

**Statement of H.E. Dorjpurev BATKHUYAG,
Deputy Minister of Road, Transport and Tourism of Mongolia
At the Meeting of Ministers of Transport in the Euro-Asian Region
Palais des Nations, Geneva, 19 February 2008**

Mr. Chairman,
Distinguished Honorable Ministers,
Ladies and Gentlemen,

It is a great pleasure for me to join you all today at this Ministerial Meeting and on behalf of the Government of Mongolia and myself I would like to express my sincere greetings to you.

Using this opportunity I wish to thank the United Nations Economic Commission for Europe for organizing this important Ministerial Meeting and all other organizations and people who provided support and cooperation to make this event happen.

Mongolia is a land-locked country with vast territory and small population of 2.7 million people that is sparsely dispersed in the country and located in the North-East Asian region between two world's largest countries Russia and China

Since 1990s Mongolia has chosen the democratic way of governance and free market economy, we are making considerable efforts towards expanding our social, economic and trade partnership with our neighboring two countries as well as with regional and international community to gain favorable sea exits and strengthening facilitation of transit transport through its territory.

So far we have concluded Transit Transport Agreements with four countries and signed Agreement on International Road Transport with eight countries and joined related international conventions and agreements facilitating transit transportation activities thus making Mongolia a transiting country between Asia and Europe. Moreover, within its macro-economic development policy, the Government of Mongolia attaches at the policy level a great importance to developing the transit transportation, and has formulated a "Transit Mongolia Programme", whose objective is to address all the domestic issues related to the development of transit transportation in a comprehensive manner, and is planning to adopt it in the near future.

In 2004 we joined the UNESCAP initiated Intergovernmental Agreement on Asian Highway Network signed in Shanghai connecting Mongolian road network with three routes totaling over 4000 km road to the Asian Highway Network. Furthermore, in November 2006 in Pusan, Korea we signed the Trans-Asian Railway Network Agreement which will facilitate development of integrated international railway network connecting Asia and Europe and further promoting its reliable, safe and fast trans-shipment of passengers and freight.

Joining of all these international agreements and introducing of related domestic laws and regulations have created improved legal environment for domestic transporters to operate to international destinations.

With purpose of reconciling activities at the national level, the Government of Mongolia has established a National Committee for Facilitation of Trade and Transportation headed by the Minister of Road, Transport and Tourism of Mongolia. This committee consists of 25 members from ministries, government executing agencies and non-governmental organizations involved in various trade and transportation activities. The secretariat of the National Committee which operates under the auspices of the Mongolian National Chamber of Commerce and Trade plays an important role in reflecting private sector initiatives and comments to the government policy on overall trade and transport related issues. Also secretariat is responsible for distribution and informing of all trade and transport related government policies and legal documents to all concerned parties and general

public and advertizes all international agreements, treaties and conventions as well as domestic laws, regulations and legally binding acts and standards. Most notably the Committee takes actions toward realization of international trade agreements, transit road transport licenses and manifests into government services to make the transit transportation more hassle free and convenient thus contributing to overall country development and peoples well-being.

I would like to mention that several Mongolian private and non-governmental transportation companies are taking part in the Joint UNESCAP and the Organization for Railways Cooperation of project aimed at supporting 12 land-locked states of Asia and the Caucasus. Mongolian International freight forwarding company "Tuushin" is successfully operating "Mongolian Vector" express non-stop container train runs between Brest, Poland to Ulaanbaatar. This train used to cover 7562 km with speed of 200 km per day spending 2 days at borders points and taking total of 39 days. But now its speed has increased to 582 km per day and takes 13 days to cover the whole distance. The pilot run of this train that took place on 15 June 12, 2004 demonstrated speed of 945 km per day and took 10 days and also conducted two express container train journeys between Hohhot of China and Frankfurt, Germany in 2007.

Furthermore, the International Freight Forwarding Center of the Mongolian Railway is operating an express train from Tianjin sea port of China to Ulaanbaatar and in the past 2003 it carried 3996 containers in 85 runs and 2893 containers in 63 runs in 2004. However, such runs suffer from inconsistent container traffic and large fluctuations as well as increased customs formalities and delays at certain borders and loss of freight and theft have caused to halt the Hohhot-Frankfurt express trains for the moment.

Although great efforts being made towards making international transit transport and trade more convenient, time and cost effective and hassle-free, the international road transport can not cross far away from border regions and reach sea exits. Railway transit transport of freight and goods through neighboring countries is enjoying more favorable conditions such as exemption from bonding of cargo for customs taxes, eased customs inspection, more obtainable border infrastructure facilities and application of domestic tariffs. Yet, the full realization of these matters is experiencing limitations and needs to be addressed in the future with our joint work.

The Government of Mongolia appreciates the UNECE and UNESCAP for their joint project on developing Euro-Asian transport links and with purpose of building on the previous achievements and benefits attained, the next phase of the project for 2008-2011 has been prepared for launch. We are pleased learn that the next phase of the project also aims at extending the geographical coverage and Mongolia was invited to take part in the project.

The involvement in the Euro-Asian land transport links definitely will be a great asset for the sustainable development of land locked country like Mongolia. Therefore, we are expressing our keen interest to participate in the project continuation on development of Euro-Asian land transport links.

Thank you for your kind attention.