

A photograph of a port scene. A large blue container with "WPC LOGISTICS" and "www.wpl.co.th" printed on it is being lifted by a crane. The container is suspended by cables. In the background, there are other cranes, a body of water, and a distant city skyline under a cloudy sky. The foreground shows a concrete pier with some white pipes.

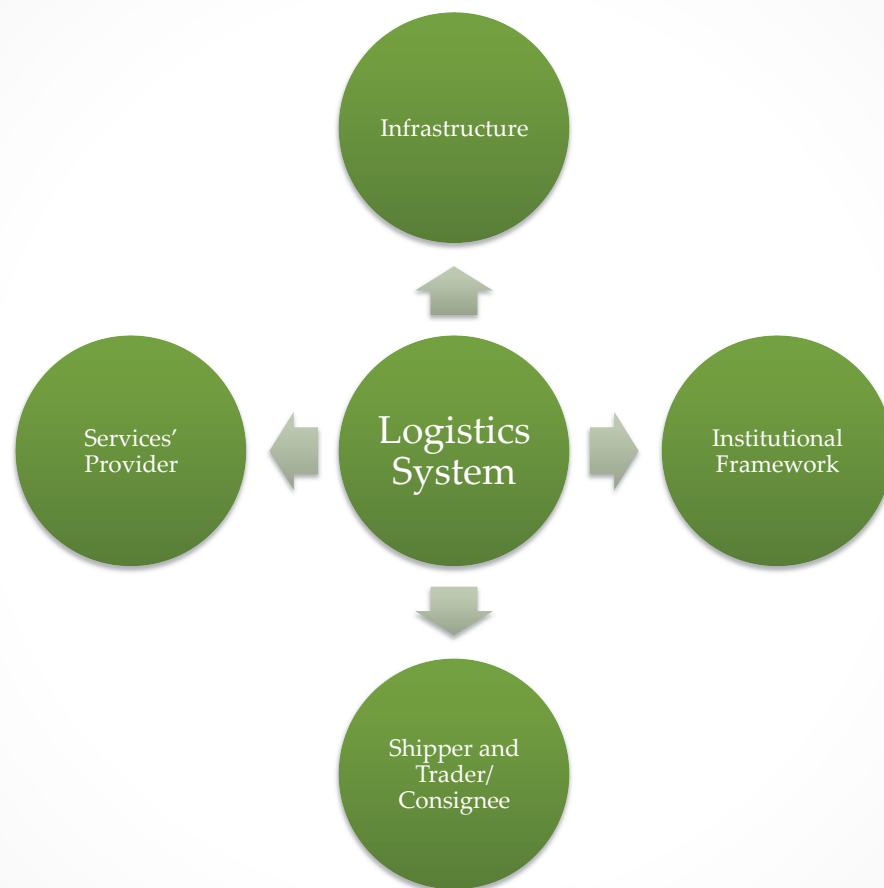
Trade Facilitation for Agro-food Sector

Trade Logistics Key Issues and Remedies:  
Experiences of Cambodia

## Current State of Cambodia Trade Logistics System

Comprehensive logistics system concept is yet to take root in Cambodia, as of today there is a limited commercial service provider offering a full range of services, coupled with the absence of coherent policy and regulatory approach to logistics needed in the trade facilitation

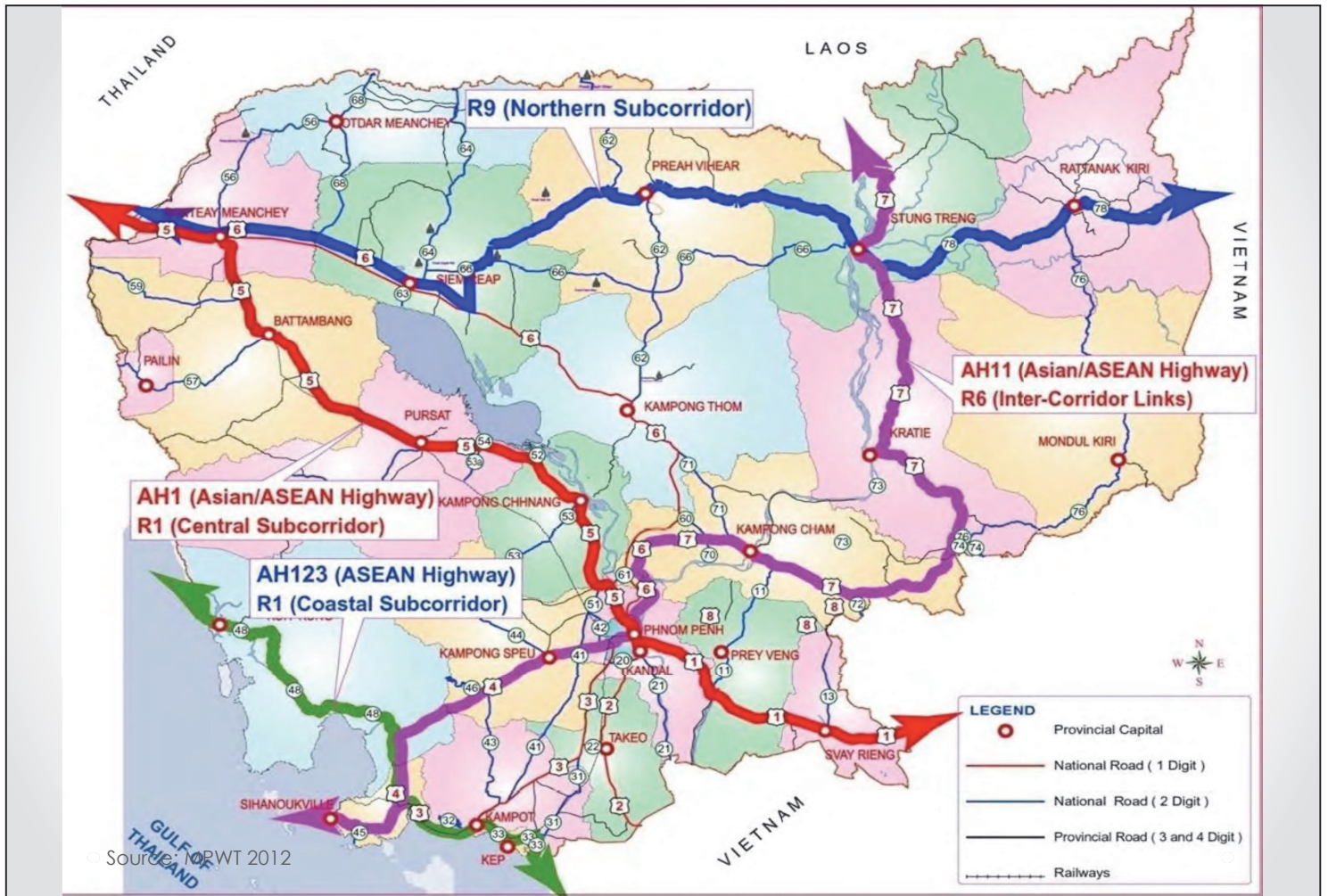
In accordance to Cambodia Freight Forwarders Association (CAMFFA) logistics system consists of -



## Infrastructure

- Primarily by ways of National Road (AH)
- Starting to come online multimodal transport, but limited
  - Land/air solutions via Ho Chi Minh City and Bangkok to solve capacity issues ex P. Penh International Airport (sensitive cargo)
  - Barge transport down the lower Mekong River (container, bulk, and oversized cargo) for transship via Vietnamese deep sea port
  - Inland transport via Vietnamese deep sea port to reduce transit time
  - Rail transport for construction material from Sihanoukville Seaport to reduce inland transport costs and road safety

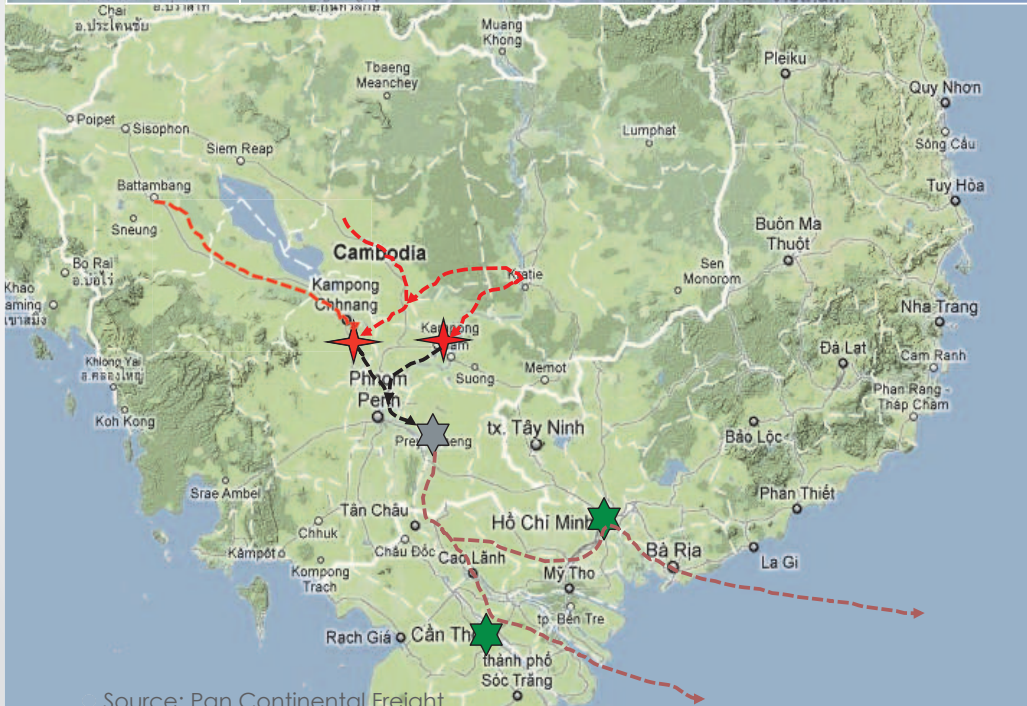




## Inland Haulage

## Inland MULTI-TRANSPORT – for Grain

Commence	2014
As-Is	Only Trucking from main site to Port (Limitation of Large Volume )
To-Be	1) Able to transport large volume, 2) Safety, & 3) Cost efficient



	Main Product Site
	Inland HUB
	PPMPT(PPNCT)
	Vietnam
	Tractor Trailer



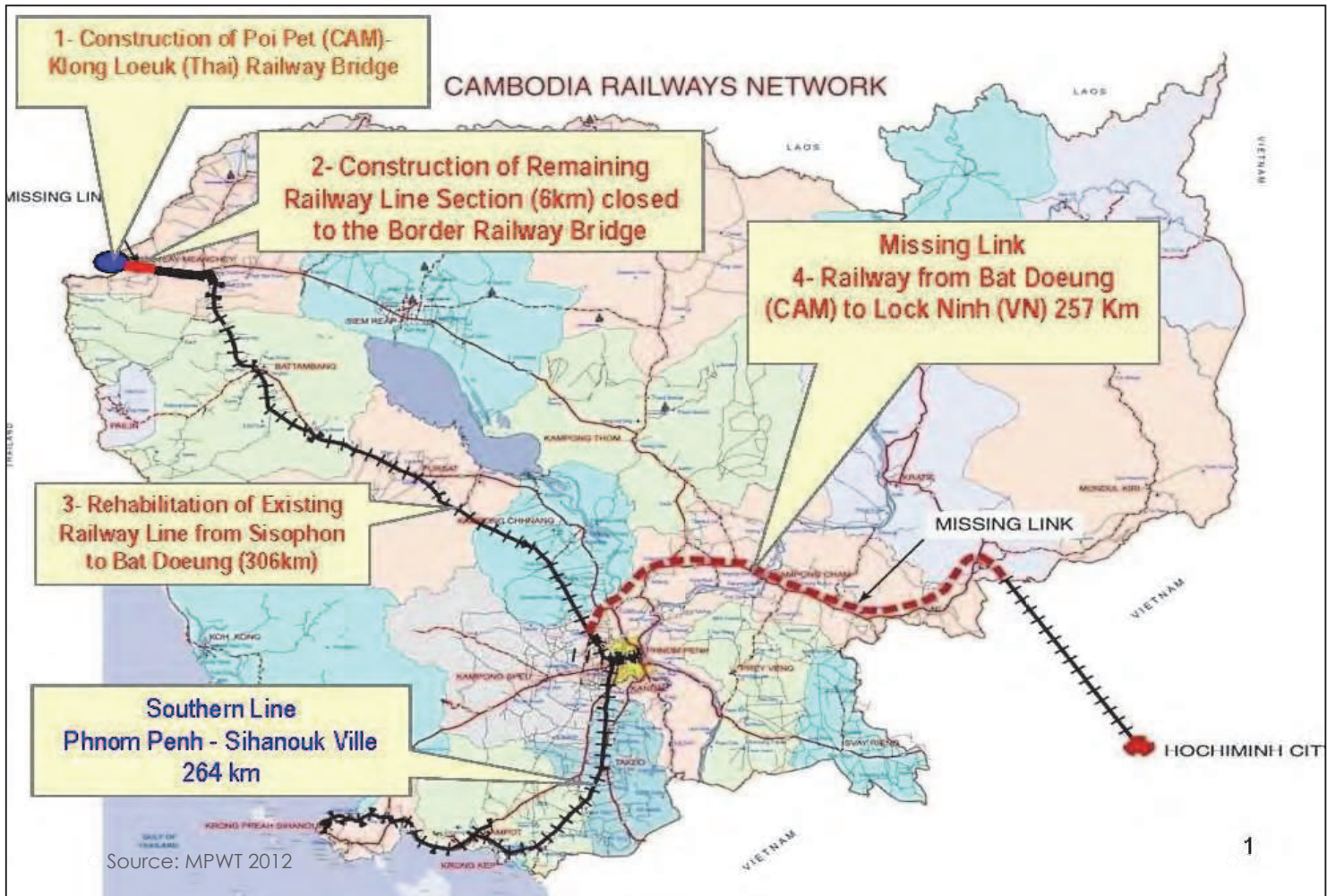
-----> Ferry Barge



-----> Barge / Marine Vessel







## Institutional Framework

- Laws/Regulations
  - Customs Law promulgated 8/18/07 and SubDecree on Risk Management, ASYCUDA implemented in 2008 and covering most international border checkpoint today, but lack direct customs clearance module for customs broker
  - Traffic Law promulgated 2/12/2007, with draft amendment sent to National Assembly in August 2014 (Amended 64 Arts, 15 new Arts, and 18 Arts removed)
- Limited multimodal transport begin to come online
  - GMS Cross-Border Transport Agreement (CBTA) effective on 12/31/2003, not fully implemented despite all protocols have been signed by Cambodia, Laos, and Vietnam
  - Bilateral agreements on Road Transportation, implemented since 2005 with Vietnam (300 vehicles) and 2012 with Thailand (40 vehicles)
  - Bilateral agreement on Waterway Transportation between Cambodia and Vietnam entered into force in January 2011, yet not fully implemented

## Services' Provider

- The sector has developed rapidly but limited domestic operators offer a comprehensive range of services
- Dominated by few multi-national players directly appointed by the garments/shoes buyers
- Approximately 300 Freight Forwarder and Customs Broker operators, mostly locally owned

## Trader

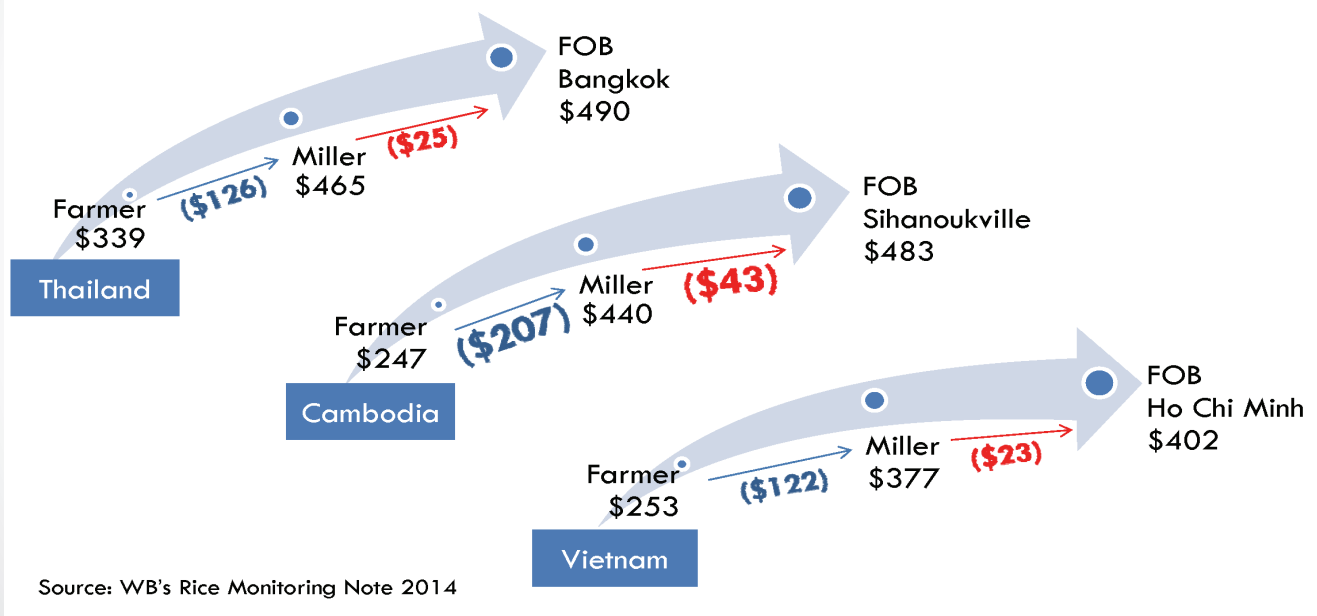
- In general most traders are not aware of the critical important of managing logistics and the supply chain and the potential benefits associated with logistics and supply management utilizing IT
- Freight Forwarder and Customs Broker express little confidence in the sector's to provide the range of services needed
- Equally, traders complain about the lack of transparency and predictability exhibited by Freight Forwarder and Customs Broker



## What're the hidden taxes on the farmer and trader?

### High inland transport cost

Prices of non-aromatic (white) rice per ton in 2013



## Hidden Taxes

- Intra provincial inland transport cost is higher than Thailand and Vietnam

Cost per MT per 100 km for Rice (ADB 2012)		
Thailand	Cambodia	Vietnam
US\$ 7	<b>US\$ 10-13</b>	US\$ 5

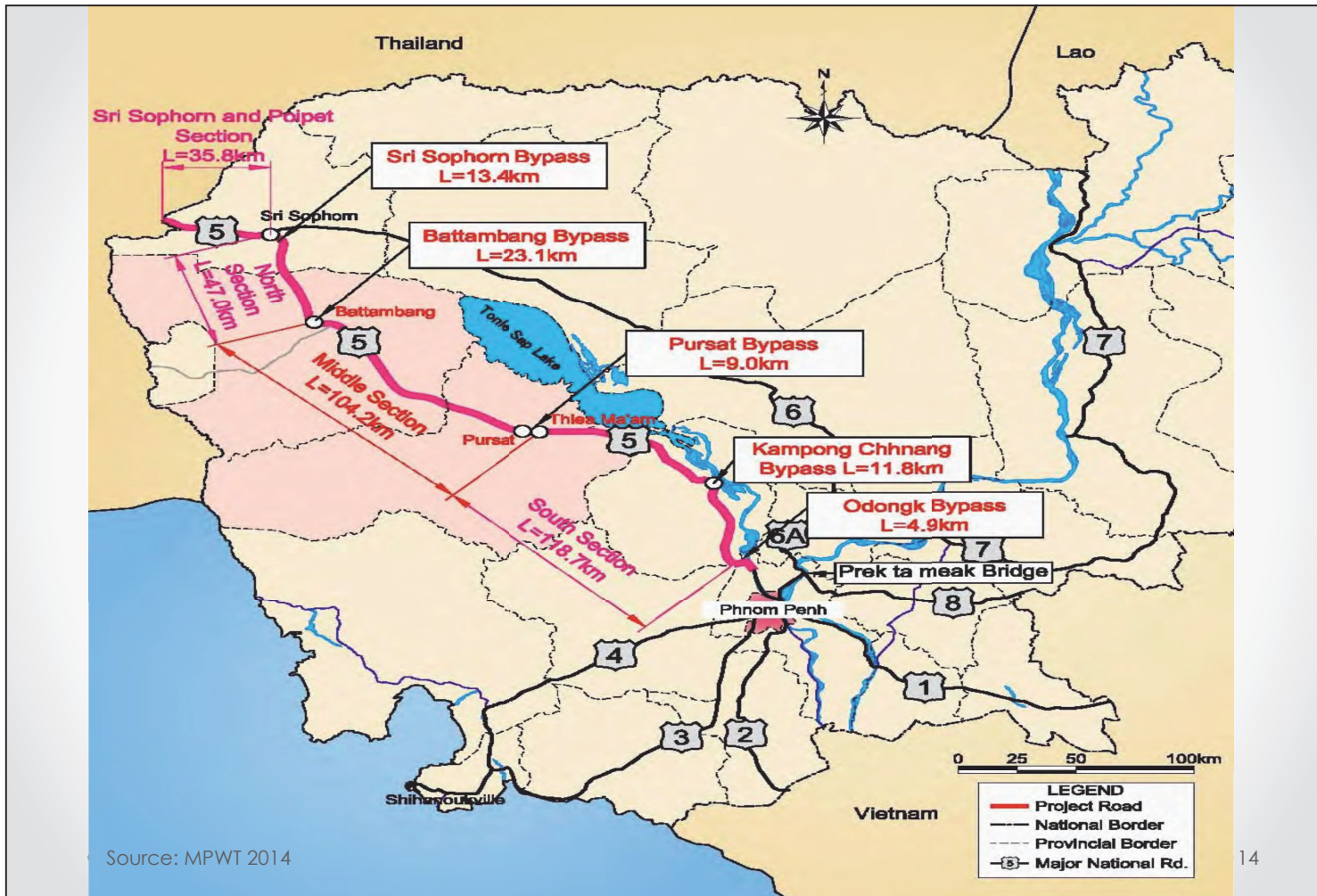
- From Phnom Penh to Cai Mep via NR 1, US\$40 per ton for all cargos
- Barge rates from PPAP to Cai Mep Port US\$45-55 for 20' and US\$80-100 for '40 container
- Cambodian fleets consume 1 liter of diesel fuel for every 2.7 km, in contrast the Thai and Vietnamese fleets > 3.5 km per liter diesel fuel
- Average operating cost per vehicle/fleet US\$ 0.48 /km in Cambodia vs. US\$ 0.22 km in Asia

## Government Solutions



Source: MPWT 2014

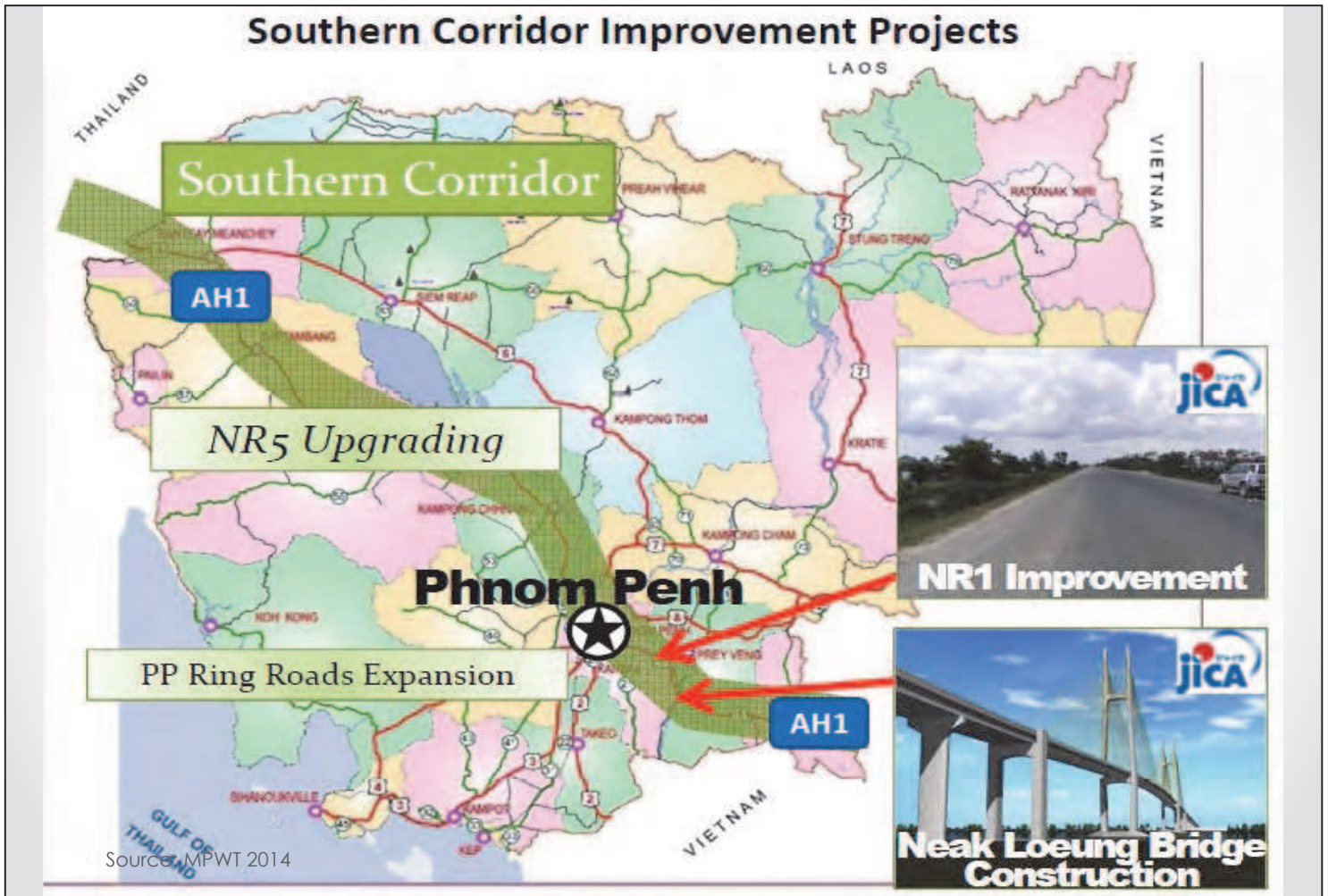
- 1. Highways
  - Improvements to NR 5 and NR 1 (AH1)
  - Neak Loeung Bridge crossing the lower Mekong River
  - Phnom Penh Ring Road and Expressway
- 2. International Border Crossing
  - New border checkpoint with Thailand
- 3. Railway Network rehabilitation/Development Project
- Ports development/expansion



Source: MPWT 2014



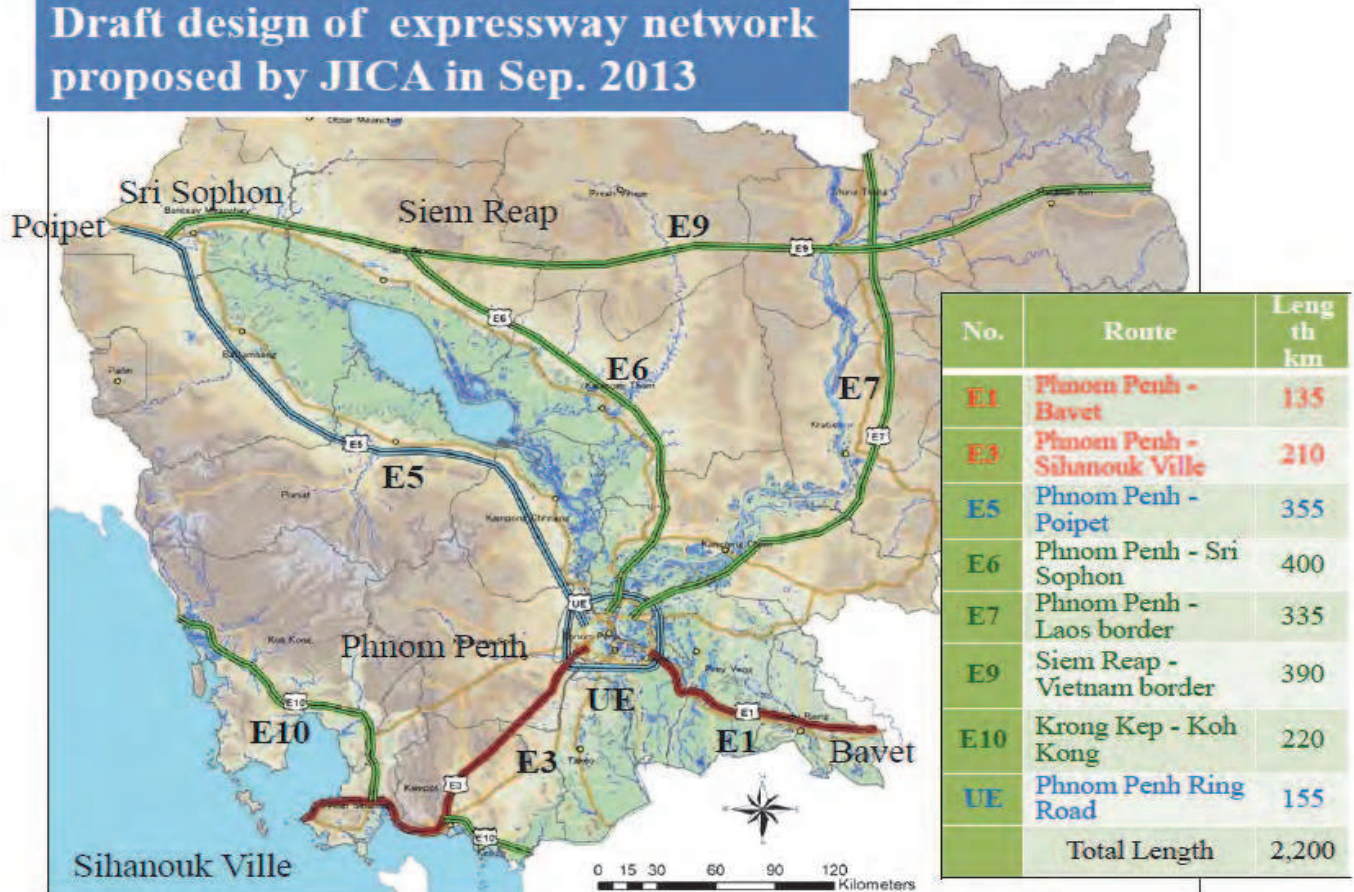
## Southern Corridor Improvement Projects







## Draft design of expressway network proposed by JICA in Sep. 2013



Source: MPWT 2014

# New Border Crossing with Thailand

The map illustrates the border area between Thailand and Cambodia. It shows the existing border line and a proposed new border crossing point. Key features include:

- Kingdom of Thailand** (top left) and **Kingdom of Cambodia** (top right).
- Existing Border** (orange box) and **New Border Crossing Point** (orange box).
- Stung Bot** (orange box) and **Phnom Hot Canal** (orange box).
- Nong Ian** (orange box) and **Stung Bot** (orange box).
- Railway Line** (orange box) and **Highway No.5** (orange box).
- Approx. 8 km.** (orange box) indicating the distance between the existing border and the new crossing point.

**Boundary representation is not necessarily authoritative.**

Source: MPWT 2014

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● Source: MPWT 2014

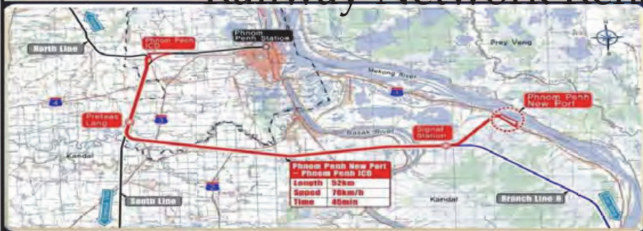
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# Railway Network Rehabilitation/Development Project

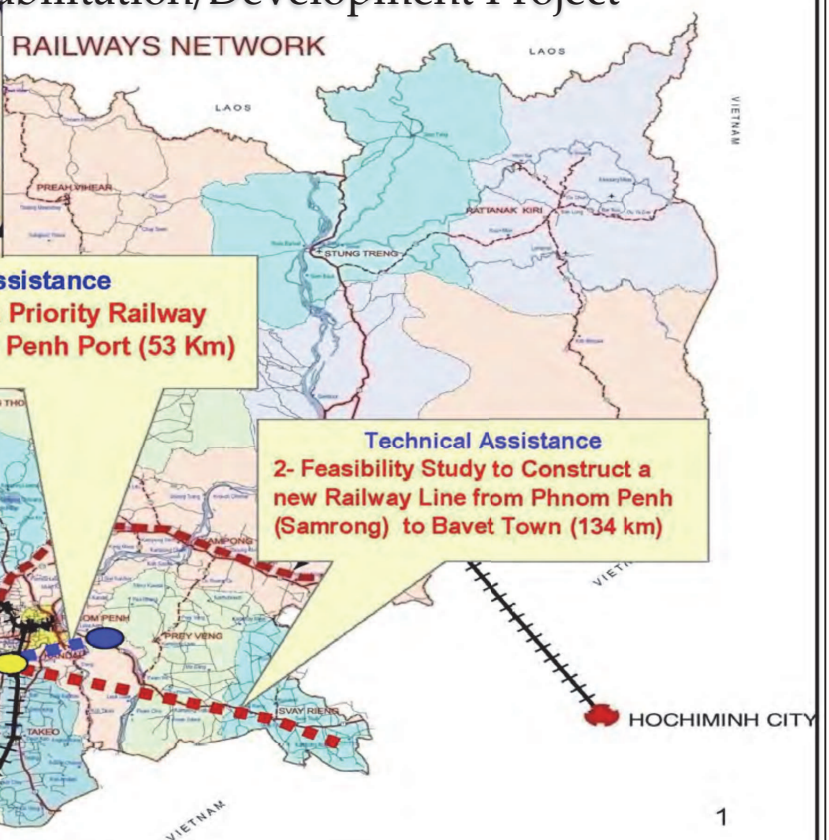
## Railway Access to the New Phnom Penh Port

New Route(L=52km), branched at Phnom Penh and Phnom Penh New Port



The Transportation Cost will be reduced through mass transit and reduction of travel time by railway access

## RAILWAYS NETWORK



### Technical Assistance

1- Study to construct a Priority Railway Access to New Phnom Penh Port (53 Km)

### Terminal

1- Construction of Railway Multipurpose Terminal in Samrong, Phnom Penh

### Technical Assistance

2- Feasibility Study to Construct a new Railway Line from Phnom Penh (Samrong) to Bavet Town (134 km)

## Phnom Penh Depot and Freight Facilities





## PNP Port: New Container Terminal on NR1/AH1

Present capacity (2014):  
300,000 TEUs/Year

Total Capacity (2018):  
500,000 TEUs/Year





## Sihanoukville Seaport

Development Plan Up to 2020

Multipurpose Terminal  
(2013-2016)

Dry/bulk Cargo  
Oil Exploration Logistics

Handling Equipment  
(2014-2020)

Quayside Gantry Crane  
Yard Gantry Crane  
Top Lifter  
Tractor/Chassis  
Upgrade CTMS and installation of EDI  
Systems

## Development Partner Solutions

- Increase use of railway and/or inland waterway
  - 1 MT of rice transport in containers, imply 150 containers travelling per day from mills/warehouses to PNP Port and/or Sihanoukville Port
- Address intermodal transport connectivity bottlenecks
  - Efficient connectivity requires vertical linkages between paddy collection, millers and warehousing with ports efficiently through road, rail, and inland waterway
- Implement 2009 Cambodia-Vietnam Agreement on Waterway Transportations
- Ship in break bulk
- Improving logistics requires involving all economic actors and regulatory bodies



## Tonle Sap and Mekong River Inland Waterway

Average transport cost per MT 100 km

Cambodia	US\$ 2 waterway
US\$ 6 waterway	US\$ 5 Roadway
US\$ 13	Roadway

Vietnam





## Ship in break bulk

In Cambodia most Aromatic and non-Aromatic rice is shipped in containers

For the rest of the world, non-Aromatic rice is generally transported in break bulk cargo

1/3 of Aromatic rice is shipped in break bulk cargo

# Private Sector Solutions

## 1. Testing Result

## Kinds of Bags

### AS-IS

Current



Round Jumbo Bag



Round Jumbo Bag

Dead Space

### New Type of Bag

Testing I



Sling Belt  
(40kg/bag x 20pcs)

Testing II



Standard Jumbo Bag

Testing III



NEW DESIGN  
(Baffle Bag)

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## Cargo Packaging for Dry Cassava Chip

### 2. ISSUE & Plan

### 2) Cargo Packing

#### AS-IS



#### Phase I



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## Cargo Packaging for Dry Cassava Chip

### 2. ISSUE & Plan

#### AS-IS



### 3) Cargo Delivery Solution

#### Phase I



*For Cargo Safety*

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## Cargo Packaging for Dry Cassava Chip

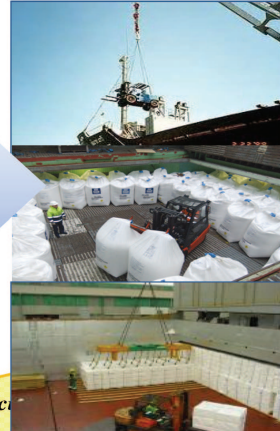
### 2. ISSUE & Plan

#### AS-IS



### 4) Cargo Loading Solution I

#### Phase I



For Loading Capacity  
& Reduce S.F

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## Cargo Packaging for Dry Cassava Chip

### 2. ISSUE & Plan

#### AS-IS



### 5) Cargo Loading Solution II

#### Phase I



*For Loading Capacity  
& Reduce S.F*

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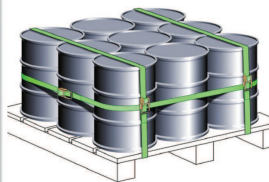


## Cargo Packaging for Dry Cassava Chip

### 2. ISSUE & Plan

### 5) Cargo Loading Solution III

#### Induction of Lashing Belt



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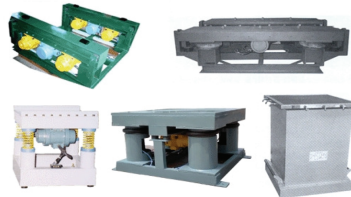
## Cargo Packaging for Dry Cassava Chip

### 3-3. Estimate Cost Index

#### Solution of Packing

Reduce Cost

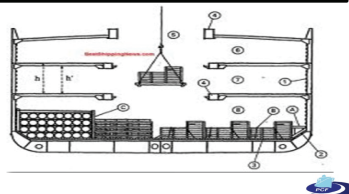
Stuffing into the bag by vibrator



Stevedoring by Spreader(Multi Hook)



Mother Vessel searching for optimizing capacity



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Thank You