MINISTRY OF ROAD AND TRANSPORT DEVELOPMENT OF MONGOLIA,
MONGOLIA MARITIME ADMINISTRATION

2023 ASIA PACIFIC REGIONAL FORUM
ON SUSTAINABLE MARITIME CONNECTIVITY

NATIONAL TRANSPORT STRATEGIES OF MONGOLIA

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Content

• National Policy and Strategy, legal issues,
• Structure of the Dry Port Development
• Current situation of the Border ports
• Opportunity and challenges
• Policy recommendations
VISION 2050
In 2050, Mongolia will become one of the leading countries in Asia in terms of social development, economic growth, and the quality of life of citizens.

Priority areas of the economy will be developed, and an export-oriented economy will be created.
The national transport and logistics system will be developed.

The economic integration of the region will be fully connected through a unified network of infrastructure and will create basic conditions for rapid economic growth.

- The integrated international and regional transport and logistics network will be established in stages and connected to the networks of neighboring countries.
- The integrated local transport and logistics network will be established in stages and connected to international and regional transport and logistics networks.
- Introduce a modern smart transport logistics network that reaches every customer.
Based on an active partnership between the public and private sectors and investors, the New Recovery Policy aims to resolve six binding constraints limiting Mongolia's development.

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<th>Border ports recovery</th>
<th>Energy recovery</th>
<th>Industrial recovery</th>
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<td>Develop the hard and soft infrastructure of the border ports, and increase their freight and passenger capacity and exports.</td>
<td>Resolve issues on electricity, heating sources as well as transmission and distribution networks.</td>
<td>Establish factories in phases to process value-added mining and agricultural products.</td>
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<th>Urban and rural recovery</th>
<th>Green development recovery</th>
<th>Recovery of public sector efficiency</th>
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<td>Implement programs to ensure balanced urban and rural development in coordination with economic and infrastructure projects.</td>
<td>Preserve and ensure national traditions on environmental protection and define the national model of green development in accordance with global sustainable development trends.</td>
<td>Take actions to make the state capable, fair, ethical, accountable, supportive of development, and citizen-centred.</td>
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The hard and soft infrastructure of the border ports shall be further developed, and their freight and passenger capacity and exports shall be increased.

Border ports will be fully connected by railway and paved roads, their freight and logistics competitiveness will be improved, freight traffic will be enhanced, and the conditions for turning them into a transit hub will be created.

Improvement of the management and use of Mongolia’s airspace and airways, increase in the number of transit flights, and the establishment of a freight forwarding hub by way of ensuring the gradual liberalization of air transportation and support of the tourism sector.

The trade turnover increased through the phased establishment of free economic zones and inland “Dry” ports under the Concept of Regional Development of Mongolia.
Mongolia is a landlocked country. It is 4709 km from China to the south and 3543 km from the Russian Federation to the north. The country's economy is concentrated on only four ports, which creates a shortage of goods, increases prices, and negatively impacts business activities.

**Exports:**
- 90% by 3 ports Gashuun Sukhait, shivee huren, Zamiin-Uud

**Imports:**
- 90% by 2 Ports Altanbulag, Zamiin-Uud

**Shipping Cost:** 30% of GDP

According to a World Bank study, the country spends 30% of its GDP on transportation, which is high compared to other countries.
Port Recovery policy implementation will
• increase the capacity and flow of shipments and passengers,
• improve exports and trade turnover, and
• support tourism.

The root conditions of becoming a “Transit country” will be demonstrated through the competitiveness of transportation and improved logistics by gradually establishing free economic zones and dry ports.

- Ports capacity will be tripled
- The national railway network will be doubled, and 2966 km of road connecting the port will be built
- Active airports will be doubled, and 4C airports will increase to 4
- Development of 4 land ports and 6 tourism ports will be established
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Legal Framework

“Maritime Law” was approved in 1999 (2022, updated)

“Waterway Transportation Law” 2007

2. Marine activities
3. Registration of vessels
4. The vessel and its crew prevent marine safety activities and pollution
5. Miscellaneous

1. General Provision
2. The plenipotentiary state authority of waterway transportation
3. Registration of waterway transportation vehicles and its special license
4. Waterway transportation
5. Technical inspection of waterway transportation vehicles
6. Controlling the implementation of waterway transportation law and legislation
7. Miscellaneous

• Mongolia became a member in 1996 and
• Joined 32 conventions, and protocols regarding the maritime field.
Mongolia Maritime Administration is the governmental organization that has an obligation to implement the policy, programs, and projects related to maritime affairs in line with the relevant laws, international treaties, conventions, rules, procedures, standards, and guidelines.

Main operations:
- To develop the legal environment of maritime affairs;
- To ensure the implementation of government policy and action plan;
- To strengthen maritime capacity; and
- To develop a maritime strategy.

- Ship Registration
- Dry port development unit
- Maritime Transportation
- Domestic waterway transportation
- Training national human resources
The Dry Port Unit (DPU) was established in March 2023 by the decision of the Cabinet Ministers’ meeting of June 2022 within the structure of the MMA under the MRTD of Mongolia.

DPU is responsible for carrying out the following activities to develop dry ports in Mongolia:

- conducting research and analysis,
- formulating policy,
- ensuring its implementation,
- supporting the coordination of the cooperation of stakeholders, and
- linking with other international dry ports.
THE CAPACITY OF BORDER PORTS

Status of 2020

**Total border ports: 46**

- **39 auto ports**
- **3 railway ports**
- **4 airports**

Of which:

**Inactive – 19 ports**

**29** border ports with Russia

**13** border ports with China
The Agreement between the Government of Mongolia and the Government of China on "Shipping to and from and through the territory of Mongolia and China" was first established in 1991 and renewed in 2014. According to the agreement, our country agreed to use 7 open sea ports for foreign trade in North and Northeast China.

1. Jinzhou
2. Qinhuangdao
3. Inkou
4. Dalian
5. Tianjin
6. Dandun
7. Huanghua
TRANSPORT AND LOGISTICS: RAILWAY

Total railway infrastructure:
- Existing railway: 1542 km (1984-2020 year)
- Under construction: 2394 km (2022)
- Planned: 4870 km (2027*)
The hard and soft infrastructure of the border ports shall be further developed, and their freight and passenger capacity and exports shall be increased.

**Target ports:**
- Gashuun sukhait
- Zamyn uud
- Bichigt
- Shiveerkhuren
- Khangi
- Ereentsav
- Arsuuri
- Altanbulag

Average cargo transportation by road and rail in the last 5 years: **30-70 mln.tn**
Opportunity:
✓ Optimal transport network connecting Asia and Europe to other continents
✓ International cooperation Regional integration
✓ International agreements and joint conventions
  International trade flows
  - Mongolia-Japan Economic Partnership Agreement
  - Seoul Convention on the Establishment of a Multilateral Investment
  - Insurance Agency Washington Convention on the Settlement of Investment Disputes
  - A member country of the World Trade Organization

26 Countries
Double taxation negotiation

43 Countries
An agreement on mutual protection and promotion of investments was concluded
Along the China-Mongolia-Russia Economic Corridor in East and North-East Asia, dry ports are vital to enhancing the facilitation and efficient functioning of cross-border logistics and transit transport systems. This is a key element especially for Mongolia being the transit and landlocked developing country in this corridor. A relatively large number of research works have been carried out on the establishment and development of dry ports in Mongolia.
The Zamiin-Uud logistic center can be the southern dry port.

UB transportation logistic center can be a dry port:
- 34 km to the southeast of UB city
- Area 130-hectare 1500 x 860m
By establishing a dry port in Khovd, Russia, China, and the Republic of Kazakhstan can be connected to the transnational transport infrastructure network and develop into a regional transport and logistics hub.
✓ The shortest passage to the sea in Mongolia. Jinzhou Port, China From the Chinese side, infrastructure, road communication, logistics, and port city construction have been done.

✓ The list of 32 projects to be implemented as part of the Mongolia-Russia-China Economic Corridor program includes the Eastern Corridor, or the Ereentsav-Choibalsan-Hüot-Bichigt railway.
POLICY RECOMMENDATIONS:

✓ To create necessary prerequisites to develop international Dry ports within the country
✓ To implement technical assistance projects with neighboring countries
✓ To develop international dry ports in stages along with free economic zones within the country to improve trade circulation
✓ Strengthen partnership and cooperation to connectivity regional Seaports and Dry ports
Thank you

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