Truck Modernization Strategic Plan

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I. Introduction to the Truck Modernization Plan

BACKGROUND

• Most of trucks in Cambodia is imported older second-hand trucks.
• Older trucks are cost-efficient for transport companies but has large burden on environmental issues (exhaust gas) of Cambodia.
• Acceleration of buying newer truck is one of solution to reduce environmental burden.
• In this regards, truck modernization study is prepared in the phase 1 of TCP.
• MOE introduced Euro4 in 2022 for new passenger car.
• GDCE has revised the special tax rate on certain vehicles to promote eco-friendly cars in March 2021.
• On the other hand, GDLT currently prepares National Policy on Development of Land Transport Sector, which has a strategy of “vehicle modernization” as one of important strategy actions in the policy.
Truck Modernization Strategic Plan aims to indicate necessary actions of the following aspects:

- To promote newer trucks;
- To promote trucks with new technologies; and
- To improve truck operation and businesses.
Progress and Achievements

• Establish Truck Modernization Working Group on Nov. 2020, headed by General Department of Land Transport
• Complete draft Truck Modernization Strategic Plan by working group on April 2022
• Revision of the draft based on comments from GDLT management, PM/PD of CLIP2.
• Approved by Senior Minister on 8 August 2022.

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II. STRATEGIC OBJECTIVES

Strategic Objectives 1: Effectively support renewal of older trucks

Providing “carrot” to encourage buying newer truck and “stick” to discourage buying/keeping older trucks

**Action Plan**

1. Utilization of public and private dialogue platform to motivate the transport operators to use newer trucks (Action 1.1)
2. Request for financial institution to disincentivize the purchase of older trucks (Action 1.2)
3. Encouragement for the use of newer and cleaner trucks through incentives (Action 1.3)
4. Assistance to repair garages to respond with repair/maintenance techniques for trucks compliant with national emission standards (Action 1.4)
II. STRATEGIC OBJECTIVES

**Strategic Objectives 2: Promotion of EV(electric vehicle)/FCV(fuel cell vehicle) trucks**

Encouraging private sector to introduce EV truck and FCV truck

**Action Plan**

1. Promotion of the LPG trucks (Action 2.1)
2. Demonstration on the use of EV/FCV trucks and development of gas stations and electricity charging stations (Action 2.2)
3. Provision of incentives to EV/FCV truck buyers (Action 2.3)
4. Assistance to repair garages to respond with LPG/EV/FCV trucks (Action 2.4)
II. STRATEGIC OBJECTIVES

Strategic Objectives 2: Promotion of EV(electric vehicle)/FCV(fuel cell vehicle) trucks

| Truck Import Duties |  
|---------------------|---------------------|
| ICE Truck           | EV Truck            |
| Custom Duties: 15%  | Custom Duties: 15%  |
| Special Duties: 30% | Special Duties: 10% |
| VAT: 10%            | VAT: 10%            |
| Total: 64.45%       | Total: 39.15%       |

- The introduction of the sub-decree 122 was enacted on 06 June 2023: aimed to reduce the Special Duty on Truck and EV Truck.
II. STRATEGIC OBJECTIVES

Strategic Objectives 3: Improvement of Truck Operation

Improving truck operation to reduce problems of exhaust gas and to reduce damages on roads and troubles of trucks

Action Plan

1. Increase of law enforcement activities on trucks without proper technical inspection certificate and other documents (Action 3.1)
2. Increase of vehicle inspection checkpoints for the operational condition of the vehicles (Action 3.2)
3. Closing-down of illegal truck repair and modification garages (Action 3.3)
4. Promotion of eco-driving under public-private cooperation (Action 3.4)
5. Eco/green-transport business award under Public-Private partnership (Action 3.5)
II. STRATEGIC OBJECTIVES

Strategic Objectives 4: Modernization of transport business and operation

Improving businesses of transport and logistics companies

Action Plan

1. Revision of transport business registration system (to assign the responsible person of operation, maintenance and environment in the company, or Introduction of Q-mark certificate system like Thailand or others) (Action 4.1)

2. Support for the introduction of IOT technologies and robotics into the logistics businesses (information, training, etc. first stage) (Action 4.2)
Thank You!

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