

2010 Cambodia Outlook Conference

17 March 2010
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Infrastructure and Energy

What the Private Sector needs

- Royal Government of Cambodia has outsourced its railway operations
- 30 year exclusive concession for Toll Royal Railway to operate Cambodia's Railway Network
- ADB and AusAID have provided funds for network and infrastructure upgrade
 - ❑ South Line (254 Km) – Phnom Penh to Sihanoukville Port (line rehabilitation)
 - ❑ North Line (340 km) – Phnom Penh to Sisophon (line rehabilitation)
 - ❑ Missing Link (48 km) – Sisophon to Poipet (line reinstatement)
 - ❑ Infrastructure – E.g. construction of new inter-modal freight terminal on outskirts of Phnom Penh (Samrong)



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What the Private Sector needs

Infrastructure the basis of future Development in Cambodia

- ADB and AusAID funding rehabilitates the railway line and the railway Concessionaire maintains the infrastructure and operates the trains, freeing up funding for other critical social and economic projects
- Comparative road/rail costing often fails to adequately reflect the cost of externalities e.g. congestion, pollution, accidents, greenhouse, emissions, environmental and social impacts
- Connectivity of Rail, Port to Intermodal Terminal provides a seamless logistics supply chain, reduces the magnitude of Government funded road construction and maintenance costs and creates a safer corridor for other road users
- Opening of free cross border trade zones allowing containers to travel quickly, safely, environmentally and economically between a number of Asian countries

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What the Private Sector needs

Why is Toll interested in Transport Logistics in Cambodia?

- Cambodia is one of Asia's fastest growing countries (c. 8% pa since 1999, GDP c. US\$9 billion) & significant economic reforms underway to promote development
- Cambodia in the logistics sector is largely immature, fragmented and in need of significant overhaul to support the Country's development and growth
- Toll will build a transport solution across the Greater Mekong Region, and understands that Cambodia and its rail network are critical to the Singapore Kunming Rail Line project
- Toll will design and deliver a fit for purpose, safe, economical and viable rail freight business that has the capacity to self fund in the medium to long term

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What the Private Sector needs

What is requires from the Government of Cambodia

- Direct Port Rail Access - Must be provided onto the Sihanoukville Port container terminal, requiring government assistance in agreeing direct rail access
- Customs Clearance - Containers must be able to travel by rail Under-Bond
- Fuel Subsidies - Must be introduced for the Railway Concessionaire, every train movement will save 100 truck journeys on Cambodia's highways and arterial roads
- The missing - link to be constructed in Thailand
- Cross border Custom and Taxation - Agreement for rail freight must be negotiated now
- Robust Legislation - on truck registration, fuel emission, environmental and social issues
- Rigorous - Road safety standards need to be introduced, monitored and enforced, non-compliant operations must be stopped

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What the Private Sector needs

Human Development Programs

- Risk and Safety - target zero Lost Time Injuries
- Personal Protective Equipment - introduced, implement and enforce
- Competency Based Training - develop and deliver for the industry
- Environmental Best Practice - develop systems, ensure compliance
- Medical examinations - pre employment and periodic
- Community Awareness - programs to be developed and presented along the railway network

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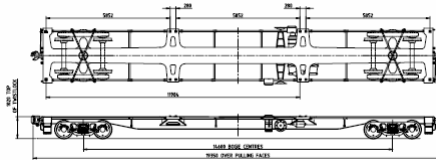
What the Private Sector needs



Millions of dollars needs to be spent on new locomotives
Every train will have the capacity to remove over 100 truck from the roadway in Cambodia

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What the Private Sector needs



Millions of dollars needs to be spent on new Wagons
Every new wagon will have the capacity to transport up to 64t of freight on the Southern Line and up to 44t on the Northern Line

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What the Private Sector needs



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What the Private Sector needs

Government Policy must include

- 1. Introduction of TIER 2 Emission Standards - ISO 8178**
- 2. Implementation and enforcement of international standards for roadworthiness of vehicles**
- 3. Registrations on a user pays basis for road transport operators**
- 4. Address the cross border taxation and customer clearance**

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What the Private Sector needs

What, When, Why, and How

Unless Immediate Action is taken by the Cambodian Government to address policy issues NOW, the cumulative Asia Development Bank, AusAID and private sector will have spent over \$200m dollars rebuilding a rail network that will never operate a commercially viable and sustainable rail freight train

Immediate Action is required