International Freight Transportation Problems Under GMS-CBTA: Case Study of Thailand-Cambodia

Pratan Uttamapurna, Jaruwit Prabnasak, Ronnachai Tiyarattanachai
International College King Mongkut’s Institute of Technology Ladkrabang, Bangkok, Thailand.

Email: Ut.pratan@gmail.com

Abstract. The governments of Thailand and Cambodia have enacted a policy under the GMS agreement to facilitate and increase trade and transport capacity. One of the key components is to improve land transport performance on the designated routes between Bangkok and Phnom Penh under the GMS-CBTA. However, the policy has not been considered effective as expected because licensed logistic companies still do not use that privilege. They also use the traditional method in which cargo is transhipped by local trucks at the borderline. In light of the problem, this study systematically investigated the root causes of the agreement ineffectiveness. Some recommendations for improving the performance of operation are given.

Keywords. Cross border, GMS-CBTA, Land transport, Thailand, Cambodia.

1. Introduction
Presently, the growth of border trade between Thailand and Cambodia is increasing every year, which now Thailand as much as 145,799.82 billion baht/year in the year of 2018 [1]. The most favorite way to transport cargoes is land transportation. The governments of the two countries have implemented the policy under the ASEAN agreement to increase transport potential. The current major policy is to operate an agreement of land transport on the agreed routes between Thailand-Cambodia that called Greater Mekong Sub-Region Cross Border Transport Agreement or R1 route (GMS CBTA) [2].

According to the Transportation Institute (2013) [3], they studied the transport route from Aranyaprathet – Poipet – Phnom Penh, found that Aranyaprathet border delays frequently occur in customs clearance. The Poipet border has some delay in the CIQ process, and the road between Poipet - Phnom Penh is in poor conditions. Many transport companies found the problems about the misunderstanding of legal issues and bad coordination between the two countries make the agreement inefficiencies. Furthermore, Cambodia has the problem of high logistics cost when compared with those in other countries in the region and the world [4]. However, Cambodia government has tried to improve the logistics sector in the country and the rolling out of the Automated System for Customs Data (ASYCUDA). The goal of this improvement is to enable easier, cheaper, and faster transport of goods across borders into and from Cambodia [5].
Even if the government of both countries try to develop cross-border transportation policy and also infrastructure along agreement route. But with above problems, therefore, this is interesting things for researcher to study, investigate the problems, and also explore advantage and disadvantage of GMS-CBTA to give information to transport operator, government of both countries, and people who interested to be improve and recheck before operate and do any new policy for the best benefit of Thai and Cambodian people. Likewise, many researchers have been studied land transportation on such route but still don’t have any research about cross-border transportation under GMS CBTA.

2. Method
The method is divided into two main issues are to determine the framework of the study and conducting the research method within the framework. For the content of methodology has amplified as follow;

2.1. Frame Work
This research is studied and analyzed information on international transportation problems under GMS CBTA. Firstly, study current border transportation between Thailand-Cambodia at Aranyaprathet customs, Poipet customs and general method that used in freight transport. Secondly, study transportation data under GMS CBTA permit on such route.
2.2. Research Methodology

For the method of research begins from study the previous research, literature review, review related theory, and review secondary data used in freight transport. Then, survey and collecting primary data that essentially used in transport under GMS CBTA permit to comparative advantage and disadvantage, analyze, and summarize. Otherwise, other methods for collecting data are questionnaire design, interview, and analysis data permit by following three side models of Value Discipline Model which composed of Product Leadership (PL), Operation Excellent (OE), and Customers Intimacy (CI) [6].

3. Results

3.1. Survey as Designated Route.

The researcher has designed the shipment as GMS CBTA route and make it properly with a customer in Thailand. The route started from the truck yard, then pick the cargoes before going to the border to do export clearance. After that, make an import clearance and transport cargo to destination in Cambodia. Total distance from truck yard until arrived destination is around 700 kilometers (one-way). This shipment uses 3 trucks to transport cargo. The scope of transport as Figure 4.

![Figure 4. Step of transportation from Origin to Destination.](image)

3.1.1. GMS Cross-border and customs clearance in Thailand site. Truck yard in Thailand is located at Kongluang, Pathum thani. Then trucks pick up the cargoes at Ratburana road before going to Aranyaprathet-Poipet border at Srakaew province to do export clearance. After finished export customs clearance process, these trucks are taking National No.5 road (NH5) of Cambodia which is connected with Aranyaprathet customs in Thailand site. Likewise, this road is also called AH1 as ASEAN highway name.

![Figure 5. Designated Route of Survey (AH1) in Thailand.](image)  
![Figure 6. Designated Route of Survey (AH1) in Cambodia.](image)

3.1.2. GMS Cross-border and customs clearance in Poipet, Cambodia. After trucks have arrived in Cambodia. Cambodian broker which are waiting at Poipet border collects the documents which customs of Thailand issued for the import process. Camcontrol is the department that checks cargo and calculates
tax and duty which importer must pay to Cambodia government. Then customs office is issued and authorized Letter which means Thai trucks already get the permit to bring their cargoes to Cambodia.

![Figure 7. Document of X-Ray.](image)

![Figure 8. X-Ray at Container Scan Station.](image)

After that, drivers drive the trucks to go to X-Ray at Container Scan Station of Poipet Customs. Importantly, customs broker takes our GMS permit document which issued from DLT to checked and persistent with Poipet customs. Then they check company name and truck number in their list to be issued the license and give the permit to Thai truck for transport on NH5.

3.1.3. **GMS CBTA Transportation on national No.5 road.**

![Figure 9. Unloading at factory in Kampong Chhnang Province.](image)

After finished import customer clearance process and get the permitted for the trucks as GMS CBTA regulation, the driver can drive the truck through inside Cambodia more than temporary permit area or more than ten kilometers to deliver cargoes to customer’s factory at Phnom Penh Beer Co., Ltd. This factory is located at Kampong Chhnang Province, Cambodia which far from Central of Phnom Penh around fifty Kilometers. However, even we have the permitted, but our Cambodian agency sends their staff goes with the trucks to escort the trucks along the way.
Table 1. Distance, transport and customs clearance cost

| Route            | Distance (km) | Transportation          | Customs Clearance         |
|------------------|---------------|-------------------------|--------------------------|
| Thailand site    | 330           | 23,700 Baht / 10w truck | 3,000 baht / 10w truck   |
|                  |               | 33,200 Baht / Trailer   | 3,000 baht / Trailer     |
| Cambodia site    | 365           | -                       | 992 USD/ 10w truck       |
|                  |               |                         | 992 USD/ Trailer         |

a Transport with GMS CBTA permit on both Thailand and Cambodia site.

b Included documents, customs clearance, escort in Cambodia.

3.1.4. Summarize of the survey. Even if the total distance between Thailand and Cambodia is not too different but in Cambodia site need 2 days for import clearance and transportation because the procedure of customs clearance is still manual. Moreover, mostly, road condition in Cambodia is still 2 lanes which make truck unable to speed. For transport cost, the expense of a ten-wheel truck is 23,700 baht/truck and trailer is 33,200 baht/trailer from origin to destination. Customs clearance cost in Thailand is 3,000 baht/truck/trailer which included any customs document, and customs clearance cost in Cambodia is 992 USD/truck/trailer which included any documents and escorts the trucks on the way as in figure 4.

3.2. Questionnaires.
The researcher chooses the data that importance and interesting from 50% of respondents. The GMS CBTA permit is used 66.7% from components and never use the permit 33.3% of components. All respondents or 100% of them still need to extend the validity of GMS CBTA permit.

Table 2. Level of the company that use and no use GMS CBTA permit from questionnaire.

| Company          | Level of usage (%) | Level of problems (%) | Main Problems\(a\) |
|------------------|--------------------|-----------------------|--------------------|
| Use Permit       | 67%                | 74.89%                | Language, cargo insurance, truck insurance, expertise and risky of route, road condition, traffic condition, traffic law, opposite driving lane, unloading at destination, no backhaul, light in night time, communication with driver, and GPS tracking |
| No use permit    | 33%                | 46.39%                | Cargo insurance, truck insurance, expertise and risky of the route, road condition, traffic condition, traffic law, opposite driving lane, maintenance, light in the night time, and communication with the driver |

a These problems are in Cambodia site.
3.2.1. Problems level of GMS CBTA permit user. The average result of users is 3.74 point or 74.89%. This’s mean the permit has many problems. However, the most problems from components are in Cambodia site composed shipping cost, language, cargo insurance, truck insurance, expertise and risky of route, road condition, traffic condition, traffic law, opposite driving lane, no backhaul, light in night time, communication with driver, and GPS tracking. The level of these problems are between 3.51-4.50 point or 70-90%. This means they have many problems.

3.2.2. Problems level that why no use permit company. The average result is 2.32 point or 46.39%. This’s mean few problems. The most problems that make these companies are not using permit is in Cambodia site composed of cargo insurance, truck insurance, expertise and risky of the route, road condition, traffic law, opposite driving lane, maintenance, light in the night time, and communication with the driver. The level of problem is between 2.51-3.50 point or 50 – 70 %. This means they have moderate problems.

3.3. Interview
The researcher has a good opportunity to interview staff from the Department of Land Transport (DLT), Mr. Therawech Nilkamheng. He said “Not too much operator uses their trucks to transport in this route as GMS CBTA. Maybe because of the problems of the standard of insurance, not good condition of the road, and traffic law in Cambodia.”

The researcher has comments from companies who use the permit. The interesting comment is when they need to extend the validity of the permit, they must prepare many documents and difficult with unclear procedure for preparing. Moreover, the corruption and intimidation to Thai truck is the big problem. The truck must be escorted from Cambodian all the way to protect any problem which has more expense.

3.4. Analysis of data
The advantage of GMS CBTA permit can be concluded by triangular; 1) Product Leadership (PL). GMS CBTA permit can be used as an agreement and make an advantage. 2) Operation Excellent (OE). Reduce transportation timing and cost in Cambodia. 3) Customers Intimacy (CI). Trustable from the customer with 100% cargo taken care and reduce damage from move cargo to Cambodia truck.

4. Conclusions and Recommendations
4.1. Conclusions
The study found that the problems of GMS CBTA permit on Thailand-Cambodia are the road conditions, GPS tracking, truck repair, truck insurance, cargo insurance, language, corruption, and backhaul. Moreover, still found the problems of GMS CBTA permit from an operator that composed of the validity of the permit is a short time, permit extension is complicated, and coordination between two governments and support from government is not good enough.

4.2. Recommendations
GMS CBTA is the agreement of great-mekong country which tries to develop logistics in these regions. Thai government try to promote to private sectors to use this privilege. The most important problem is how to communicate between government to government with efficiency from management to operation worker. If these problems still not solve, the result of problems is not to the government, but the private sector must be losing the money and opportunity when they try to use the permit.

Otherwise, this research still not investigate and compare the exact cost for transportation between use or not use the permit. Therefore, this is interesting if getting study cost structure in the future.
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