
Challenges facing Cambodia shipping industry | ASEAN Ports & Shipping 2019

Phnom Penh | 11 Sep 2019



Challenge facing Cambodia shipping industry

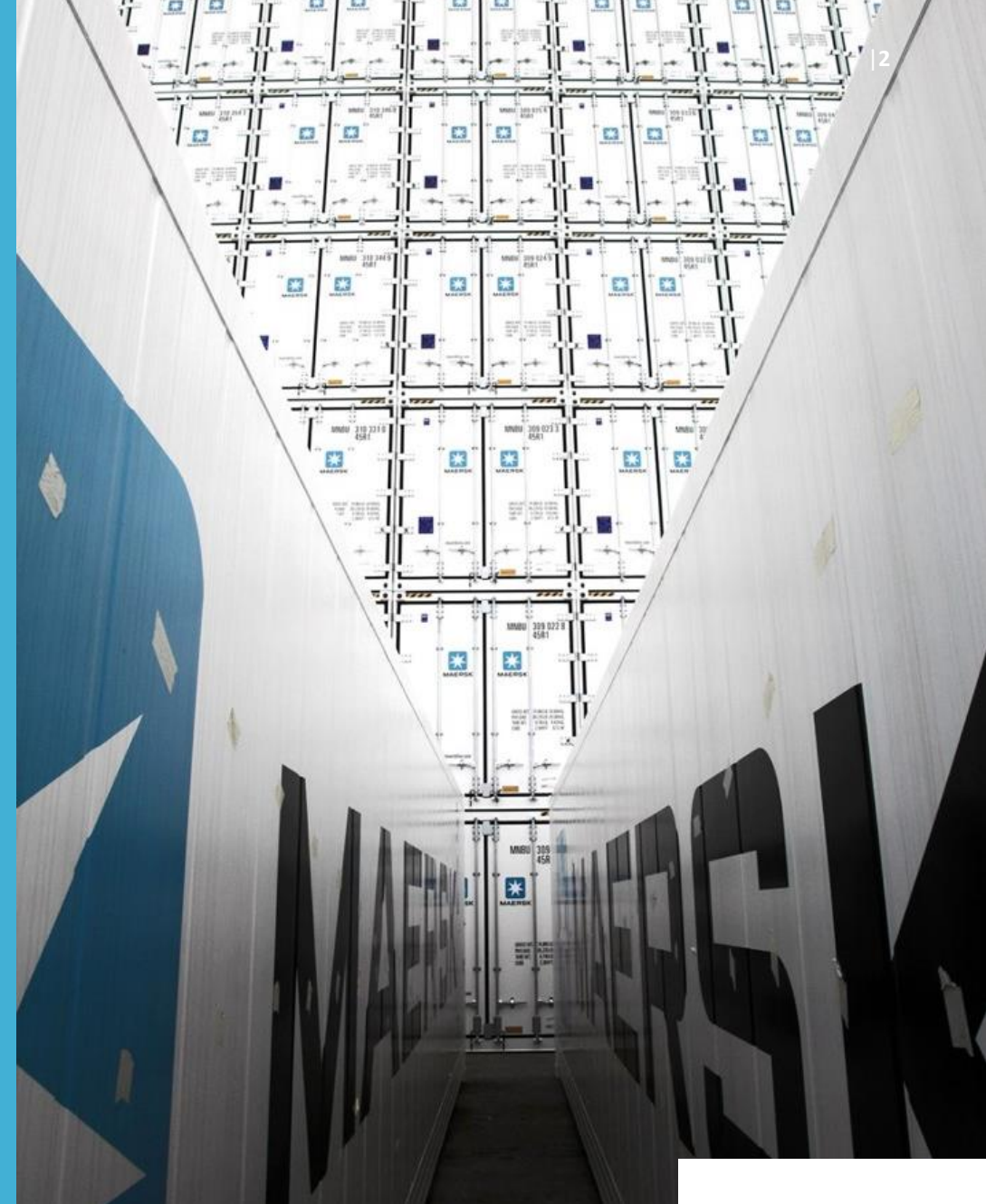
Agenda

- Cambodia economic outlook
- Challenges for Cambodia shipping industry
- New Maersk 2019
- The digital journey

Primo Ye

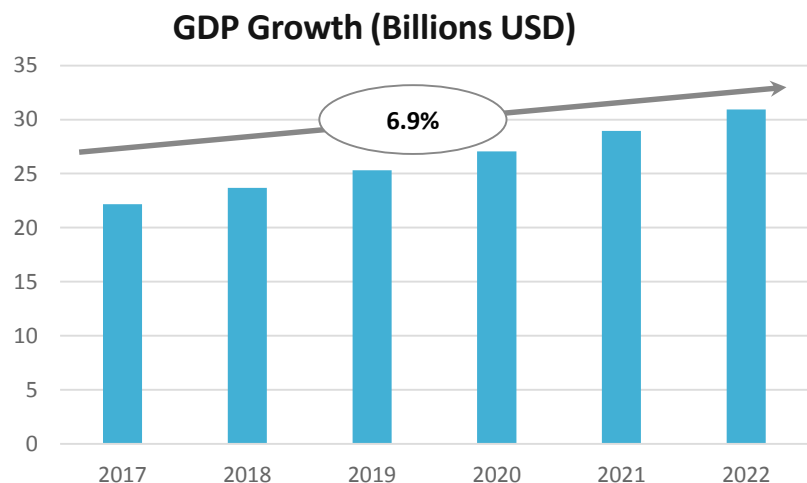
Country Manager

Maersk Cambodia

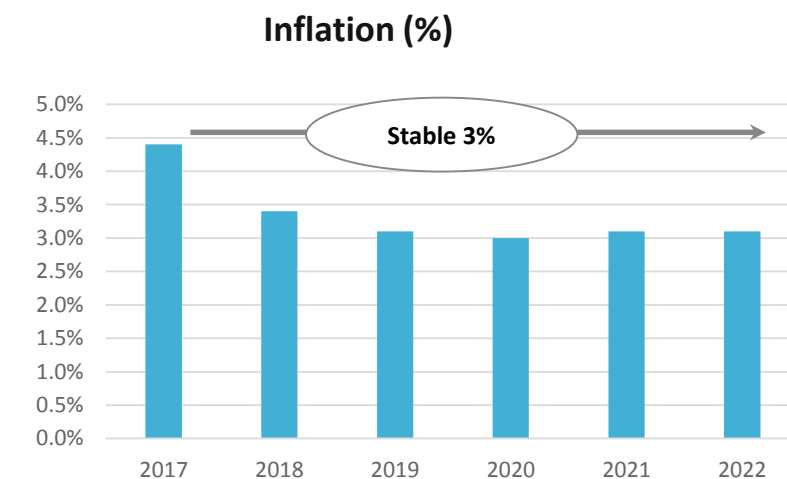


Cambodia economic outlook

Cambodia economic outlooks

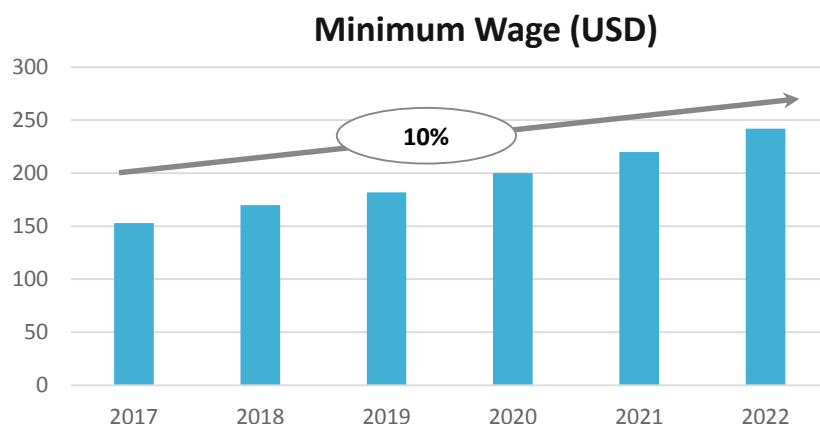


<https://tradingeconomics.com/cambodia/gdp-growth-annual>

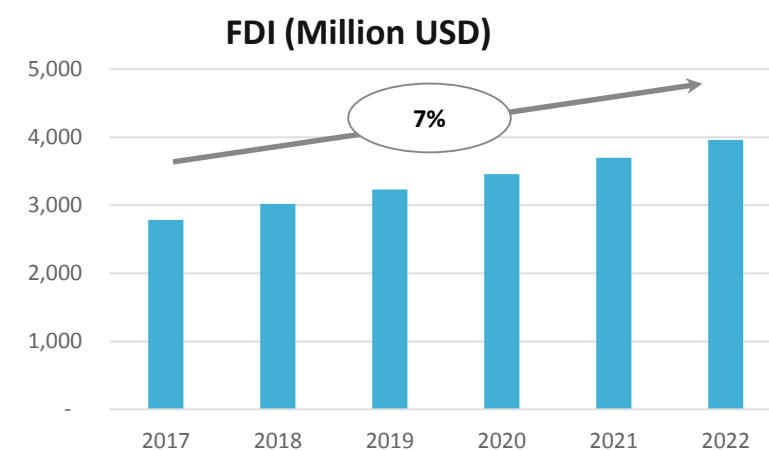


<https://tradingeconomics.com/cambodia/inflation-cpi>

<https://www.mef.gov.kh/inflation-report.html>



<https://tradingeconomics.com/cambodia/minimum-wages>

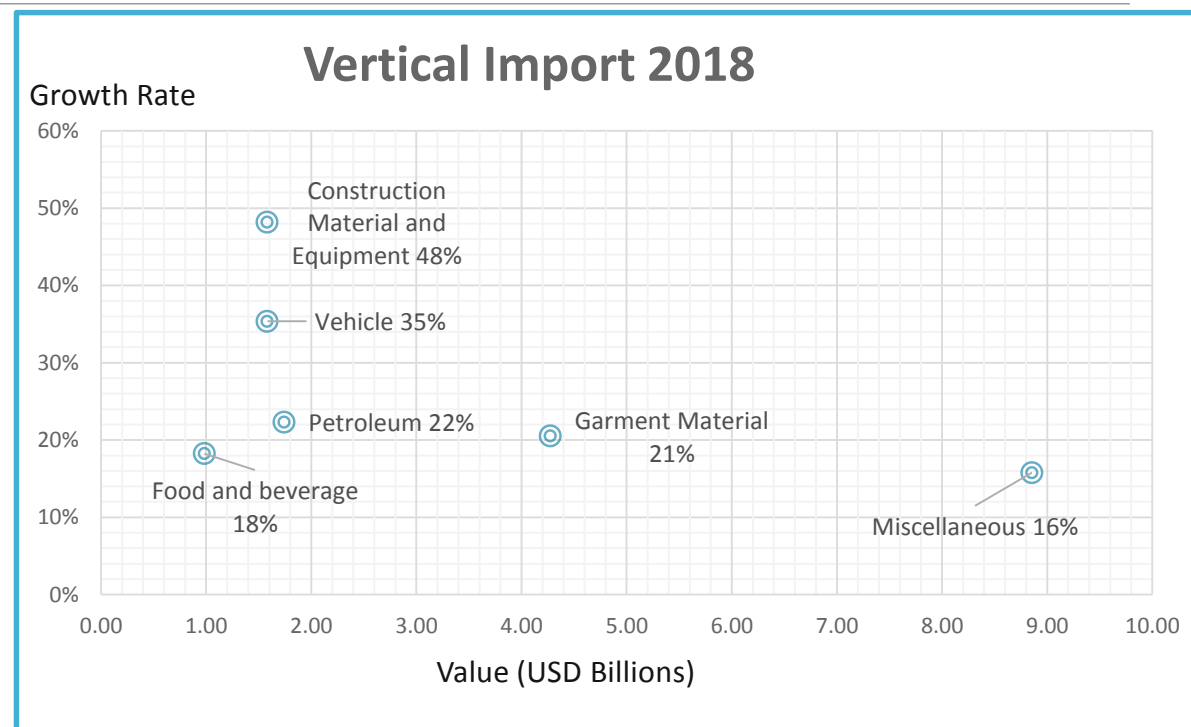
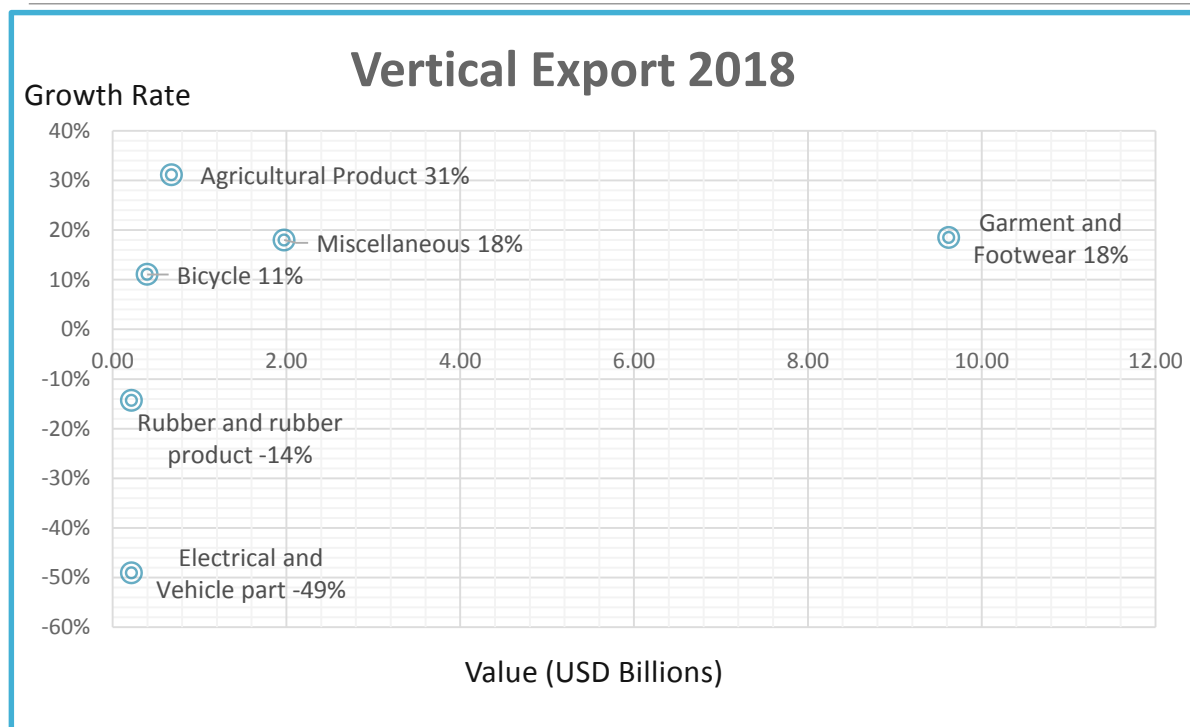


<https://en.portal.santandertrade.com/establish-overseas/cambodia/investing-3>

2018 economic highlights:

- ❑ GDP grow 7.5% with key drivers: Textile(13.7%), Tourism(5.8%), Construction(18.1%)
- ❑ FDI \$23.7b surged more 13.9% vs. 2017
- ❑ Combined 90% FDI from China and mainly flow into manufacturing ,agriculture and real estate projects

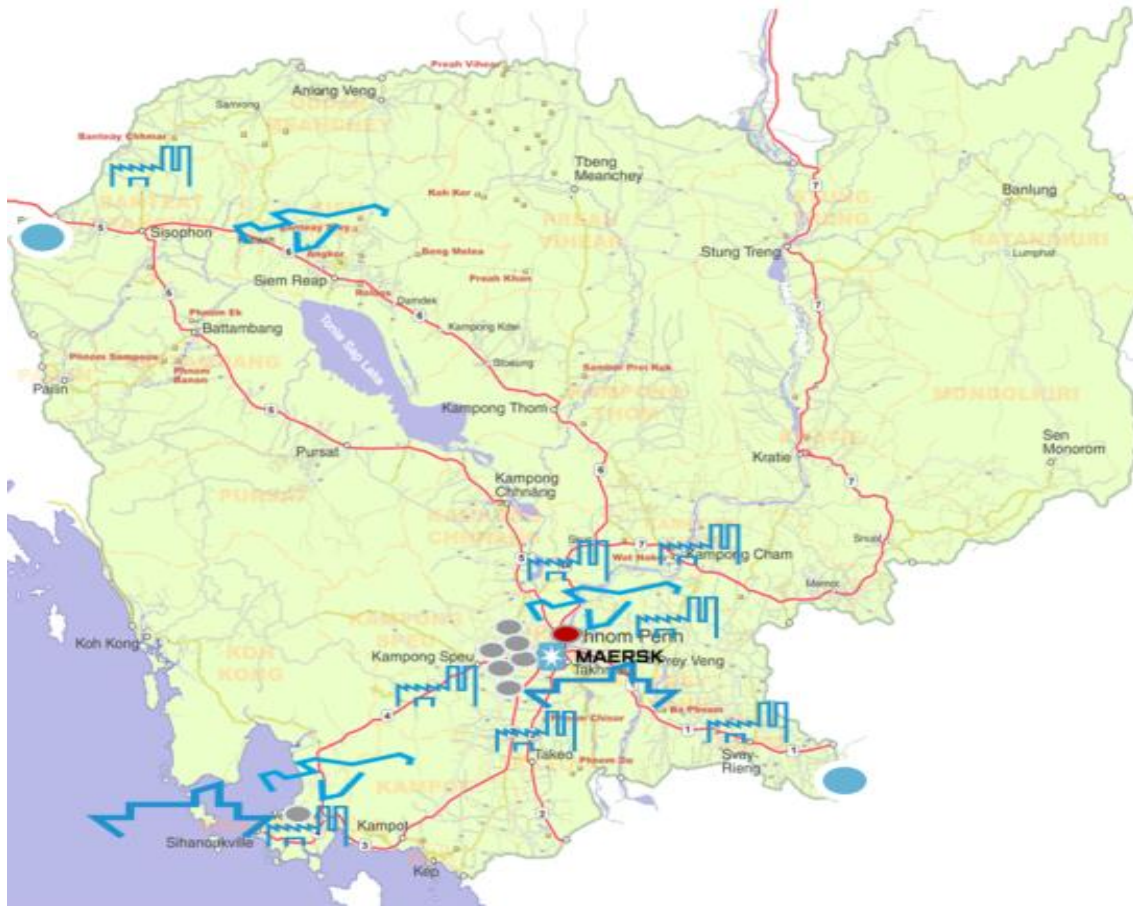
The Trade



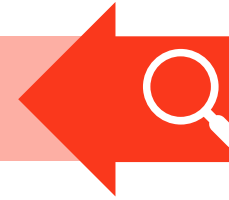
- Total Balance: \$4.8b Deficit, export value:19.3b and import value:24.1b
- Export grows 7.8% with key destination: US, UK, Germany
- Import grows 15.3% with key origin: China, Vietnam, Thailand
- Trade war and potential EBA suspension are factors impacting the trade

Challenges for Cambodia shipping industry

Challenges for Cambodia shipping industry



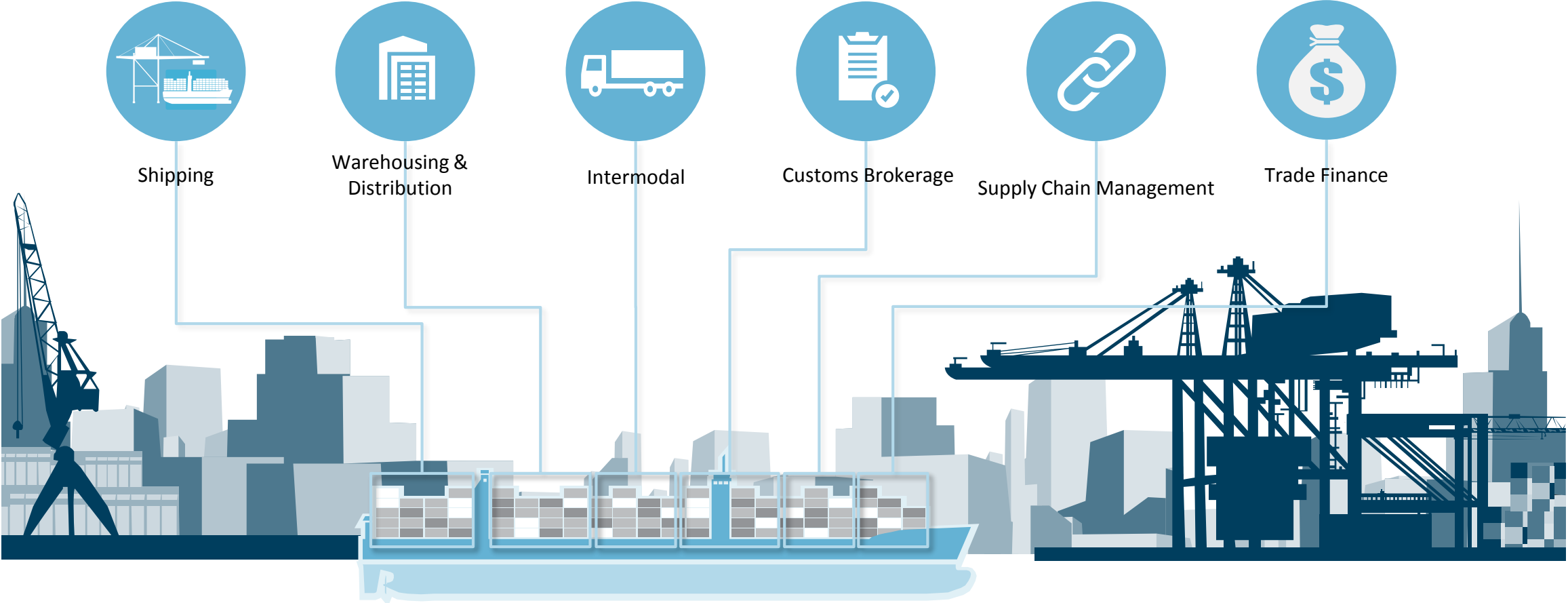
Challenges



- Infrastructure
- Local capacity supply vs. Demand
- Productivity and efficiency
- Tensive garment supply chain
- Weekly sailing/cut-off

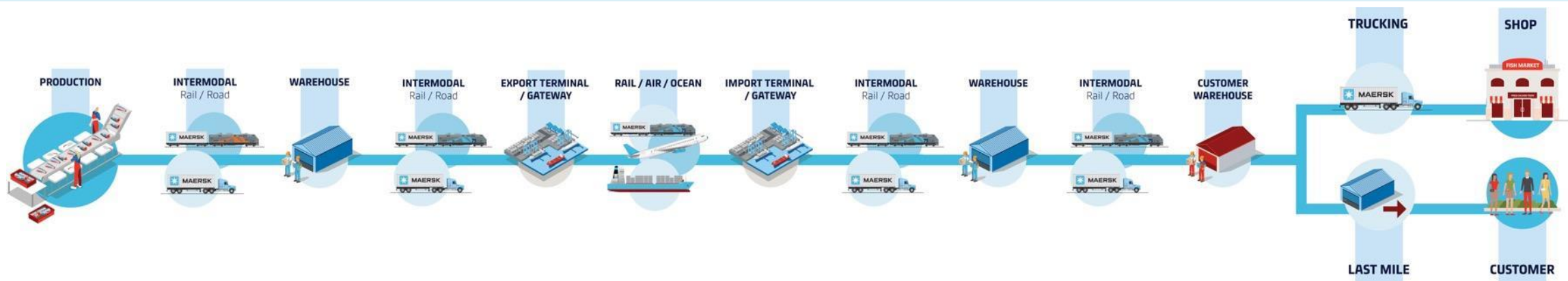
New Maersk 2019

New Maersk focus on solving supply chain needs from end to end



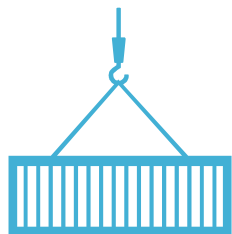
In order to make our vision a reality, Maersk Line's ocean product, Damco's supply chain services and their respective value-added services (VAS) has been combined as:

MAERSK LOGISTICS AND SERVICES



The Integration journey is a Digital journey

Why digitisation – removing barriers to global trade



More than **USD 4 trillion** value of goods are shipped each year



Over **80%** of international world trade is transported by sea



By reducing barriers within the international supply chain, global trade could increase by nearly **15%**, boosting economies and creating jobs



Estimated costs to all parties in the supply chain arising from limited visibility and lack of standardisation averages **one-fifth** of the overall cost of goods

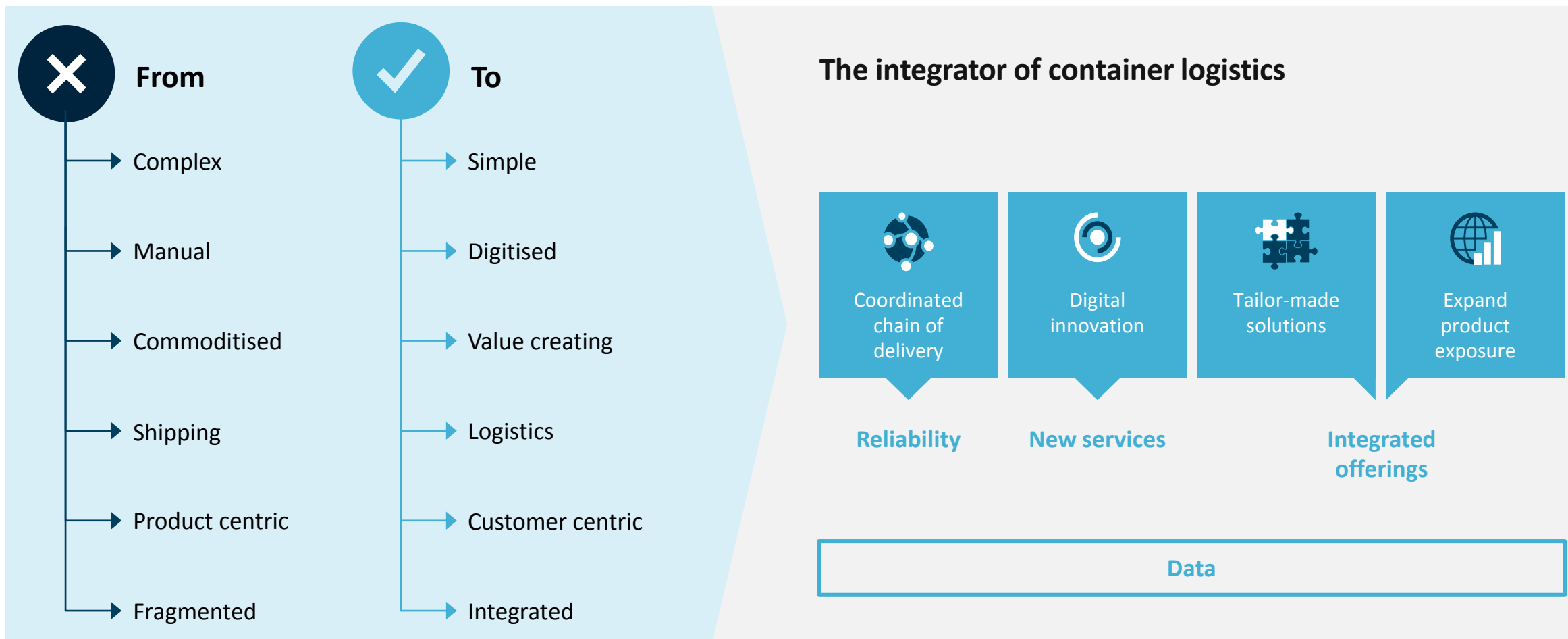
Source: “Enabling Trade – Valuing Growth Opportunities”, industry report by World Economic Forum. “Trade Cost”, research paper by Anderson & Wincoop

Currently, supply chain seen from large retailers



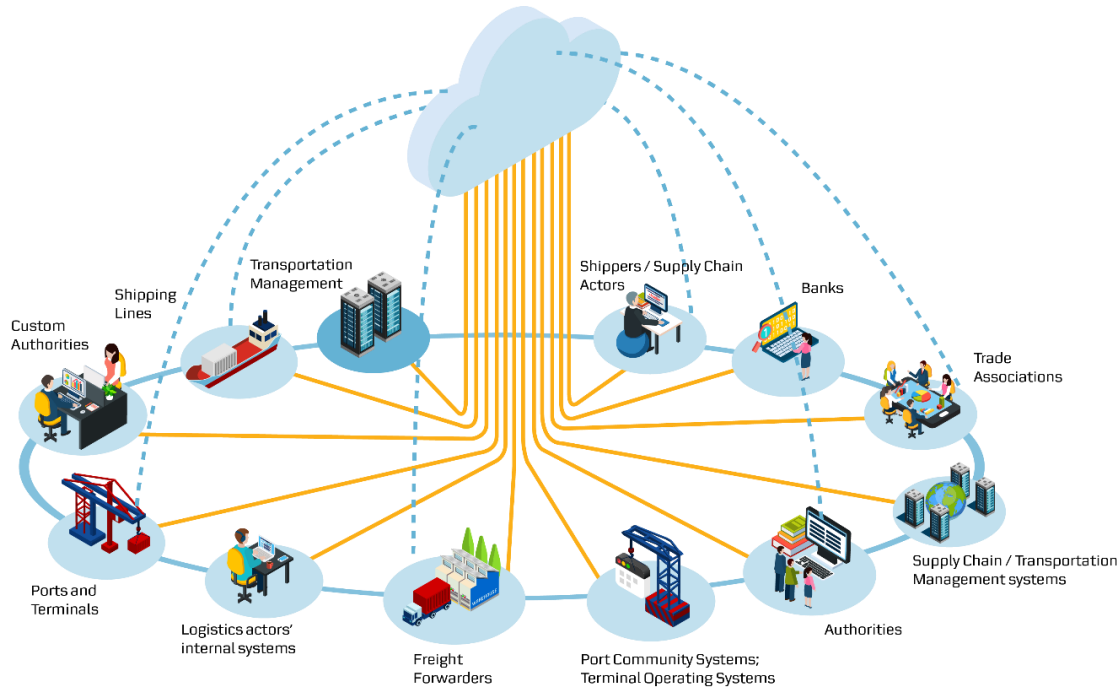
Source: Maersk

The case for the integrator



Source: Maersk

A blockchain based ecosystem



Customer benefits



Secure and instant data visibility



Ease of documentation flow



Assurance of document authenticity



Lower administrative expenses

Disclaimer: The establishment of the joint venture remain subject to receipt of regulatory approvals. None of the information provided in this document should be construed in any way as a representation or undertaking with regard to the position to be adopted by Maersk or IBM

Source: Maersk

About Maersk Cambodia

- Country's leading container shipping company and CFS consolidator
- Established in 1993
- 100% foreign owned company
- Self-operated CFS
- Own feeder vessel

Key figures

Number of employees:	+300
Number of offices:	2
Number of vessel calls:	2 Weekly
Warehouse space:	~17,000 sqm



Thank you

