

Preface

Until March 2020 before the spread of COVID-19, Cambodia's gross domestic product had achieved an annual average growth rate of about 7.7% over the past 2 decades, thanks in large part to the government's efforts in policy reform that have attracted foreign direct investment into Cambodia. So far, energy has played a critical role in supporting the country's economic activities and growth. The COVID-19 pandemic has caused a global recession, and Cambodia's economy has been hard hit. The Asian Development Bank reported that Cambodia's economy contracted by 3.1% in 2020 and is estimated to have recovered to positive growth of 4% in 2021 and expected to achieve growth of 5.5% in 2022. As a result of the pandemic, Cambodia's energy demand fell by 5%–10%, in which oil and electricity demand declined by about 15%–20% from the 2019 level.

The past success of fast economic growth helped lift the well-being of people through income generation and employment. This strong economic growth was due in part to the fast growth of energy consumption. Energy demand, especially oil with the highest share in total primary energy supply in 2018 (42%), increased with the increased number of vehicles. As a result, oil supply rose at an annual average 6% per year over the 2010–2018 period. Between 2017 and 2018, growth was almost 10%, indicating a rapid increase in oil transport demand, which was gasoline and diesel oil. Currently, all petroleum products are imported, and most are shipped by tankers from Thailand, Singapore, and Viet Nam. However, LPG can be imported by tank-trucks from Thailand and Viet Nam, so the import route is different from gasoline and diesel oil. As petroleum demand is expected to grow to meet end-use demand, the transportation routes, receiving terminals, and distribution terminals of petroleum products must be adequately studied and assessed to ensure efficient logistics costs in Cambodia's petroleum supply chain.

In this regard, the Ministry of Mines and Energy (MME) of Cambodia realises there is a need to conduct a study on the country's Petroleum Master Plan to obtain an overview the entire petroleum supply chain in terms of logistics, storage, and distribution.

On behalf of the ministry, I am very thankful to Prof Hidetoshi Nishimura, President of the Economic Research Institute for ASEAN and East Asia (ERIA), who honoured my request for ERIA's support to the MME in formulating the Petroleum Master Plan. I would like to thank the ERIA experts and the MME staff for their efforts in producing this important policy document. During the project period, ERIA also conducted capacity-building trainings, such as on a basic understanding of the petroleum demand survey and petroleum demand estimation techniques. Lastly, the MME would like to show its great appreciation to ERIA for its technical and financial support in producing this master plan. 7.



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March 2022

Acknowledgements

The Cambodia Petroleum Master Plan is an important document to guide the development of petroleum policy and regulations in downstream activities. This master plan was prepared by experts from the Economic Research Institute for ASEAN and East Asia (ERIA) assisted by the technical staff of the General Department of Petroleum, Ministry of Mines and Energy. This report could not have been produced without the huge support of many people interviewed by ERIA experts and ministry staff. Data and information were gathered from line ministries and agencies, and oil companies. I am very thankful, therefore, to those who supported the experts in carrying out this study. I also would like to thank the experts of ERIA and the staff members of the General Department of Petroleum for their efforts and time in preparing this document.

Special acknowledgement is also given to Shigeru Kimura, Special Adviser on Energy Affairs to the President of ERIA, for his excellent leadership of this project.



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March 2022