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**Global Preparatory Meeting on the Mid-Term Review of  
the Implementation of the Almaty Programme of Action**

on

**Trade Facilitation Opportunities for Landlocked and  
Transit Developing Countries**

Geneva, 8–9 July 2008

**Activities of the Mongolian National  
Committee on Trade and Transport  
Facilitation and Development Program on  
"Transit Mongol"**

by

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Mongolia**

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Land Locked and Transit Developing Countries**

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on Trade and Transport Facilitation and  
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**ABOUT MONGOLIA**

- **Locations:** a land-locked country in the Central Asia, between China and Russia;
- **Territory:** 1.566 million square kilometers
- **Population:** 2.6 million;
- **Density:** 1 square km per 1.6 persons (34.0 million heads of livestock)
- **Land boundaries:** 8,158 km, with Russia 3,485 km and with China 4,673 km.

**Transit Transport of Mongolia**

Mongolia holds Transit transportation agreement with the governments of :

1. People's Republic of China (1991.08.26)
2. Russian Federation (1992.10.29)
3. Republic of Kazakhstan (1993.10.22)
4. Democratic Republic of Korea (1996.05.10)

International Road transport relations agreement with the governments of:

1. People's Republic of China (1991.06.24)
2. Russian Federation (1996.02.27)
3. Republic of Kazakhstan (1993.10.22)
4. Democratic Republic of Korea (1996.06.27)
5. Republic of Ukraine (1995.06.27)
6. Republic of Turkey (2002.06.02)
7. Republic of Kyrgyz (2004.03.01)
8. Republic of Belarus (December 2003)



**Transit Transportation Agreement  
between Governments of Mongolia and  
People's Republic of China (1991.08.26)**

- Use of sea port (Tianjin port) and freedom of transit to and back to sea port
- Transit of ship under Mongolian flag through internal water and territorial sea of China
- Road Transportation of goods of Landlocked country by vehicles of Transit country. When it necessary appropriate agencies of Contracting Parties should consult in use of vehicles of Landlocked country
- Transit Transportation of goods of Landlocked country by railway shall be made through OSJD Agreement of Freight Transportation relation
- Use ships under Mongolian flag for sea transportation of goods
- Facilitate transportation and customs procedure and exemption from export, import and other tax and any deposit for transit goods of Landlocked country
- Freedom of using customs warehouse, terminals in seaport for goods of Landlocked country

**Transit Transportation Agreement between Governments of  
Mongolia and Russian Federation (1992.10.19)**

- Freedom of transit traffic for Landlocked country to and back from sea port of Transit country
- Use of sea port for goods of Landlocked country
- Freedom of Transit of ship under Mongolian flag through internal water and territorial sea of Transit country
- Use local transportation tariff or other conditions that are agreed upon bilateral agreements among countries or better tariffs and conditions should be applied.
- Take needed measures in facilitating smooth transit of goods and reduction of technical barriers to trade.
- To apply domestic laws of the transit country in regards to the regulation of transit of goods both at the border and other custom procedures
- To not levy other extra charges accept the custom's clearance
- Russian Federation took on the obligation to set special custom's warehouse or terminal zones for the purpose of storage, transit, grouping, and other operations of LLDC's goods that are in transit.

**UNESCAP Resolution 48/11**

**7 Conventions Recommended:**

Conventions	Participation Mongolia in Conventions
• Convention on Road Signs and Signals, 1968	19 Dec. 1997
• Convention on Road Traffic, 1968	19 Dec. 1997
• Customs Convention on International Transport of Goods under Cover of TIR Carnets, 1975	01 Oct. 2002
• Convention on Contract for International Carriage of Goods by Road, 1956 (CMR)	18 Sept. 2003
• Customs Convention on Temporary Importation of Commercial Road Vehicles, 1956	17 Oct 2007
• Customs Convention on Containers, 1972	17 Oct 2007
• International Convention on Harmonization of Frontier Control of Goods, 1928	05 May 2007

## Difficulties:

caused mainly by factors such as strict border control and customs inspection due to bureaucracy, requirements for securities and deposits on goods in transit, unexpected delays, detention and partial and complete loss or damage to the cargo and as well as inadequate transport safety measures on roads in Russian side and no possibility to get engaged in international transit using China domestic road network and need to revise existing laws and regulations on trade and transport facilitation.

## Establishment of National Committee for Trade & Transport Facilitation :

### UN ESCAP Recommendations on:

- National Workshop on Integrated International Transport and Logistics System for North-East Asia Ulaanbaatar, 11-12 April 2005
- National Workshop on Trade and Transport Facilitation Ulaanbaatar, 17-19 April 2006

Resolution No.66, Government of Mongolia from 1 April 2005 & Resolution No.245, from 11 October 2006

Order No. 10, by Minister of Roads, Transport & Tourism from 10 January 2007

## Objectives of National Committee for Trade & Transport Facilitation:

- Transit Transportation
- Foreign Trade Policy
- International Transportation Policy
- Border Crossing facilitation
- Transport infrastructure and service Development
- Traffic safety Policy
- ICT

## Structure of National Committee

Resolution No.245, Government of Mongolia from 11 October 2005

Order No. 10, by Minister of Roads, Transport & Tourism from 10 January 2007

Chairman: Minister of Roads, Transport & Tourism  
Vice Chairman: -Vice Minister of Industry & Trade  
-Chairman of Mongolian National Chamber of Commerce and Industry

## Members (21) of National transit Committee

### From Ministry of Roads, Transport & Tourism:

Director, Transport Department  
Director, Road Department  
Officer, Transport Department (Secretary of Committee)  
Director, Civil Aviation Authority  
Director, Railway Authority  
Director, Transport Service Centre  
Director, Road Inspection & Research Centre  
Vice Director, Ulaanbaatar Railway JVC

### From Ministry of Industry & Trade:

Director, Trade and Cooperation Policy & Coordination Department

## Members of National transit Committee

### Ministry of Foreign Affairs:

Director, Law and treaty Department  
Officer, Multilateral Cooperation Department

### Ministry of Finance:

Director, Policy & Investment Department  
Director, General Customs Office

### Ministry of Justice and Home affairs

Director, Legal Policy Department  
Deputy Director, General Department of Border Protection  
Director, Traffic Policy Office

### State Professional Inspection Agency, Director

### Information & Communication Technology Agency, Vice director

### Non Governmental Organizations:

Chairman of Mongolian National Chamber of Commerce and Industry  
Director, NARTAM-National Road Transport Association  
Director, Freight Forwarding Association

## Mongolian National Committee for Trade & Transport Facilitation (MNC for TTF)

First Meeting of Committee: 24 January 2007

Participation: 21 members from 25

- Information on the establishment of the Trade and Transportation facilitation National Committee; Discuss the progress of the work plan from 2006-2008 for the National Committee on Transit Transportation
- Discussion and approval of proposal on the rules and regulations regarding the activities of Trade and Transportation facilitation National Committee
- The draft of the action plan and the budget for the year 2007 of the Trade and Transportation facilitation National Committee

## Action plan of the MNC for TTF for 2007 I. Secretariat of Committee

No.	Actions	Implementation
1	Approve the working group structure of the National Committee	Approved by 1 <sup>st</sup> Meeting of NCTTF
2	Approve the working group's budget for the year 2007	Approved by 1 <sup>st</sup> Meeting of NCTTF
3	To appoint 2-3 employees for the Secretariat of the National Committee	2 members in Secretariat: Ms. Odonchimeg Ms. Khongorzul
4	To provide proper office facilities for the National Committee	Secretariat of NCTTF located in Rm.701 MNCCI
5	Provide all the needed equipments (computer, printer, telephone, stationary, furniture and etc.)	Provided all equipments.
6	To work on the establishment of a web site for the National Committee and work on the on-going update of the web site	Web site <a href="http://www.mnc.ttf.mn">www.mnc.ttf.mn</a> is opened.
7	To insure that all the related legal materials are published on the web site	Prepared necessary materials
8	Translation of relevant legal materials	No financing...
9	Organization of the meeting of the National Committee on the quarterly basis	Meeting of NCTTF organized on 24 Jan, 26 Jun, 26 Sep. of 2007.
10	To insure the implementation of activities that are reflected in the action plan of the National Committee	On going.
11	Organization of meetings and seminars of the National Committee	Organized on 25 Jun, 25 Sep, 13Nov. 2007

## Action plan of the MNC for TTF for 2007 II. Transport Facilitation

No.	Actions	Implementation
1	Work towards signing of the "Tripartite Transit Agreement between the Governments of Russian Federation, Peoples Republic of China, and Mongolia"	On going...
2	Work towards preparation of attachments, establishment of working group, give directives for the "Tripartite Transit Agreement between the Governments of Russian Federation, Peoples Republic of China, and Mongolia"; closely work with UNCTAD	On going...
3	To organize the meeting of the Mongolian and Russian intergovernmental working group on transportation	Meeting was organized in Moscow Jan, 2008
4	Further study and research to find other ways of access to the sea besides Tianjing and Nakhodka	On going study...
5	To raise the possibility for Mongolian domestic carriers (trucks) to administer transportation from Tyang Jing to Zamiin-Uud to the Chinese side	Included in Protocol of Intergovernmental Commission of Mongolia and CPR on 13-17 Oct, 2007.

## Action plan of the MNC for TTF for 2007 II. Transport Facilitation

No.	Actions	Implementation
6	To solve the issue of customs usage of 100 ton electric equipment that are used for the purpose of measuring the weight of trucks at Zamiin-Uud and Altanbulag border points jointly with transport control agency and to solve the problems at other border points in the future	Started exploit.
7	To ratify the Trans Asian Railway systems intergovernmental agreement by the State Great Hural and deliver it to the United Nations.	Ratified by the State Great Hural on 17 October of 2007.
8	To ratify the law on joining the annex B-3 and C of the Convention on the temporary admittance of goods (Istanbul, 1990) by the State Great Hural and deliver it to the United Nations	Ratified by the State Great Hural on 17 October of 2007.
9	To ratify the law on the international conventions on the harmonization of the frontier control of goods (Geneva, 1982) by the State Great Hural and deliver it to the United Nations	Ratified by the State Great Hural on 04 May of 2007.
10	To increase the volume of goods that are transited, transported through the Mongolian railways and road transportation; conduct surveys, comparisons and assessments of activities on other routes	Participate in UN ESCAP-Korea Maritime Institute joint project on "Regional Inter modal Transport Planning"

## Action plan of the MNC for TTF for 2007 II. Transport Facilitation

No.	Actions	Implementation
11	To organize a national seminar on "Regional Inter modal Transport Planning" in assistance with the UNESCAP	Organized jointly with UN ESCAP and Korea Maritime Institute on 19-20 Sep.
12	To participate in conducting the research on the utilization of transportation time/ cost model developed by UNESCAP	Participate Tushin Co., Railway IFPC, Electronic, Transport Institute.
13	To regulate transportation of coal, and solve the issue of transportation on an asphalted roads	Started construct road connecting between Coal deposits and border points.
14	To raise and resolve the issue of renewal of the intergovernmental agreement on the road transportation to the Chinese side	Included in Protocol of Intergovernmental Commission of Mongolia and CPR on 13-17 Oct, 2007.
15	To develop, approve, and implement standards for cargo terminal	Approved standards for cargo terminal by Electronic, Transport Institute.
16	To develop additional standards for transportation of goods and ensure compliance of existing standards	Adopted by the National Standard Center on 20 December of 2007.
17	To support the usage of "Door-to-door" services on the domestic transportation	
18	Briefing on the future agenda of and implementation of TIR Convention to the National Committee	Introduced information of implementation of TIR by MARTAM in Meeting of NCTTF on 26 June, of 2007.

## Action plan of the MNC for TTF for 2007 III. Trade Facilitation

No.	Actions	Implementation
1	To develop a National Agenda on the development of logistical issues of transportation and trade and further present it to the Government	Approved "Transit Mongolia" National Development Program by NCTTF.
2	To organize LLDC Ministerial Conference in Ulaanbaatar	Organized Land locked and Transit 50 Countries Ministerial Conference in Ulaanbaatar on 28-31 September of 2007.
3	To develop a Government resolution on the implementation of the international conventions on the harmonization of the frontier control of goods	Approve a draft of Government resolution by State Professional Inspection Agency.
4	To propose cooperation on trade and transportation facilitation to UN's European Commission	Sent to UN's European Commission letter proposed cooperation on trade and transportation facilitation
5	To present the implementation of Alma-Aty action plan to the National Committee	Presented by Ministry of Trade and Industry in Meeting of NCTTF on 26 June, of 2007.
6	To propose further expansion of the scope of cooperation on trade and transportation facilitation to UN's European Commission	UN CtaD mission 11-18 Nov. 2007.
7	To employ x-ray machines at the Zamiin-Uud and Altanbulag border points	Financing is decided in State Budget of 2008.

### “TRANSIT MONGOLIA”Development program

- 5.1 Within frame of the objective to improve a legal environment for implementation of the “Transit Mongol” Program
- 5.1.1. join international conventions and agreements on TTF, freight forwarding, trade and transport logistics and amend national laws and procedures complaint to them.
- 5.1.2. edit the laws on auto road, civil aviation, railway and water transports to include statements related to the transit transport and logistics services.
- 5.1.3. simplify regulations of transit transport and logistics activities in compliance with border and customs control
- 5.1.4. participate in international and regional organizations’ activities, and efficiently utilize technical and methodological advices and assistances.
- 5.1.5. create favorable environment for trade and transport facilitation by establishing an integrated legal environment and standards with the neighbor countries
- 5.1.6. establish an active participation of private sector in policy and decision making and implementing measures on trade, transport and logistics sector

### “TRANSIT MONGOLIA”Development program

- 5.2 Within frame of the objective to promote and develop trade, transport and logistics services
- 5.2.1 take measure to make foreign trade documentation in conformity with international standards;
- 5.2.2 support application of bar codes in foreign and international trade;
- 5.2.3 introduce “warehouse-to-warehouse” inspection in customs, and establish required structure;
- 5.2.4 set up network of ‘an example” terminal entity and logistics centers in Ulaanbaatar to provide the citizenships with food and commodities meeting hygiene requirements;
- 5.2.5 set up network of A category logistics centers in Ulaanbaatar and Zamiin-Uud and SLC/TRC type logistics centers in region centers and other locations;
- 5.2.6 set up Altanbulag and Tsagaan Nuur Free Trade Zone and Zamiin-Uud Free Economic Zone;
- 5.2.7 establish international cargo logistics center at the Khoshigt Valley;

### “TRANSIT MONGOLIA”Development program

- 5.3. Within frame of the objective to extend national road and transport and connect to international transport system
- 5.3.1 Remap and construct AH3 corridor/road going around Ulaanbaatar, make feasibility study;
- 5.3.2 Finish the construction of road between Choir-Zamyn-UUd;
- 5.3.3 Finish the construction of AH32 road;
- 5.3.4 Connect the regional and aimag centers with paved auto road;
- 5.3.5 Construct AH4 of road and open an access to the neighbor countries;
- 5.3.6 Increase the technical capacity of the transit transportation by 3-4 times through the implementation of the projects on constructing the second new railway;
- 5.3.7 Study possibility to electrify the railway;
- 5.3.8 expand trade cooperation with the countries of the Central Asia and Middle East to facilitate new supply options with petroleum and other strategic raw materials by connecting Mongolia to the TRASECA corridor via Zuun bayan-Khanbogd-Ouy-Tolgoi-Shivee xuren and Xox post of China;
- 5.3.9 make Ulaanbaatar as an important international hub of railway, auto and air transport network.

### “TRANSIT MONGOLIA”Development program

- 5.4 Within frame of the objective to strengthen government policy supporting transit transport:
- 5.4.1 create environment to conduct auto and container transit transport via the corridor Zamiin-uud – Ulaanbaatar- Altanbulag;
- 5.4.2 establish complex service centers /motels, parking areas, auto service, gas stations, cafes, traffic safety unit, technical emergency and toilets/ that meet international standards, along the roads, each 150-200 kms;
- 5.4.3 set-up positive train control dispatching system for international and transit transports;
- 5.4.4 provide technical and regulatory assistance in conducting international transportation using TIR carnets;
- 5.4.5 intensify the incorporation with the freight forwarders of the Republic of China, Russian Federation and other countries and take promotional activities on introducing the National Program;
- 5.4.6 support and improve the private sector initiatives such like “Nairamdal” and “Mongol vector”;
- 5.4.7 enable Mongolian transporters to conduct two-way auto transportation through the territory of China.

### “TRANSIT MONGOLIA”Development program

- 5.4 5.5 Within frame of the objective to simplify the process of customs, border and professional inspection and control:
- 5.5.1 take organizational measure to ensure incorporation between border, customs and specialized inspections’ entities by data exchanging and conducting simplified inspections;
- 5.5.2 improve the organizational and management structure and monitoring system at the border specialized inspection unit and ensure condition of laboratory, techniques and technology and human resource capacity, meeting the international standards;
- 5.5.3 ensure and extend the scope of risk management system in customs inspections and declaration;
- 5.5.4 install X-ray for wagon inspections at Zamyn –Uud and Sukhbaatar ports, and for container inspections at Sukhbaatar port;
- 5.5.5 introduce advanced technology to prevent importation of prohibited and low quality products, and conduct inspections faster and simpler;

### “TRANSIT MONGOLIA”Development program

- 5.4 5.6 Within frame of the objective to apply ICT for trade and transport facilitation:
- 5.6.1 simplify trade and transport documentation by creating network to transfer electro-documents, determining respective functions of government organizations and harmonize their activities;
- 5.6.2 simplify the trade and transport documents and use uniform standards and put into electro-format;
- 5.6.3 implement single electronic windows for foreign trade;
- 5.6.4 disseminate related data and information of trade and transport via web site of the National Committee, in English, Mongolian and other international languages, and create virtual environment strengthening public and private partnership;

## "TRANSIT MONGOLIA" Development program

- 5.4 5.7 Within frame of the objective to improve institutional and human resource capacities:
- 5.7.1 build the capacity of human resources at the respective government agencies, ministries responsible for development and implementation of trade and transport policy;
- 5.7.2 take measures to establish structure that enable exchange information on technology, techniques, current news, and set up information network of partnership between public, private and non government organization;
- 5.7.3 identify and transfer international best practices, organize study tours, meetings, seminars and workshops;
- 5.7.4 establish training centers to train workers, and introduce related subjects in the curriculum of high educational institutions;
- 5.7.5 outsource services of international experts and consultants and conduct exchange Program of professionals;
- 5.7.6 set up associated Think Tank to make research finding and recommendation useful for designing policy, planning and implementing of activities available.

## Benefits:

"Transit-Mongolia" National Development Program implementation with increased involvement of private sector and further developing the use of public private dialogue and partnership mechanism.

Creation of freight terminals and logistics centers connecting air, railway and road transport network and becoming an international transit transport route, Mongolia will become a transiting country itself and fulfilling its objective to create a new transport and logistics service market.

Thank you  
for your attention!

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