RAILWAY TRANSPORT FACILITATION IN MONGOLIA

“Regional meeting on Cooperation for Facilitation of International Railway Transport”

Bangkok, 13-15 October 2014
STATE POLICY ON RAILWAY TRANSPORTATION

(Parliament Resolution No.32, June 24, 2010)

Phase I  - appr. 1100 km
Phase II - appr. 900 km
Phase III - appr. 3600 km

Existing railways

Phase I - appr. 1100 km
Phase II - appr. 900 km
Phase III - appr. 3600 km
100tn mining products from major 3 mining deposits, Tavan tolgoi, Oyu tolgoi and Nariin sukhait to export by 2020.
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**Railway development strategy: UBTZ development plan (2015-2020)**

**North**
/Erdenet – Arts suuri, 770 км/
• Erdenet – Ovoot (545 км)
• Ovoot – Arts suuri (225 км)
• Darkhan – Erdenet

**West**
Western corridor

**East**
/Choibalsan – Ereentsav, 239 км/
• Choibalsan – Ereentsav rail rehabilitation and reconstruction to relate “New railway” project

**Central**
/Sukhbaatar–Zamiin-Uud 1110 км/
• Sukhbaatar–Zamiin-Uud- 100 million ton,
• Bogdkhan railway
CURRENT RAILWAY SECTOR: General information

- **Total rail line** – 1,908 км
- **Wagon** – 6,577
- **Locomotive** – 182
- **Freight transportation** - 21.0 million ton
- **Passenger transportation** - 3.7 million persons
- **Income** - 310.1 billion MNT
  - **Ashig** - 2.4 billion MNT
- **Human resource**
  - **UBTZ** - 15,002
  - **MTZ** - 1,568
- **Stations**
  - **UBTZ** - 80
  - **Bold tumur yuruu gol** - 5
CURRENT RAILWAY SECTOR: PASSENGER TRANSPORTATION
(1951-2013)

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/mill.person/
Existing legal basis

For Mongolia:
- Law on Railway transport – 2007
- State policy on Railway transportation – 2010

For international railway transport:
- Membership in OSJD – SMGS, SMPS
  - “International Agreement on Freight Traffic Relations”, OSJD
  - “International Agreement on Passenger Traffic Relations”, OSJD
  - Other Common Rules and Regulations for Railway Transport
- UIC
- TIR Convention
- UNESCAP
  - Joint statement on Future Development of Euro-Asian Transport links
  - Joint Declaration on the promotion of Euro-Asian rail transport and activities towards unified railway law

Mutual agreement:
- Cross border railway agreement with China – 1955
- Cross border railway agreement with Russia – 1980
RAILWAY DEVELOPMENT STRATEGY: UBTZ TECHNICAL MODERNIZATION (2013-2020)

- 21 million tn/year
- 34 million tn/year
- Year >100 million tn

2013: Decision by “UBTZ” General committee on 2013.11.06 for modernization with amount of 256 million USD

2015:
- Double track
- Electrification

2020:
- Increase 60%

“AGREEMENT FOR PARTNERSHIP IN UBTZ MODERNIZATION AND DEVELOPMENT STRATEGY” 2014.09.03
“Trilateral conference” on transit railway transportation passing through Mongolia, Russia and China in December 2013 and 3 countries concluded a “Joint statement”

“Transit Mongolia” forum was held and conditions for transit transportation through Mongolia railway were introduced.
Tuva, Elista coal mining deposit, Russia: 15 million ton/year

Ovoot coking coal deposit: 10 million ton/year

Transit from Russia to China: 6 million ton/year

Transit from China to Russia/Europe: 3 million ton/year

Railway Development Strategy: NORTHERN FREIGHT FLOW
Railway development strategy: FEASIBILITY STUDY FOR SECOND RAILWAY (2007)

Existing railway

Proposed line

Track length: 1,071 км

Completed: Feasibility study /comparison with 1520mm and 1435mm gauges/
Railway Development Strategy: BOGDKHAN RAILWAY PLANNING

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EXISTING RAIL - 167 км

RASHAANT
ULAANBAATAR
MAANIT

Bogdkhan rail 149.1 км
Access to seaports
**Cross border rail transport:**

*“Flexible tariff”*

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<tr>
<th></th>
<th>RJD</th>
<th>Mongolian railway</th>
<th>KJD</th>
<th>KZK</th>
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<tr>
<td><strong>Coal</strong></td>
<td>0.011</td>
<td>0.014</td>
<td>0.031</td>
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<td><strong>Petroleum</strong></td>
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<td>0.027</td>
<td>0.033</td>
<td>0.043</td>
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<td><strong>Container</strong></td>
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<td>0.031</td>
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<tr>
<td><strong>Wood</strong></td>
<td>0.019</td>
<td>0.017</td>
<td>0.026</td>
<td>0.031</td>
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“Strict term”

- Russia to China: 36 hours
- China to Russia: 40 hours

Zamiin-Uud
Sukhbaatar

Russia to China

China to Russia
“Single window” service

General Administration for Cross Border - 2014

Custom

General agency for specialized inspection

Border military

Inspection

Single window service

Single window service
Multimodal Logistics Center in Zamiin-Uud cross border

- **Zone-1:** 50T Crane 4 Railway Across
- **Zone-2:** 70T Gantry Crane Operational Area
- **Zone-3:** Open Warehouse
- **Zone-3:** Enclosed Warehouse

<table>
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<tr>
<th>Freight capacity</th>
<th>5 mill. ton/year</th>
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<td>Financing</td>
<td>71,64 million USD</td>
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<td>Operation</td>
<td>2016</td>
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- After completion of this project Zamyn-Uud border point’s freight turnover will increase 80 percent, transportation delay time or congestion will decrease 50 percent in 2018 comparing with in 2009.
Major challenges in cross border and transit railway

- Gauge difference – 1520 and 1435mm
- Cost of tariffs
- Length of documentation
- Railway transit period for passing through Mongolia
- Customs and rolling stock sealing
- Development of multimodal transportation modes and logistics centers
- Coal transportation through the cross border
  - Frequency of freight transshipment at the border
  - Environmental damages
  - Time consuming
  - Expensive for vehicle transportation
- Lack of capacity, track, site and efficiency of technology at the transshipment center and stations
- Freight interlock affects development of stations, freight terminals and operation of logistics companies
Further actions needed:

• Interconnection of customs

• Introduction of common standard/system for freight entry declaration

• Real time information

• Flexible tariffs /apply potentially domestic tariff for regional transit, especially through China, Mongolia and Russia/

• Agree with Border cross technology for certain distance and transport modes with common interested conditions
Thank you for attention.