



ROAD, TRANSPORT SECTOR OF MONGOLIA

Ministry of Road, transport, construction and
urban development

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Transport management structure

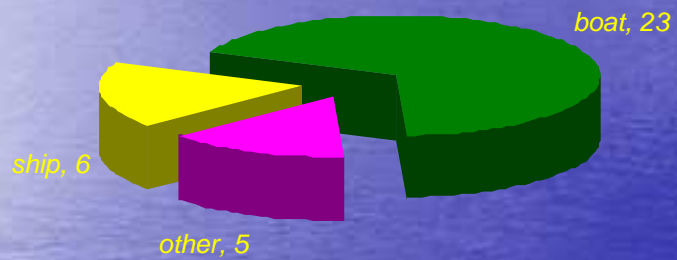


Present Transport network

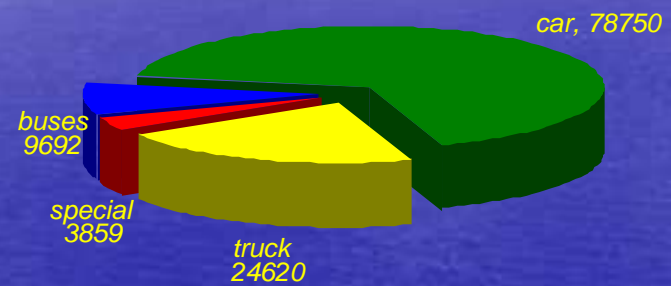


Number of Transport Means

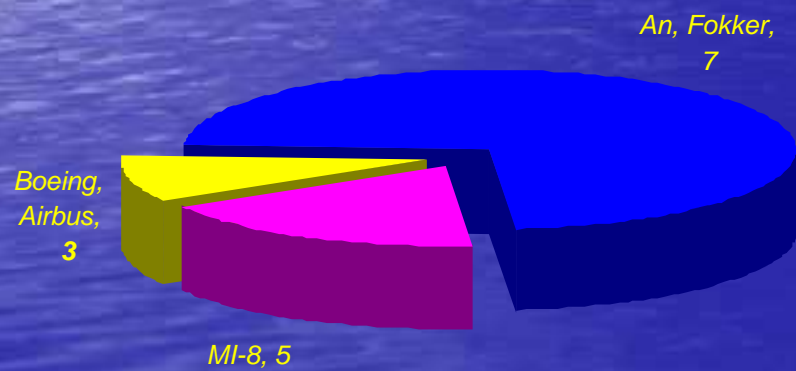
Sea transport



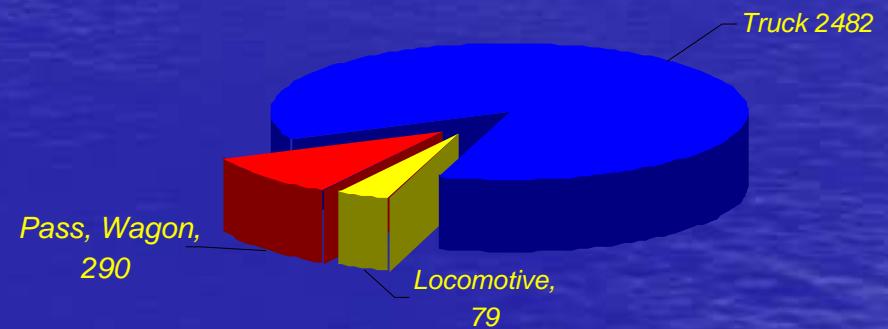
Road transport



Air transport



Railway transport



CURRENT SITUATION OF THE ROAD NETWORK OF MONGOLIA

Total length of the country's road network is 49186.2 km including international, state and local government roads. Road pavement type by administration is as follows:

Administration level	Paved road		Unpaved road			Total
	concrete	asphalt	gravel	Improved earth	Earth tracks	Total
State	56.6	2,007.3	1,508.4	1,312.3	6,282.6	11,136.2
Local	55.0	276.0	498.0	499.0	36,637.0	38,031.0
Total	111.6	2,283.3	2,006.4	1,811.3	42,919.6	49,186.2

In addition to the above, the MRTT is responsible for state road construction and maintenance (11,136.2km) and, also 372 pcs or 13648long meter of concrete and wooden bridges.

TRANSPORT STRATEGY

- The Government of Mongolia (GOM) and other sources have created numerous strategies for the transport sector encompassing expected goals for the long term and anticipated budgets. Included in the group is the National Development Strategy 2007-2021 (NDS), the National Transport Strategy for Mongolia (NTS), “Transit Mongolia” program, the Mongolian Road Master Plan 2008-2020 (RMP), and a long-term 15 year investment program developed by MRTT.

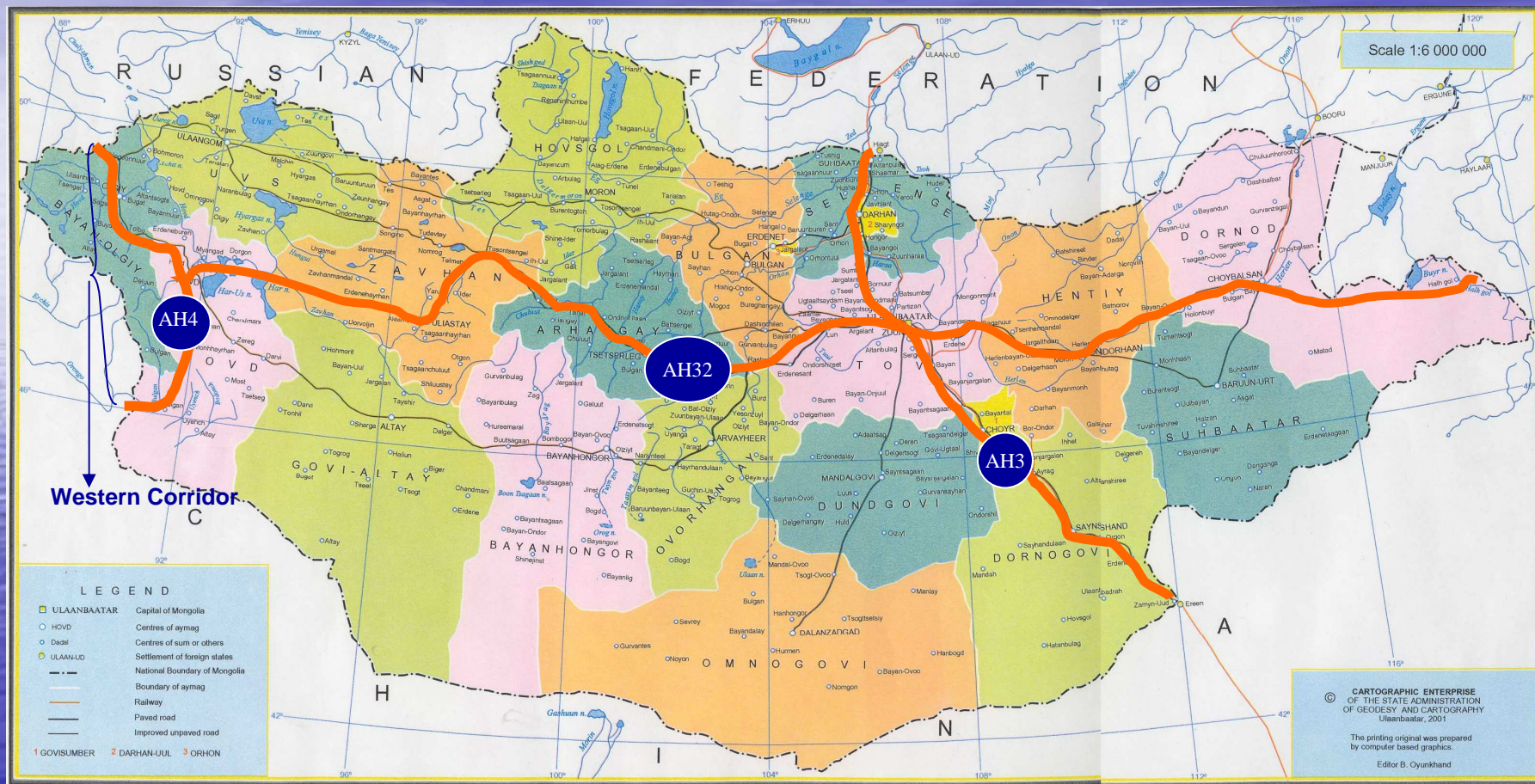
ASIAN HIGHWAY VIA MONGOLIA

- **The Mongolian Asian Highway links include following three main corridors;**
- AH-3 that links regional markets of Siberia with the hinterland markets and the international eastern seaboard ports of China via main vertical road, Altanbulag-Darkhan-Ulaanbaatar-Nalaikh-Choir-Sainshand-Zamiin uud
- AH-4 which links the regional markets of Siberian region with Xinjiang Autonomous Region in China to the border with Pakistan via western vertical main road, Tsagaannuur-Olgy-Khovd-Yarant
- AH-32 which forms the country's principle east-west horizontal arterial corridor, Khovd-Uliastai-Ulaanbaatar-Choibalsan-Sumber-Nomrog has its eastern junction with AH31 that provides access to the Korean Peninsula and its western junction with AH-4 in the western region of Mongolia.

ASIAN HIGHWAY



ASIAN HIGHWAY ROUTES IN MONGOLIA



AH32

2325km

AH3

1041 km

AH4

750 km

CENTRAL ASIAN REGIONAL ECONOMIC COOPERATIONS' (CAREC) CORRIDORS VIA MONGOLIA

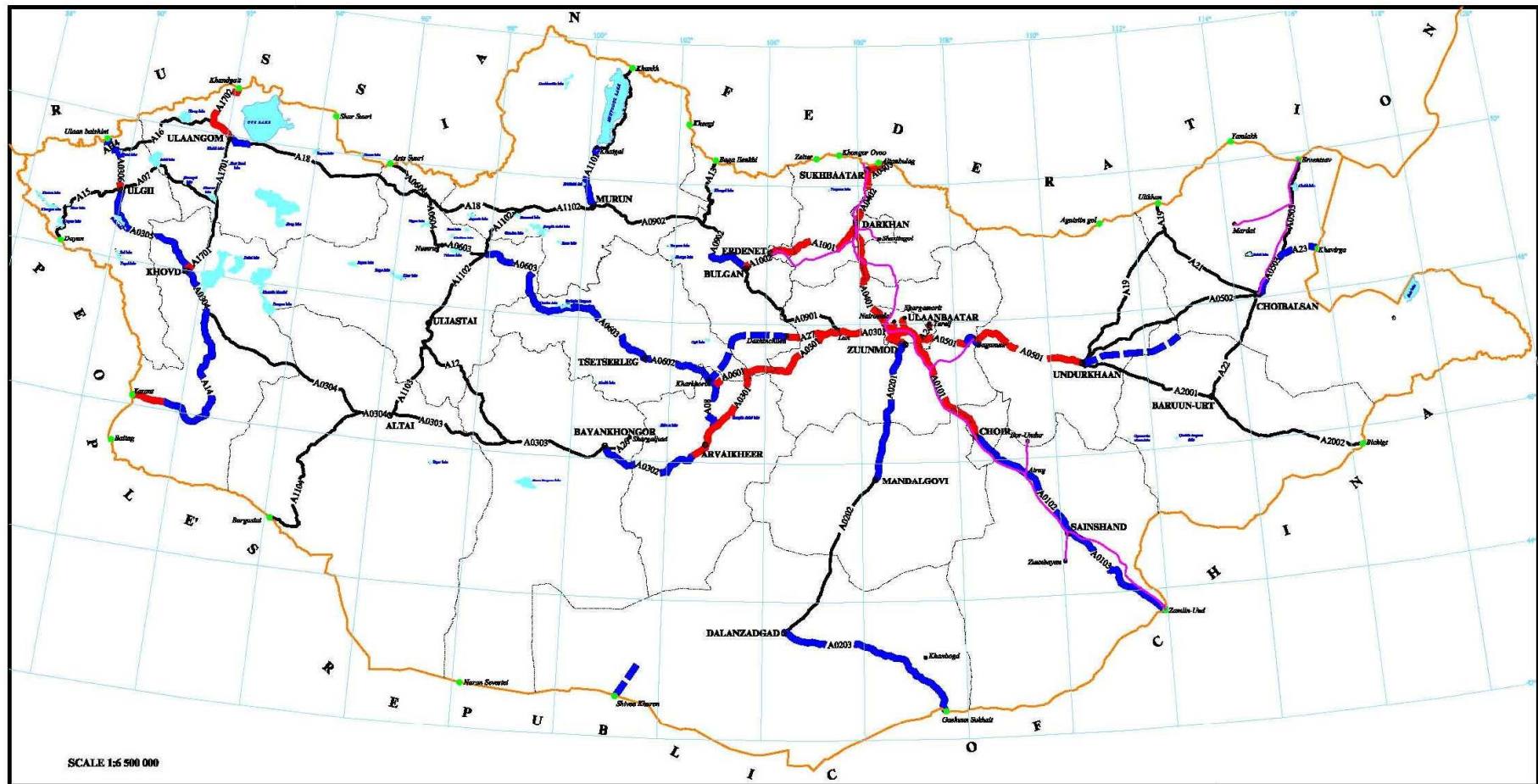
Mongolia connects with Central Asian countries via main two corridors as road, road/railway by following routes which overlapped with AH-4 and AH-3.

- CAREC (4a)- Yarant –Khovd-Olgy-Tsagaannuur in western region**
- CAREC (4b) –Altanbulag –Darkhan-Ulaanbaatar-Nalaikh-Choir-Sainshand-Zamiin Uud in central region**

“Transit Mongolia” programme

- The programme has adopted by Government in May of 2008 and it will be implemented to 2015.
- The programme “Transit Mongolia” includes following projects:
 - Construction a secondary railway line
 - Railway electrification project
 - Construction Asian Highway Routes in Mongolia
 - Facilitation Transit transport through Mongolian territory
 - Construction transport and trade logistics and terminals etc.

STATE ROADS BY 2010



SCALE 1:6 500 000

LEGEND		ROAD		HYDROLOGY		SETTLEMENTS	
	International Border		State road		Lake		Capital city
	Aimag Border		Railway		Planned Development by 2010		Other settlements
	International Border Gate		Alignment not defined				

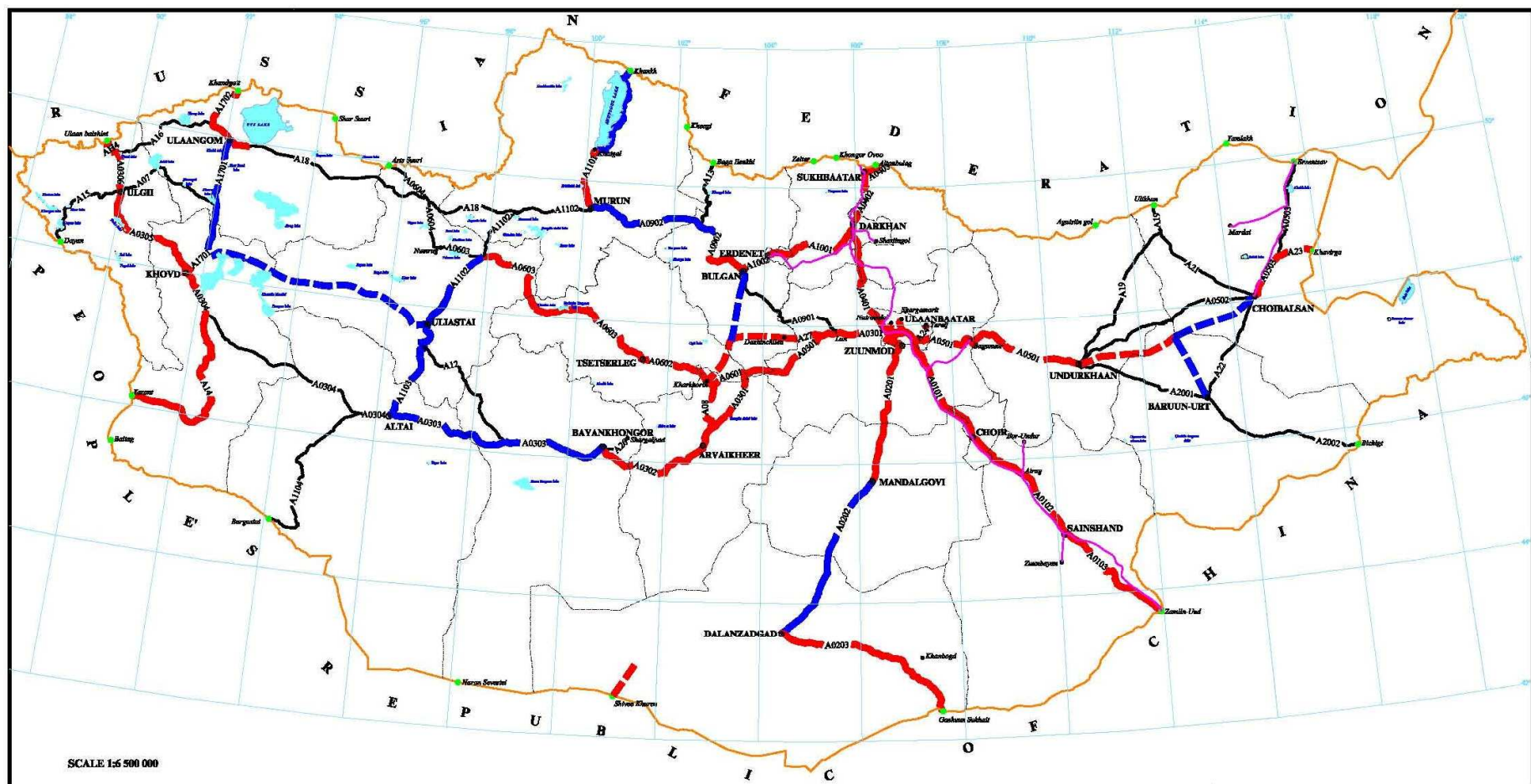
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Figure ESF1: Road Development Plan by 2010

Road Master Plan and Feasibility Study for Road Development in the Western Aimags

STATE ROADS BY 2015



SCALE 1:6 500 000

LEGEND

- | | | | |
|-----------------------------|---------------------|---------------------------------|------------------|
| BORDER | SETTLEMENTS | ROAD | HYDROLOGY |
| — International Border | ● Capital city | — A18— State road | ■ Lake |
| — Aimag Border | ○ Center of aimag | — Railway | |
| ● International Border Gate | • Other settlements | | |
| | | — Paved Road | |
| | | — Planned Development 2011-2016 | |
| | | — Alignment not defined | |

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Figure ESF2: Road Development Plan 2011-2015

Road Master Plan and Feasibility Study for Road Development in the Western Aimags

Current situation of Asian highway via Mongolia (2008)

Route No	Itinerary	Length (km)	Paved (km)	Unpaved (km)
AH3 (CAREC 4b)	Altanbulag-Darkhan- Ulaanbaatar-Nalaih-Choir- Saynshand-Zamiin Uud	1,041.00	593.00	448.00
AH4 (CAREC 4a)	Ulaanbaishint-Tsagaannuur- Ulgii-Hovd-Bulgan-Yarant	743.00	105.00	638.00
AH32	Sumber-Choibalsan- Undurkhaan-Ulaanbaatar- Kharhorin-Uliastai-Hovd	2,325.00	740.00	1,585.00
Total		4,109.00	1,438.00	2,671.00

BENEFIT TO MONGOLIA DEVELOPING OF INTERNATIONAL ROADS

- To broaden local and foreign trade, and to increase volumes of freights and passengers to regional markets for the sale and supply of commodities at more advantageous prices; and
- Having two or more trade routes reduces the leverage that neighboring countries may have on the cost of international transport and on the ability of local products to be able to compete at least on price in international markets.
- To provide fast, efficient and safe access between the centers of consumption and production of the country's five economic regions, between the economic centers of these regions and the hinterland markets in neighboring Russian and China and to international markets via eastern seaboard ports of China and Russia

Road Transport

The road transport sector has started its history since 1920's and played an important role in the transport sector of the country whereas other means of transport were not sufficiently providing countrywide service.

In 1990's there were 15 major entities with a fleet of 300-1000 vehicles for intercity transport and over 20 local entities carrying out cargo, passenger and postal deliveries. The total number of vehicles of these entities took up only 30 percent of the entire vehicle population of the country but carried over 70 percent of freight transport and 98.5 percent of passenger transport.

With the transition into the market economy the demand for Road transport have increased among people and private entities and as a result of government policy on privatization all road transport sector except four Ulaanbaatar city public bus companies were privatized.



Road Transport Sector

- Intergovernmental Agreements on Road Transport:
 - /Russian Federation, China, Republic of Kazakhstan, Ukraine, Belarus, Turkey, and Kyrgyz Republic /
- International Transport Conventions to which Mongolia have acceded:
 - /Customs Convention on the International Transport of Goods under the Cover of TIR Carnets, Convention on the Contract for the International Carriage of Goods by Road, Convention on Road Traffic and on Road Signs and Signals/
- Roads transportation is mainly operated between Russia, Mongolia and China, which is regulated by meetings of the working groups on annual basis.

Road Transport

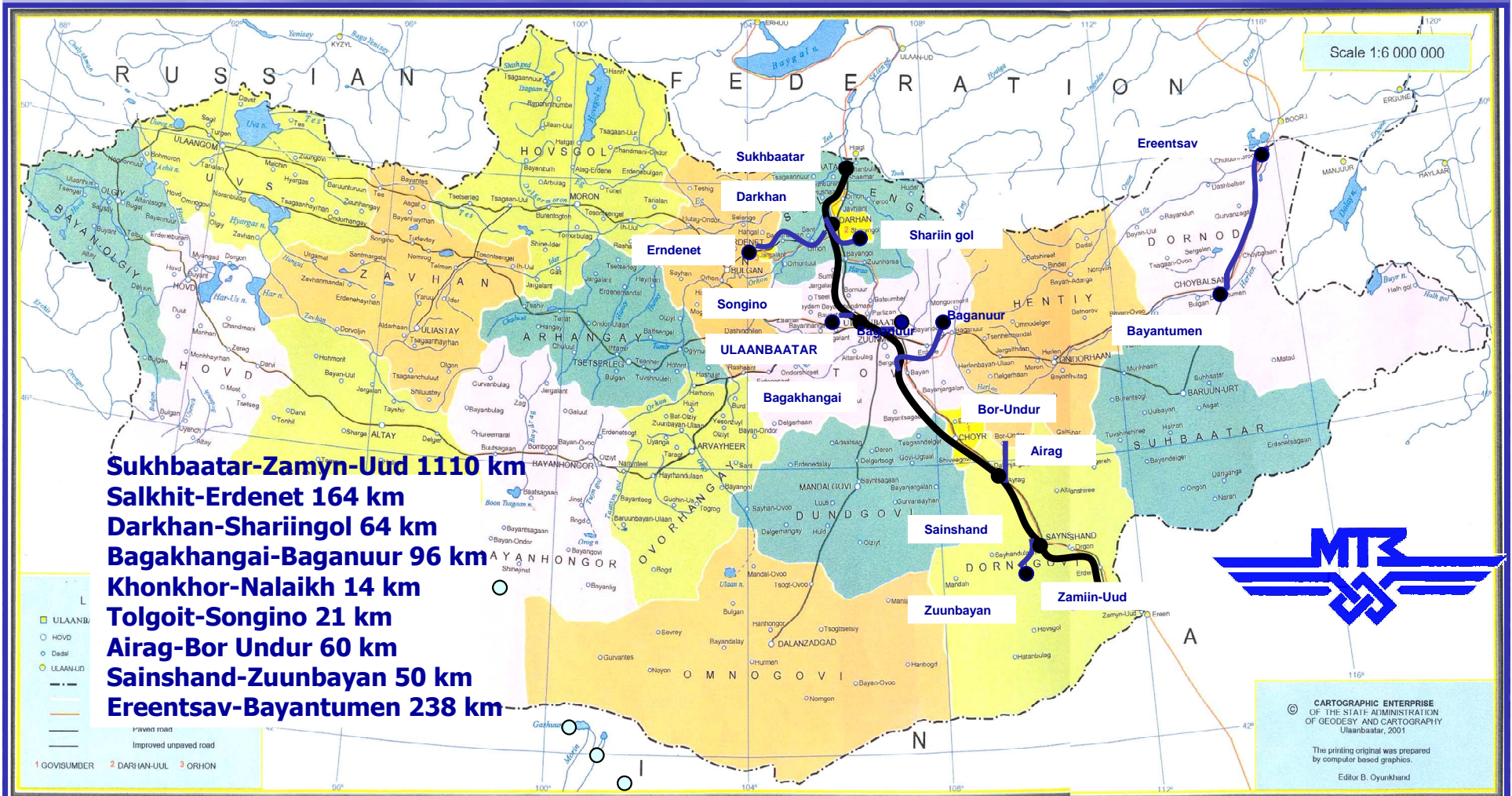
Is still playing main role in the transport sector, but facing difficulties:

- lack of investment
- inter city and inter state road transport service is not developed

Railway sector

- Transport department of MRTCUD
- “Railway Authority”- Government agency
- Mongolian Railway /MTZ/-State railway shareholding company
- Ulaanbaatar Railway/UB Railway/- Mongolian-Russian joint venture
- Private rail companies

Railway

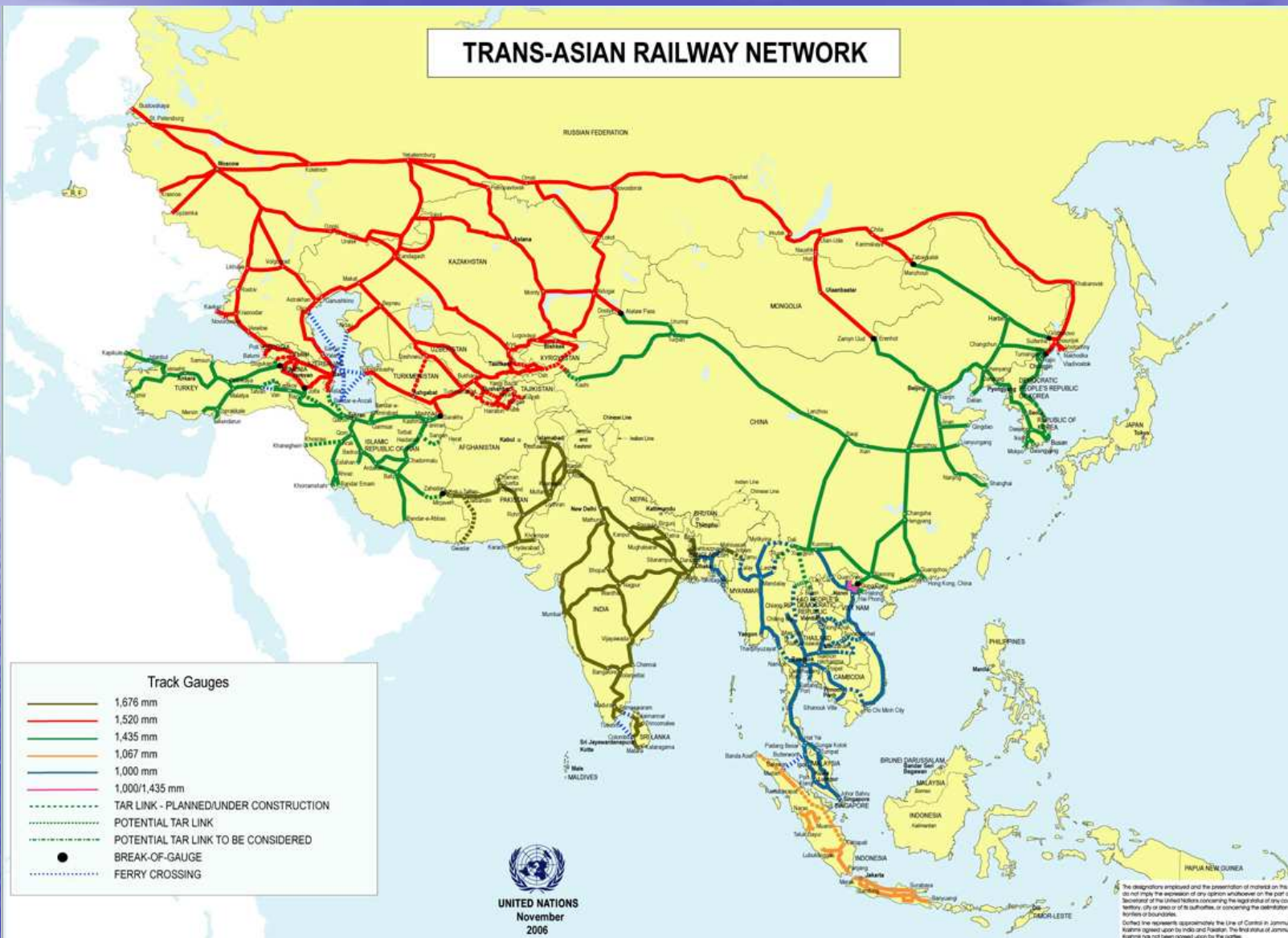


Railway

Present situation

- Not competitive
- Provides limited area
- Not independent
- Lack of investment

TRANS-ASIAN RAILWAY NETWORK

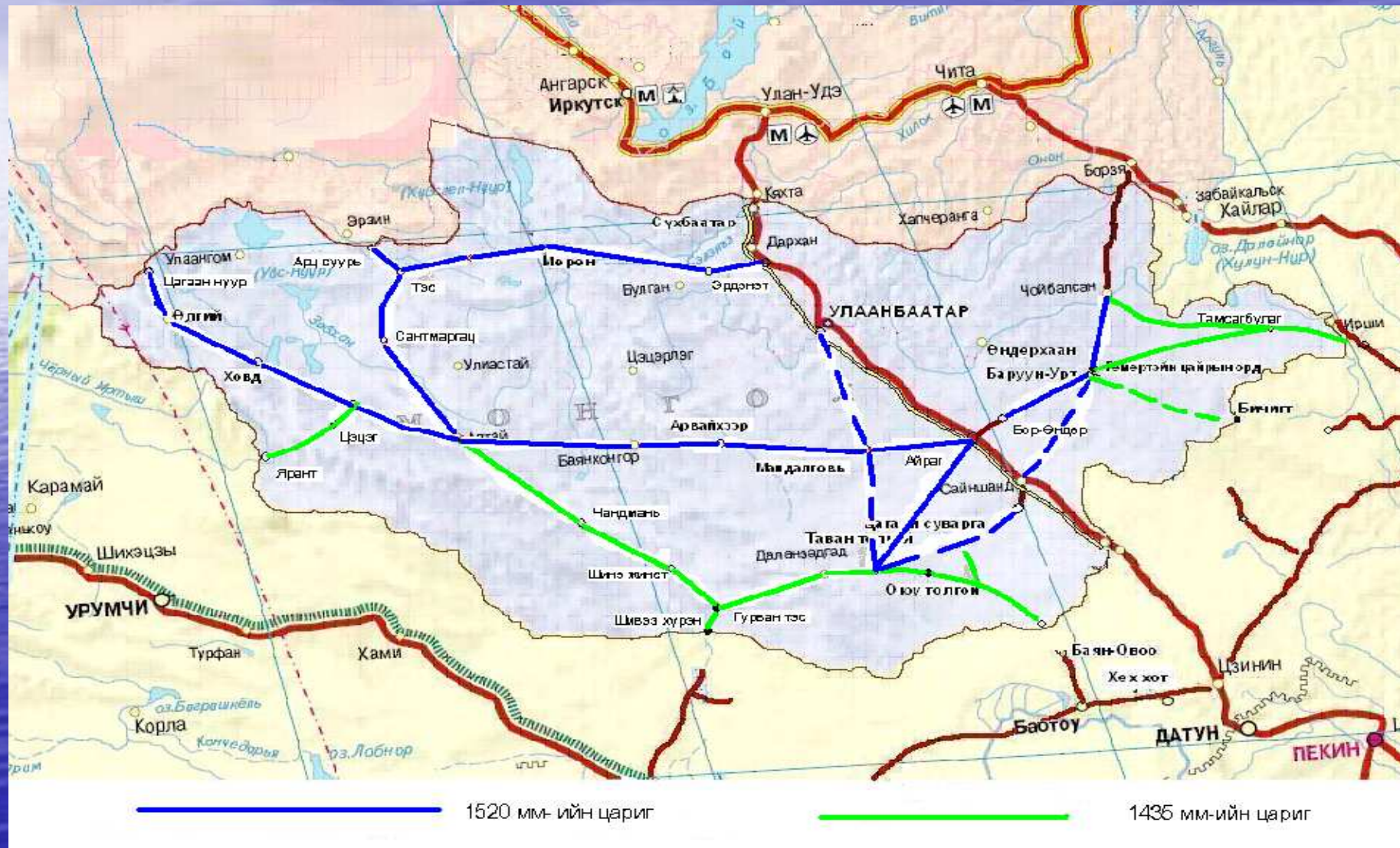


Railway

Future plan

- Renew Intergovernmental Agreement
- Establish legal framework
- Introduce competitiveness
- Expand existing rail network
- Renovate rolling stock fleets

Railway future network



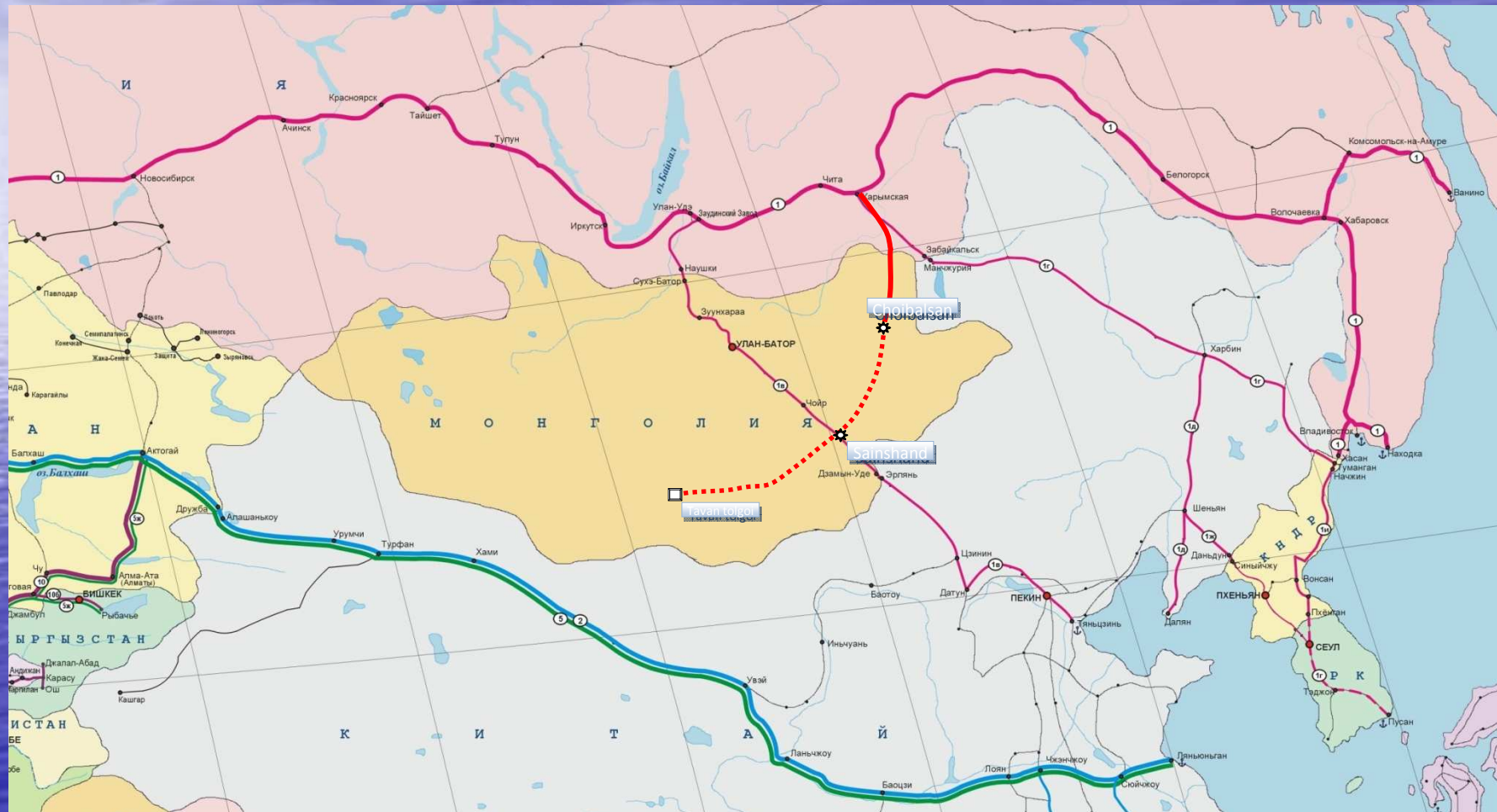
Transit transportation through Mongolia

Year	2003	2004	2005	2006	2007	2008
From Russia to China	3 453 430	4 648 530	5 028 430	4 003 100	2 944 700	1 964 700
From China to Russia	191 400	176 050	360 000	465 780	528 600	366 920
Total	3 644 830	4 824 580	5 388 430	4 468 880	3 473 300	2 331 000

External coal market demand

No	Market consumer	Thermal coal demand, mln.tn	Coking coal demand, mln.tn
1.	RUSSIA	-	73
2.	KOREA	66	17
3.	JAPAN	101	80
4.	CHINA	13	6

Proposed railway line



Railway line to connect Gobi and East region

A. Gobi region's railway line

- Tavantolgoi-Zuunbayan section- 370 km

The approximate amount of construction of the Tavantolgoi-Zuunbayan section is

\$580 mln USD.

B. East railway line

- Shaishand-Baruun-Urt section -350 km
- Baruun-Urt-Choibalsan section-200 km

The approximate amount of construction of Zuunbayan-Choibalsan section and its infrastructure is **\$ 825 mln USD.**

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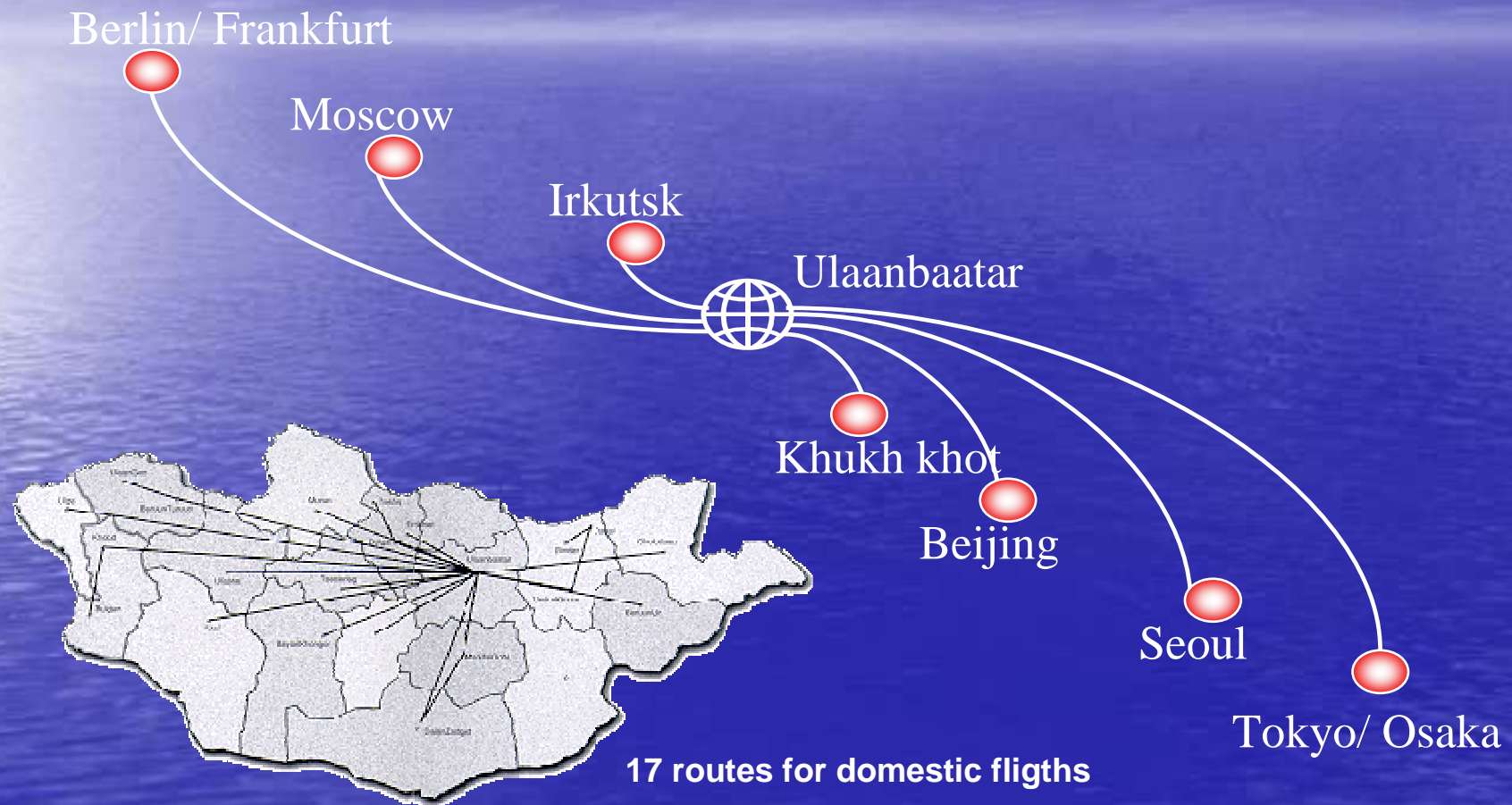
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Importance of Tavantolgoi-Zuunbayan Sainshand-Baruun-Urt-Choibalsan railway line

- Possibility to export the mineral products to Russia and China using two directions, as well as transport for the local needs
- Connection through the Russian and Chinese railway network to the Europe, Middle East, East and South East Asia by Russian ports of Bladivostok, Nahodka, Vostochnyi and Chinese port of Tianjin and Dalian.
- The line will be a junction of Gobi, Central and East network connection
- Establishment of new transit transport corridor
- Establishment of new access to the sea by connecting to the North East Asia
- The role and participation of Mongolia in regional cooperation will increase
- Possibility of the effective operation of UBRailway's branch line of Bayantumen.

Civil Aviation

International Destinations



CIVIL AVIATION

Future plan

- Improving air navigation safety and Operational safety standards of all air service operators
- Restructuring of Civil aviation authority
- Privatization of state owned company MIAT
- Construction of new international and domestic airports
- Expansion of international services
- Increasing of number of air crafts
- Technical enhancements to be sustained to increase Mongolian airspace capacity and support growth of over-flights;

Water transport

In 1905 the Russian commercial fleet of Baikal started to transport goods, raw materials and timber by steam boats over the river Selenge. From 1913 the Russian commercial ships started navigation on the lake Khuvsgul.



Water Transport

- Water transportation is not well developed in Mongolia due to the limited domestic water ways
- Mongolia has acceded to 11 international conventions and a member of the International Maritime Organization
- Mongolian Ship Registry Company was established in 2003.
- Now 250 registered ships with a Mongolian flag are floating in sea

WATER TRANSPORT

- To study the potential waterways passenger and freight traffic, the integrity of existing waterways infrastructure and vessels, and identification of any needed new infrastructure; and
- To establish minimum levels of waterway infrastructure /navigation aids, channel markers, and public docking facilities; and

No	Future major projects	Budget ml.\$
1	Construction of Govi region railway line	580,0
2	Construction of second parallel line	1000,0
3	Construction of East region railway line	825,0
4	Construction of new international airport	250,0

Conditions of investment

- **In road sector**
 - No limitation
- **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

Cooperation with Economic Commission for Europe

- Proposal to include the **Mongolian Asian Highway links include following three main corridors;**
 - **AH-3** that links regional markets of Siberia with the hinterland markets and the international eastern seaboard ports of China via main vertical road, Altanbulag-Darkhan-Ulaanbaatar-Nalaikh-Choir-Sainshand-Zamiin uud
 - **AH-4** which links the regional markets of Siberian region with Xinjiang Autonomous Region in China to the border with Pakistan via western vertical main road, Tsagaannuur-Olgy-Khovd-Yarant
- Proposal to include the **Mongolian Asian railway link from Sukhbaatar to Zamyn-Uud with length of 1100 km main line**



*Thank you for the
attention*