MONGOLIA: SHARING OF EXPERIENCE ON TRANSIT COORDINATION

DEDICATED SESSION ON TRANSIT FOR THE LANDLOCKED DEVELOPING COUNTRIES "OVERCOMING CHALLENGES IN TRADE AND TRANSIT OPERATIONS"

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Progress on the implementation of the WTO Agreement on Trade Facilitation (TFA)

As of December 2022, 79.8 per cent of the TFA measures were notified to the WTO as implemented.

The five measures (all – Category C measures) yet to be implemented or notified are:

- Arts. 7.5 – Post-clearance A
- Art. 7.8 – Expedited Shipments
- Art. 8 – Border Agency Cooperation
- Art. 10.3 – Use of International Standards
- Art 10.4 – Single Window

Resources: WTO, ‘Trade Facilitation Agreement Database (TFAD)’
Launch of the eTrade Readiness Assessment of Mongolia

Mongolia eyes e-commerce to diversify its economy

Pillar 3: Trade Logistics and Facilitation
(Development Partners’ Roundtable in Ulaanbaatar on June 7, 2023.)
Main findings

- Trade facilitation and paperless trade are among national priorities and supported by many DPs;
- Goods traded via e-commerce are subject to regular [lengthy] customs clearance (consumers value speedy deliveries);
- Logistics is mostly ensured via road and rail. Implementation of dry ports is high on the agenda;
- Large share of international and last mile rural deliveries are not competitive.

KEY CHALLENGES: Territorial and borderline vastness make implementations of the TF and logistic solutions more challenging /costlier; customs clearance and domestic deliveries’ timeframes are lengthy; addressing systems are multiple and non-unified; border measures of neighboring China aggravate the situation.
High priority actions

- Implement the National Electronic Single Window / consolidate, systemize and publish the list of the existing electronic documentary submission and exchange solutions in the area of international trade.

- Implementation of trade facilitation solutions - overall (incl. risk-based clearance, de minimis) and specific to e-commerce.

- Upgrade of physical [transport] infrastructure and increase competition in transport services.

- Implementation of dry or multimodal ports.

- Continue implementation of paperless trade solutions in/ of relevance to customs clearance.

- Digitalization of delivery services.

- Continue digitalization of the delivery services to allow seamless processing and package / mail tracking by customers.

Source: Public (96) and private (31) sector stakeholder survey results
Current situation of transport: private sector engagement

Market structure of the Transport and Logistic companies /by the types of transport/

- ROAD TRANSPORT 12%
- AIR 1%
- TRANSIT 38%
- CONTAINER IMPORT 49%

Source: Research of Mongolian Freight Forwarders’ Association
Current situation of Transport

Share of Transport modes /by weight/

Projections of the Transportation growth until 2027 /by weight/

Source: National Statistical Office of Mongolia, International Monetary Fund
GOVERNMENT COMMITMENT - WAY FORWARD

**Railway projects**: Mongolia, Russia and China has agreed the Joint Plan on modernization of the central railway line.

**II. Road projects**: Road infrastructure connection through AH3 and AH4

**III. Energy project**: The gas pipeline project “Power of Siberia-2” through territory of Mongolia is under consideration

**IV. Air transport liberalisation**: Aviation agreement with trading partners, including recent MoU with the United States
Thank you for your attention