



” National Committee on Trade and Transport Facilitation of Mongolia”

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2009

Government activities

- UNESCAP Recommendation
- Government initiatives for the integrated trade and transport development
- NCTTF was established by Government Resolution No. 245 of Oct 11, 2006.
- “Transit Mongolia” National Program was adopted by Government Resolution # 183 of May 14, 2008



Government activities

- National Committee on Trade and Transport Facilitation of Mongolian Government
 - **Chairman:** – Minister, RTCUD
 - **Vice chairman:**
 - » Chairman and CEO of MNCCI
 - » State Secretary, MFA
 - **Secretary:**
 - » Deputy Director, Road and Transportation Policy Department, MRTAUD
 - 22 members (Ministries, Government Agencies and NGOs)



Present condition of NCTTF

Participating organizations:

- Members of NCTTF was renewed by order 163 by Minister for Road, Transportation, Construction and Urban Development from 11th March, 2009.
- Participants: ministries, implementing agencies, Government organizations, NGOs, professional associations and private companies
- Responsible institutions: MRTAUD, MFR, MNCCI



Mandate of the NCTTF

- To develop integrated policy for trade and transport facilitation
 - To prepare proposals for submission to and adoption by the Government and the Parliament;
- To organize activities and coordinate issues related to trade and transport facilitation
 - To advice and recommend the government and NGOs on trade and transport facilitation potentials; and
- To coordinate the implementation of the National Program "Transit Mongolia"



Activities of NCTTF

- Members of the National Committee: part-time and un-paid members
- Working procedure: to convene regular meetings at least once every quarter. The first meeting of the year is to evaluate performance of the previous year plan and approve an action plan of the current year.
- Monitoring: Monitoring on the implementation of action plan is to be conducted by the Government.
- Financing: Member organizations shall get approved the allocations in their respective annual budget necessary for the implementation of activities of NCTTF that fall under their responsibility. Operational expenses of NCTTF are covered by fees paid by the members..



Expected impact of NCTTF activities

- Integrated policy is to be pursued for the transport sector development
- Legal framework for trade and transport facilitation is to be enhanced
- As a result of the trade and transport facilitation to achieve:
 - Improved economic efficiency
 - Increased trade turnover
- Public and private partnership (PPP) and Private sector participation (PSP) are to be promoted
- Increased investment
- Successful implementation of various programs
- Extended international cooperation is to be developed



“Transit Mongolia” National Program

Within the NCTTF a Working Group has been established in 2007 for the purpose to:

- study and identify present condition of trade and transport sectors and on-going cooperation
- develop and propose integrated policy. In this respect, the Working Group conducted the following activities
 - In April, 2007, WG drafted “Transit Mongolia” National Program.
 - It conducted consultative meetings and seminars in order to get and incorporate comments and proposals by public and private sector stakeholders.
 - Program was adopted by Government Resolution No 183, May 14, 2008.



“Transit Mongolia” National Program

Content:

1. Needs for trade and transport facilitation

- Internal
- External

2. Government activities

- National Committee on Trade and Transport Facilitation
- “Transit Mongolia” National Program
- Action Plan
- Investment conditionality



Needs for trade and transport facilitation

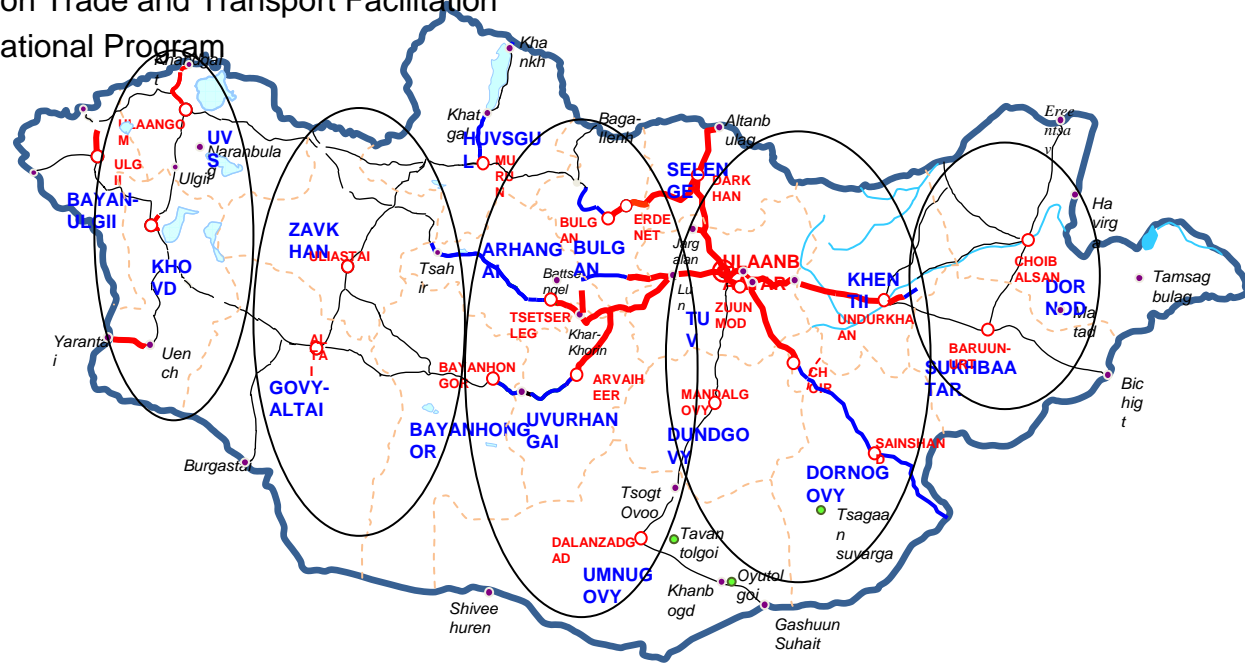
Internal needs

Parliament of Mongolia adopted :

- Regional Development Concept
- National Development Strategy 2021

Government established and approved:

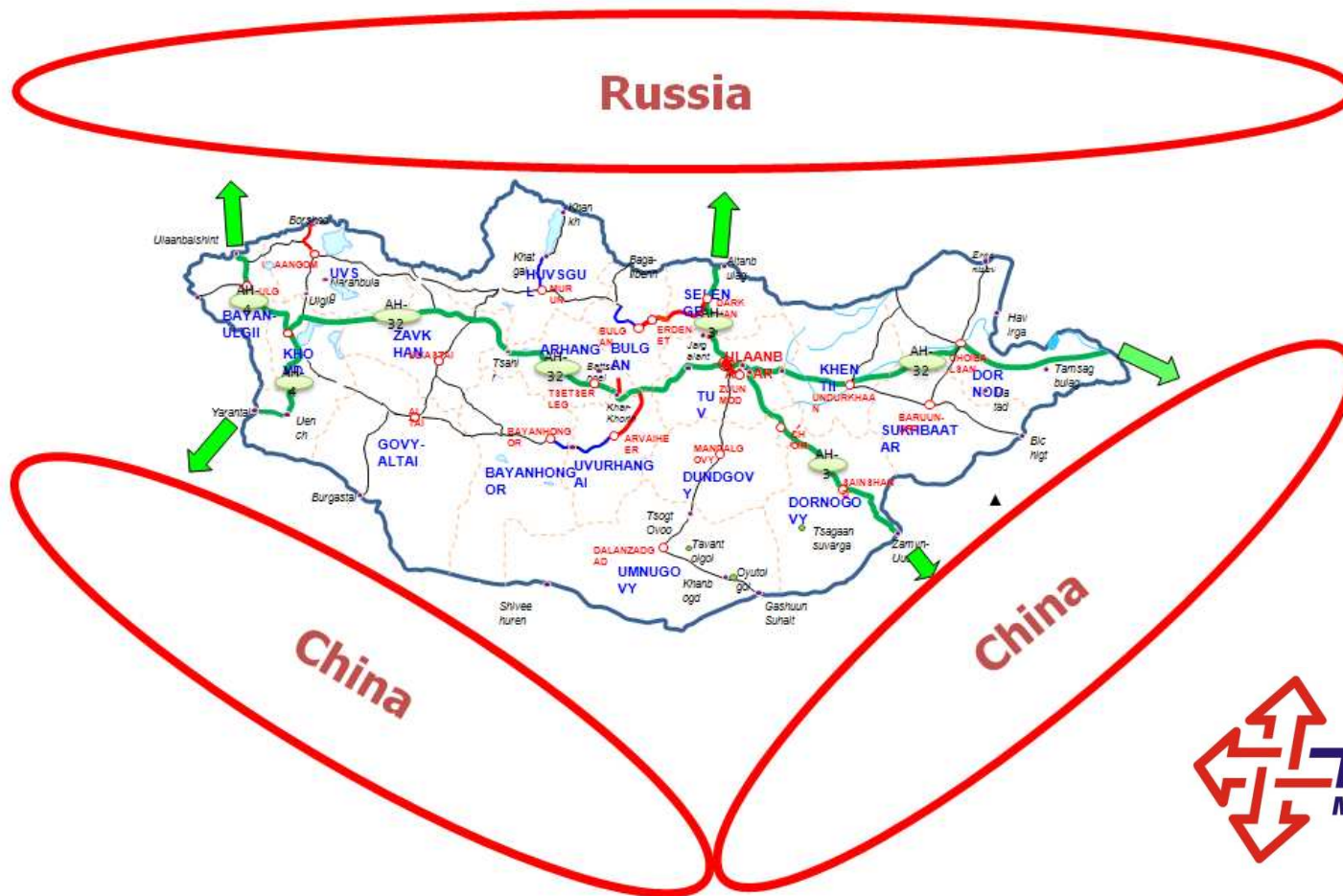
- National Committee on Trade and Transport Facilitation
- “Transit Mongolia” National Program



Needs for trade and transport facilitation

External needs:

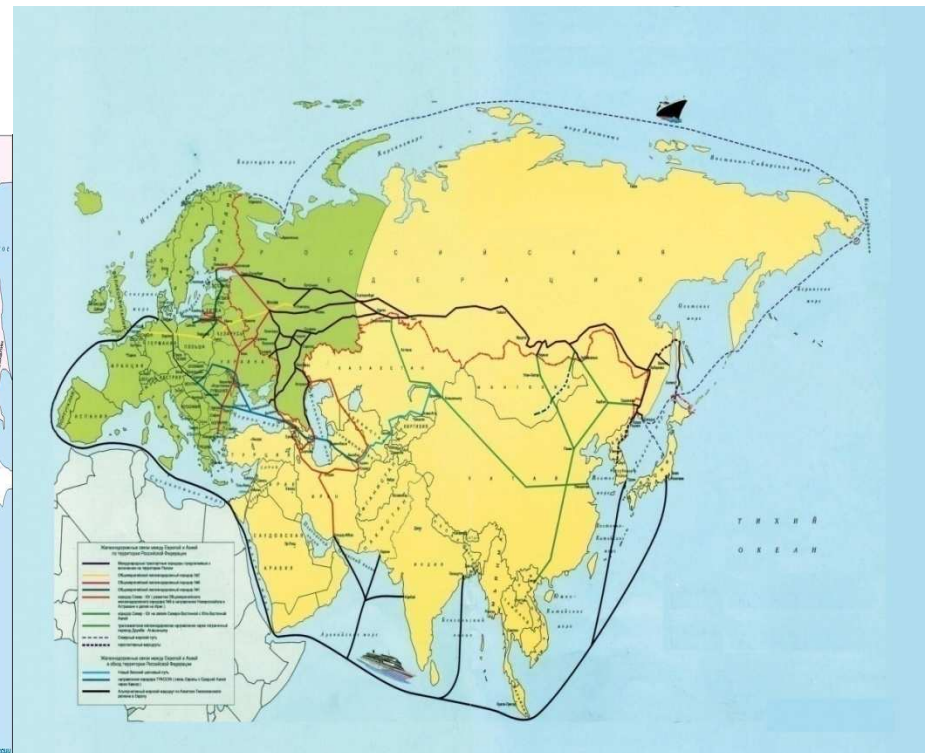
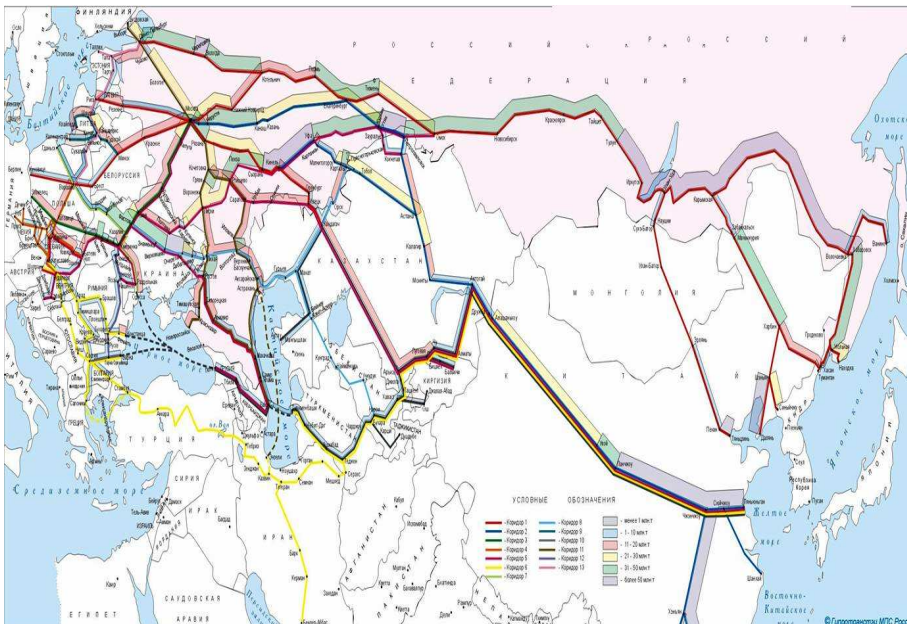
To boost the volume of trade transactions with the neighboring countries



Needs for trade and transport facilitation

External needs:

- To attract transit transportation through Mongolia
- To increase role of the Trans-Mongolian Railway



“Transit Mongolia” National Program

Main goal:

The main goal of the program is focused on supporting and developing a transit, transportation and logistics sector in Mongolia that is based on real market demands involving active participation from the private sector and foreign investors and making use of the advantage of the country’s geographical location.



“Transit Mongolia” National Program

Objectives are to:

- improve legal environment for foreign trade, international transportation and logistics services;
- promote and develop trade, transport and logistics services;
- extend national road and transport system, and ensure its connectivity to international transport system;
- facilitate international transit transportation;
- simplify and harmonize the process of customs, border and professional inspection and control;
- apply ICT for the facilitation of trade, transport and logistics service; and
- strengthen institutional and human resource capacities.



“Transit Mongolia” National Program

Program activities :

- The Action Plan for the implementation of the Program is approved as its integral part.
- There are 46 activities are to be undertaken for attaining Program goal and objectives.
- Main proposed projects:
 - Establish freight terminal facilities in Khovd, Uliastai, Kharkhorin, Erdenet, Choybalsan and Undurkhaan
 - Establish a HUB of international rail, road and air transportation network based on a new international airport to be built in Ulaanbaatar
 - Complete construction of the AH-32, AH-4 road sections
 - Connect regional pillar centers and provincial towns with paved roads
 - Conduct FS and construct second railway line along the existing main line, whereby foster transit transportation
 - Implement a project on the introduction of electric trains in railway services
 - Conduct Feasibility Studies and construction of Eastern and Gobi region railway networks



Action plan

Action plan of the “Transit Mongolia” National Program has 2 phases.

Phase 1: Preparation work for trade and transport facilitation and establishment of transportation and logistics network /2008-2011/.

Phase 2: Program implementation and integration into the international network /2012-2015/.



Action plan

Potential financial sources for the Program implementation:

- State and local budget;
- Loan and aid from the multilateral financial institutions and donor community;
- Domestic and foreign private investment; and
- Others.



Action plan

PROGRAM ADMINISTRATION AND ORGANIZATION

- The Secretariat, headed by the Chairman of National Committee of Trade and Transport Facilitation, is established to be responsible for the organization, coordination and monitoring of “Transit Mongolia” national program implementation.
- The implementation of the program at the local level falls under the responsibility of Province and State Governors.



Action plan

OUTCOME OF PROGRAM

- Increased share of the transit transportation and logistics sector in the GDP is to minimize the risk of instability in the national economy and business environment that are highly dependent on price fluctuations of natural resources and minerals;
- The role of the trade, transportation and logistics sectors, that enjoy flexibility in expansion and enhancement in line with technical and technological advancement, human resource capacity and growth of international trades, is to be increased in the economic structure that is highly dependent from finite resources of the mining sector;
- Being an essential part of the integrated system of international trade, transportation and logistics shall increase the impacts and position of Mongolia in the international trade and transportation market...



Performance criteria



Program implementation shall be assessed based on the following criteria

	Criteria	Baseline indicators (2007)	First phase objectives (2012)	Overall Program objectives (2015)
1	Share of transportation and logistics sector in GDP	9.6	11.2	11.5
2	Length of road connected to integrated international network (km)	1348	2877	4116
3	Transit freight amount via railway (mln. tons)	3.5	9.0	16.0
4	Volume of transit freight transportation by road (mil. tons)	0	0.5	2.5
5	Number of first-class logistics centers	0	1	2
6	Average travel time for freight wagons travelling through Mongolia territory (hr)	56	32	16
	-Sukhbaatar-Erlian route	72	36	18
	-Erlian-Sukhbaatar route			

Investment conditionality

- In road sector
 - No limitations
- In road transport sector
 - The foreign investment should not exceed 49% in international passenger transportation
- In railway transport sector
 - The foreign investment should not exceed 49% in infrastructure for the railway main line
- In civil aviation sector
 - The foreign investment should not exceed 49% in international passenger transportation
 - Air navigation services belong to the state





Thank you for your attention