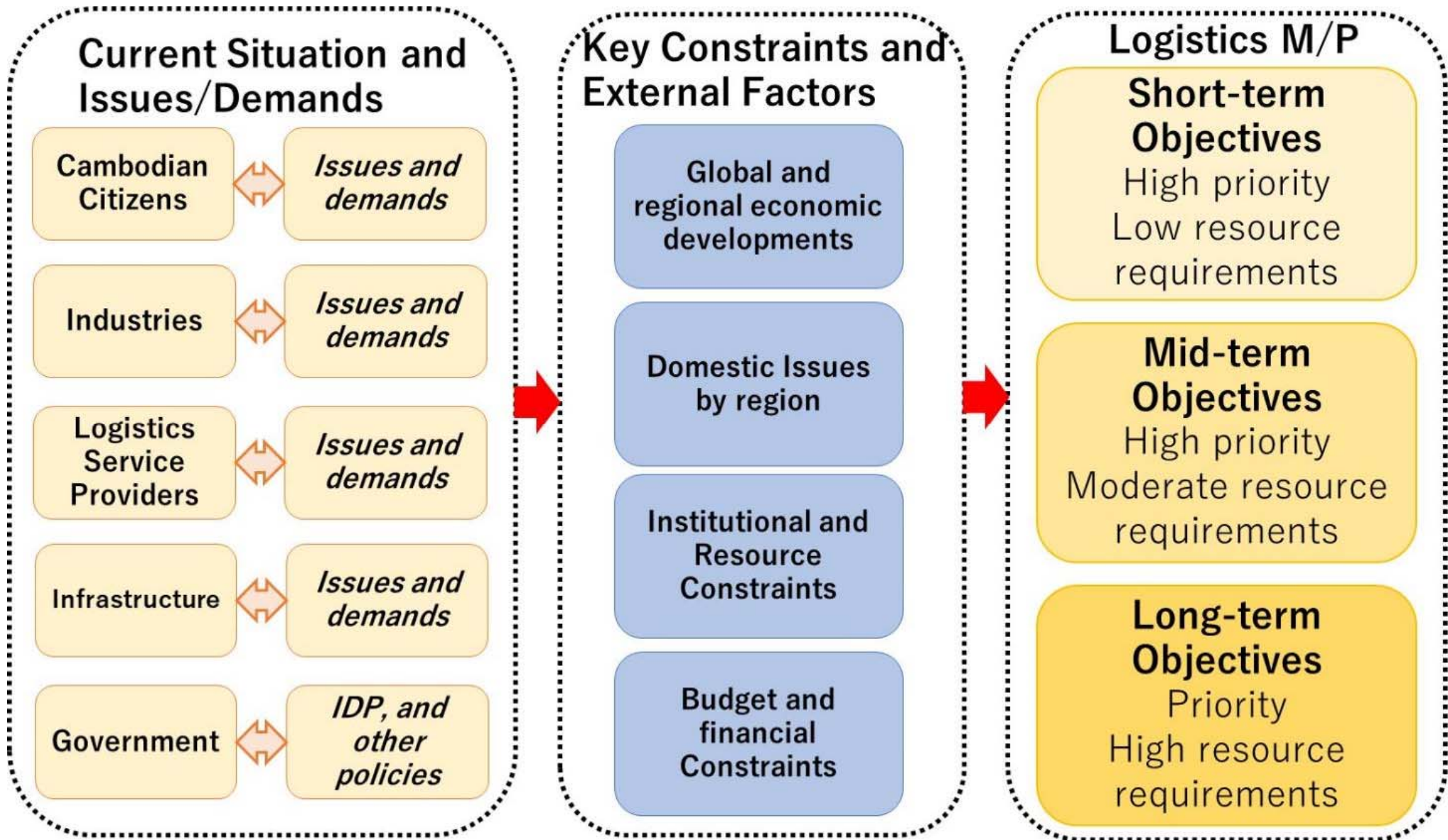
There are two initiatives:

- Strengthen ASEAN competitiveness through enhanced trade routes and logistics,
- Enhance supply chain efficiency through addressing key chokepoints.

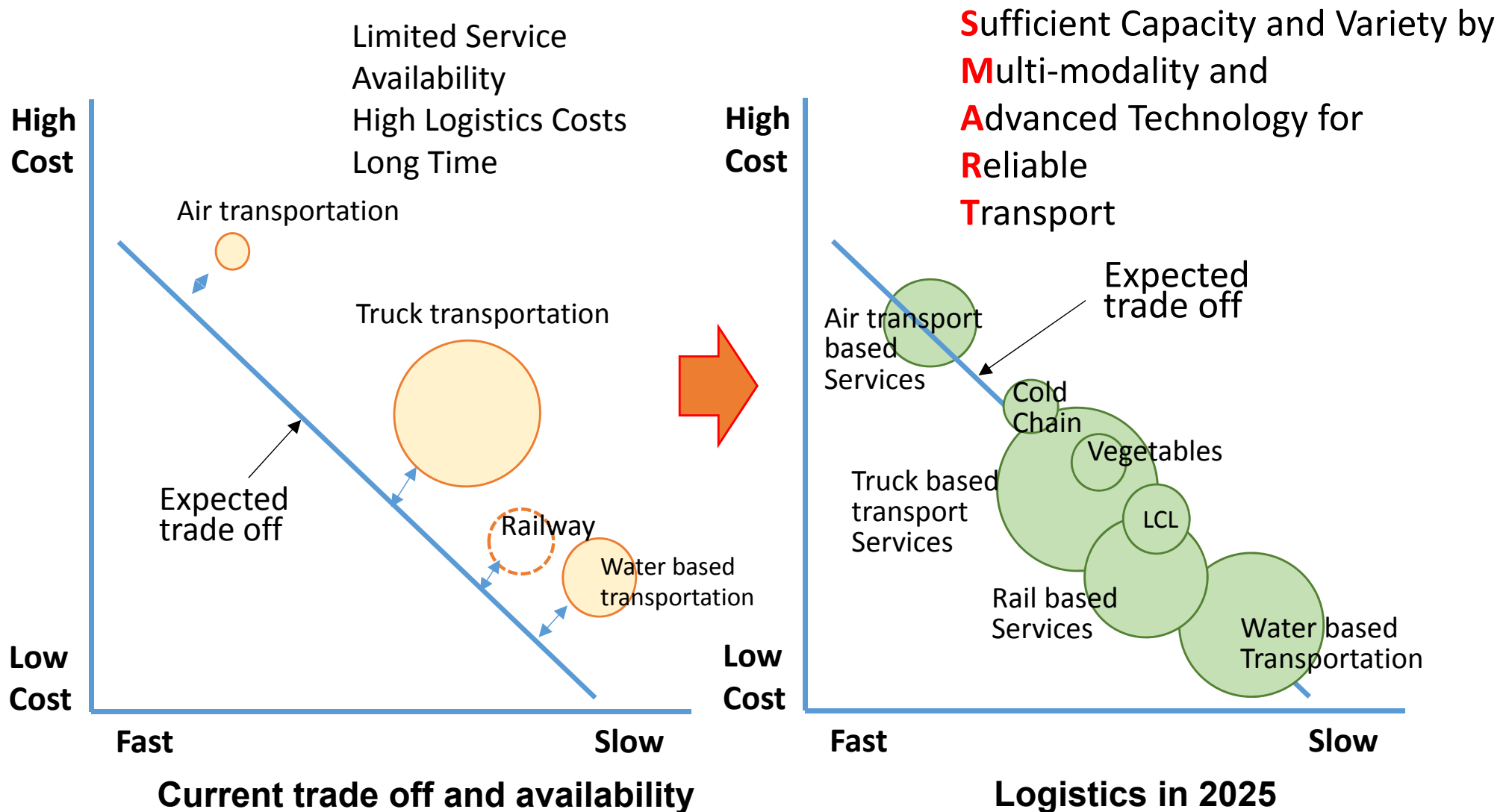
Coverage of Logistics Master Plan (M/P)



Analytical Framework of Logistics M/P



SMART Logistics 2025 - Overall Concept



SMART Logistics 2025 – Draft Principles, Strategies and Programs

SMART Logistics 2025

3 Principles

1. **Sufficient Capacity** to meet future demand on volume
2. **Sufficient Diversity of Services** to meet future demand on quality
3. **Speedy, Stable and Cost-effective** to support industry

5 Strategies

- Strategy 1: Development of Economic Corridors
- Strategy 2: Development of Logistics Hubs for Multi-Modal Transport
- Strategy 3: Realization of Seamless Border Transport
- Strategy 4: Capacity Enhancement of Logistics Service Providers
- Strategy 5: Strengthening of Legal and Institutional Framework

25 Programs

- Road Transport Capacity Enhancement
- Promotion of Railways as an Emerging Transport Mode
- Inland Water Transport Improvements
- Sihanoukville Port Development
- Phnom Penh Port Development
- Bavet Border Area Improvement
- Poi Pet Border Area Improvement
- Logistics Complex Development
- Diversified Business Supports
- Aviation Hub Development
- Introduction of Port EDI
- Port Management System Enhancement
- Introduction of Cambodia National Single Window (CNSW)
- Enhancement of the Best Trader Incentives
- Institutional and Capacity Building for Customs and Customs Brokers
- Optimization of CamControl Functions and Procedures
- Establishment and Operation of a Technical Working Group on Logistics Development
- Establishment of a Logistics Technical Training Center
- Modernization of Freight Vehicles
- Grading of Logistics Service Providers
- Private Sector Participation in Public Monopolies
- Institutional Capacity Enhancement of Logistics Policy Making and its Implementation
- Facilitation of Trade Agreements
- Enhancement of Borderless Transportation
- Optimization of Logistics Costs

SMART Logistics 2025 – Draft Development Phases

**Short Term
(2018-2019)**

Debottlenecking

- Enhancement of Transport infrastructure to be fully functioned
- Smooth transit at border points
- Simple import/export permit and inspection

**Short Term
(2020-2022)**

Reaching Global Standards

- Global Standards of infrastructure
- Internationalized import/export permit and inspection
- Harmonized cross-border operation with Thailand and Viet Nam

**Long Term
(2023-2025)**

Activating Logistics Businesses

- Optimum transport under efficient network and hubs, and modal selection
- High connectivity in the Mekong Region and seamless transport
- Diversified logistics services to respond diversified transport demand
- Enhancement of Competition in logistics market

Logistics Master Plan Development

The Master Plan is being developed with technical support from JICA and the World Bank.

1st Stakeholder Consultation Meeting was held on 08 November 2017. Interim report of the Master Plan Study is made available and shared with relevant stakeholders for inputs...

... schedule to be completed by March 2018.

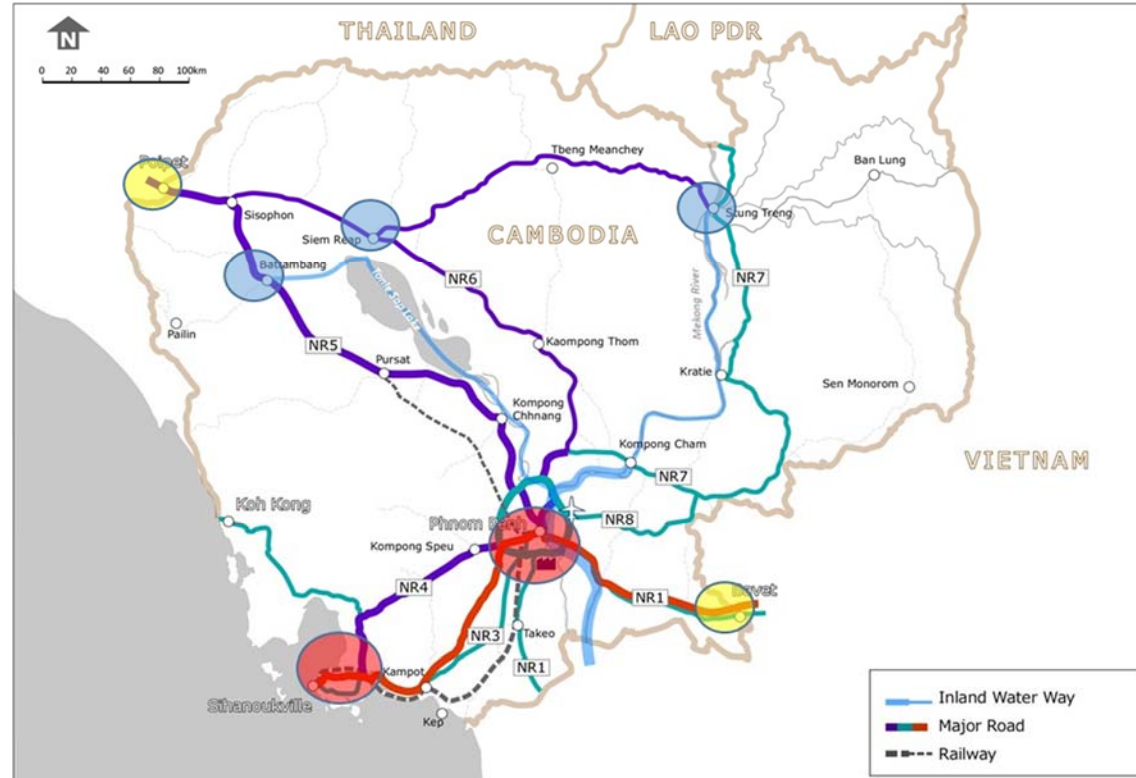


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*Thank you very much.
We are planning to realize that our logistics system well enhances industrialization to share a regional logistics function in the Mekong Region.*



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