

»» NEWSLETTER ««

SUPPLY CHAIN WORKING GROUP



IBC's Supply Chain subcommittee was established in early 2021. Our key focus:

- Improve coordination among industry members
- Develop cooperation with key players to discuss common issues, attract investments and logistic to Cambodia
- Support existing initiatives in the supply chain sector.

We will begin this edition of the Supply Chain newsletter with an in-depth interview with **Mr. Brendon Bangma, Country Manager, Linfox Logistics (Cambodia) Co., Ltd.**, on business operations and plans for future.

The next section is the industry update, where we highlight the recent developments in agriculture and other industry views.

Mrs. Katherine McLean, Member of IBC's Supply Chain Sub Committee, talked to **Mr. Brendon Bangma** about the company's business operations and plans for the future.



Mrs. Katherine McLean



Mr. Brendon Bangma

Answers to IBC Supply Chain Subcommittee Questions

Q: Tell me a little about yourself, how did you get into the logistics industry?

A: I didn't study logistics in school; instead, I majored in social sciences and spent half of my degree abroad, studying in both Thailand and the Netherlands. After university, my first role was with an Australian agricultural company as a production planner. I was responsible for ordering raw materials, planning production dates, and coordinating import shipments. After a few years managing road and rail transport for crop chemicals, animal health products, and grain, I transitioned to Linfox, where I handled shipments for their mining clients across Thailand and Laos. Although there were times when I felt thrown in at the deep end, my experience at Linfox has been incredibly rewarding, allowing me to learn and grow far faster than I ever anticipated.

Q: Why is Linfox focussing on Cambodia?

A: Linfox's business in Southeast Asia has been established over 30 years ago with very large and well developed operations in major markets including Vietnam, Thailand and Indonesia. To grow our business in the region, we have strategically decided to expand our business in the Mekong region with Cambodia and Laos being two priority markets. In particular, GDP growth rates and new infrastructure development makes Cambodia an increasingly attractive market for both Linfox and the customers we serve. We hope to expand our business in Cambodia both with existing regional customers as well as new customers not served elsewhere.

Q: Trucking - what's the average cost per kilometre per tonne, in Asia vs Cambodia?

A: Trucking costs in Cambodia remain much higher than the average cost per km for transport in Southeast Asia. Compared to neighbouring Thailand and Vietnam, the costs can be almost twice as high. The reasons for the high cost include lower maximum truck weights, high taxes on trucks, smaller truck types, and a fragmented logistics network with relatively low levels of transport efficiency.

Q: What are the biggest bottlenecks in transport in Cambodia?

A: Standardisation of truck types, the age of fleet on the road, and new fleet import taxes are some of our biggest bottlenecks in Cambodia. Safety on the road is a particular challenge with many hazards which need to be closely managed. As a 3 party logistics provider, another bottle neck is the willingness to outsource transport to the experts – many customers prefer to control transport with their own trucks and people which can be the least efficient ways of managing assets and it limits opportunities for efficiency of scale.

Q: Do you have third party vendors to support trucking services?

A: Yes – we use subcontractors in our business to support our base fleet operations. Safe subcontracting is an essential part of modern transport networks

as it helps us manage the peaks and troughs of volume changes. All subcontractors must operate at the same safety standards of Linfox's own trucks. We regularly audit our subcontractors for compliance.

Q: What are some of the commodities Linfox are familiar with and comfortable with?

A: Our core business in Asia is moving FMCG goods (these are your everyday goods that you find in the supermarket i.e. shampoo and snacks), beverages, food for restaurants, and cold goods. In Cambodia we also transport products used in industrial businesses including chemicals and dangerous goods.

Q: What the market size for the truck investment? And what kind of growth they can are you expecting in the industry in next three to four years?

A: With the correct tax settings, the market size for new truck investment is huge in Cambodia. Most 'new' trucks enter Cambodia as second-hand imports from either Korea, Taiwan or Japan. The opportunity to switch these old imports to new imports would lead to large improvements in the quality, efficiency, and safety of road transport in Cambodia.



From the Local News - Industry Updates

New Kompong Thom cashew factory to boost exports, jobs - Publish on December 17th, 2024

The export of processed cashew nuts from Cambodia to international markets is set to rise significantly from early 2025, following the launch of a cashew nut processing factory in Kompong Thom province.

[Click here to read more](#)

ADB Project boosts rice production nearly threefold in Prek Po - Publish on December 13th, 2024

The Prek Po Pumping Station, a \$30 million subproject under the Irrigated Agriculture Improvement Project (IAIP) funded by the Asian Development Bank (ADB), has boosted the rice production in the Prek Po district from two to five tonnes per hectare while enabling farmers to harvest three times annually due to overflow water supplied.

[Click here to read more](#)

Tina promotes modern agricultural community in Pursat - Publish on January 20th, 2025

Dith Tina, Minister of Agriculture, Forestry and Fisheries (MAFF), and ministry leaders met with rice farmers and introduced the modern farming community to 200 families in Talor village, Talo Commune, Talo Senchey District, Pursat Province. The new agricultural community will provide many benefits, including reduced production costs and lower risks from climate change.

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Kingdom will export large scale cashews to Türkiye, CAC says - Publish on January 21st, 2025

The Cambodian Cashew Nut Association (CAC) expects large-scale exports of cashew nuts to Türkiye following the opening of its representative office in Phnom Penh in early February.

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