Logistics System Improvement in Cambodia

Workshop on Strengthening the Capacities of Cambodia to Incorporate Dry Ports into the Logistics Network: Institutional, Infrastructural and Operational Aspects

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Current Situation of Logistics in Cambodia

Logistics Institutions

National Transport and Logistics Master Plan (NTLMP)
Current Situation of Logistics in Cambodia

Logistics Institutions

National Transport and Logistics Master Plan (NTLMP)
Current Situation of Logistics in Cambodia

[Software]
- Issue 1: Lack of Coordination Mechanism
- Issue 2: High Forwarding Charges
- Issue 3: Trans-loading
- Issue 7: High Port Charges
- Issue 8: Lack of Port EDI

[Hardware]
- Issue 4: One-way-cargo
- Issue 5: Congested and Dangerous NR1 and 4
- Issue 6: Insufficient ICD and Railway Capacity

Source: Logistics Situation and Challenges in Cambodia, a Summary of the Data Collection Study on International Logistics of the Kingdom of Cambodia, JICA, August 2016
Domestic Transportation Costs

<table>
<thead>
<tr>
<th>Transport Route</th>
<th>JICA Survey 2016</th>
<th>JICA Survey 2018</th>
<th>JICA and GDL Survey 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>PP – Poipet</td>
<td>500</td>
<td>600</td>
<td>750</td>
</tr>
<tr>
<td>PP - Bavet</td>
<td>250</td>
<td>250</td>
<td>430</td>
</tr>
<tr>
<td>PP - Sihanoukville</td>
<td>220</td>
<td>220-270</td>
<td>350</td>
</tr>
</tbody>
</table>

Source: JICA survey 2016, 2018 and GDL survey 2019
World Bank’s Logistics Performance Index (LPI) analyzes countries in six components:

- Efficiency of customs and border management clearance,
- Quality of trade and transport infrastructure,
- Competence and quality of logistics services,
- Frequency with which shipments reach consignees within scheduled or expected delivery times,
- Ease of arranging competitively priced shipments,
- Ability to track and trace consignments,
LPI Scores and Rankings

LPI Scores 2016 vs 2018

Periodical Changes of LPI Rankings for Cambodia

Source: World Bank
Current Situation of Logistics in Cambodia

Logistics Institutions

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National Transport and Logistics Master Plan (NTLMP)
Management Framework of Logistics Sector in Cambodia

**Governance & Institutional Framework in Logistics Sector**

**National Logistics Council (NLC)**
(MEF, MPWT, CDC, MoC, MoP, & SNEC), main role as policy-maker

**National Logistics Steering Committee (NLSC)**
(Line Ministries, Private Sector & Academia – 36 members including all provincial governors), main role as policy-implementer & Monitoring

**Secretariat**
(General Department of Logistics, MPWT)

**Royal Degree**
- One single Royal Degree creates these three institutions,
- Royal Degree had been signed by His Majesty the King on 24 Nov 2017,
- All Members of NLC and NLSC were appointed by the Government’s Decision (No. 29 SSR) on 21 May 2018,
General Department of Logistics (GDL)
Main activities of GDL

• Coordinating function between stakeholders in logistics.

• Collaboration with DPs, Private sector and relevant government institutions.

• Developing logistics policies and related regulation.

• Managing logistics information system.

• Monitoring and Evaluation all projects in logistics master plan.
M&E Function

Feedback Mechanisms

Discussions and Decisions

Editing and Publication

Data Collection

Budget Approval
Institutional Improvements
Adjustments on Projects
Suggestions for Improvements

NLC

NLSC

Web Site

Logistics Data Disclosure

Annual Report
Progress Report
Design Web Site

Logistics Data Analysis

Macro Indicators
Sector Indicators
Corporate Survey

Project Progress Monitoring

Trade and Investment
Sector Activities
Corporate Activities

Project Implementation

Comprehensive M&E

Narrow definition of M&E

Source: JICA Project Team
Data Processing and Outputs

Macro Level Data

Sector Level Data

Firm Level Data

Project Level Data

Logistics M&E Department
- Logistics Database
- Data Processing
- Report Writing
- Survey
- Research

Annual Report
Logistics National Council
Public-Private Dialogue
Web Site

Source: JICA Project Team
Project Progress Report Template

- Assessing Inputs, Outputs and Outcomes in line with the Log Frame
- Make sure that M/P projects are making good progress
- If not, fine-tune the design or provide additional financing

Source: JICA Project Team
6 projects under Technical Cooperation Project (JICA and GDL)

1. Logistics Training Need Assessment
2. Bavet Border Improvement
3. Logistics Policies
4. Logistics Laws
5. Truck Modernization
6. Regional Warehouse Concept
Current Situation of Logistics in Cambodia

Logistics Institutions

National Transport and Logistics Master Plan (NTLMP)
Current Situation of Logistics in Cambodia

Logistics Institutions

National Transport and Logistics Master Plan (NTLMP)
National Transport & Logistics Master Plan (NTLMP)

- Joint Study by JICA & WB on Logistics Master Plan development in Mar 2018 – identified 5 strategies with 25 programs and 75 projects,
  - National Port MP 2011, JICA

- Railway Network Master Plan by KOICA in 2013 – identified 4 goals and 7 strategies,

- Expressway Development Master Plan by Henan-China in 2014 – identified 5 planning targets,

- Road Network Master Plan by Henan-China in 2017

- FS on Waterway Improvement for Port Logistics Development by KOICA in Feb 2017

- Comprehensive Urban Transport Master Plan in Phnom Penh Capital City (2014) by JICA

- National Port MP 2011, JICA

- Master Plan of ASEAN Connectivity 2025,
  - ASEAN Transport Strategic Plan 2016-2025

- Industrial Development Policy,
  - Rectangular Strategy III,
  - National Strategic Development Plan (NSDP),
SMART Logistics 2025
Sufficient capacity and variety by Multi-modality and Advance technology for Reliable Transport and Logistics

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

5 Strategies
Strategy 1: Development of Economic Corridors and International Gateways
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 Rail Freight Transport
- Inland Water Transport Improvements
- Sihanoukville Port Development
- Phnom Penh Port Development
- Bavet Border Area Improvement
- Poi Pet Border Area Improvement
- Logistics Complex Development
- Air Cargo Hub Development
- Urban Transport Facilitation
- Regional Development Support
- Port Management Enhancement
- Introduction of Cambodia National Single Window (CNSW)
- Trade Support
- Trade Compliance Improvement
- Optimization of CamControl Functions and Procedures
- Establishment of a Logistics Technical Training Center
- Public-Private Dialogue
- Logistics Business Modernization
- Introduction of Modern Logistics Technologies
- Market Mechanism Enhancement
- Capacity Development of GDL
- Development of Logistics Regulatory Framework
- Facilitation of Trade Agreements and Borderless Transportation
- Optimization of Logistics Costs
Development Phase

Short Term (2018-2019)

- De-bottlenecking
- Enhancement of transport infrastructure to full functionality
- Smooth transit at border crossings
- Simple import/export permit and inspection processes

Medium Term (2020-2022)

- Reaching Global Standards
- Global infrastructure standards
- Internationalized import/export permit and inspection processes
- Harmonized border operations with Thailand and Viet Nam

Long Term (2023-2025)

- Activating Logistics Businesses
- Optimum transport with efficient networks and hubs, and modal choice
- Better connectivity and seamless transport in the Mekong Region
- Diverse logistics services to respond to diversified transport demand
- Enhancement of competition in the logistics market
SMART Logistics 2025 – Target outcome

Current trade off and availability

- Limited Service Availability
- High Logistics Costs
- Long Transport Time

High Cost

- Air transportation
  - Expected trade off

Low Cost

- Truck transportation
- Railway
- Water based transportation

Fast

Slow

Logistics in 2025

- Sufficient Capacity and Variety by
  - Multi-modality and
  - Advanced Technology for
  - Reliable
  - Transport

- Cold Chain
- Vegetables
- LCL
- Rail based Services
- Truck based Services
- Water based Transportation
- Expected trade off

- LCL
Many thanks for your kind attention!

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