TRANSIT TRANSPORT POLICY AND INFRASTRUCTURE DEVELOPMENT IN MONGOLIA

EXPERT GROUP MEETING ON THE MIDTERM REVIEW OF VIENNA PROGRAMME OF ACTION FOR LANDLOCKED DEVELOPING COUNTRIES FOR THE DECADE 2014-2024

ALMATY, KAZAHSTAN 18-19 SEPTEMBER 2018
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Mongolia is one of the largest landlocked countries in the world, with a territory extending over 1.6 million square kilometers on a plateau 1,580 meters above sea level. It is bordered by Peoples Republic of China on three sides, to the East, South and West and by Russian Federation to the North. The country is rich in a variety of mineral resources and has substantial livestock herds, ranking first in per capita ownership in the world. Mongolia is a sparsely populated country, with a population of around 3.2 million, with population density of 2 persons per square kilometers. However, more than 60 per cent of the population live in urban area.

The construction of new roads and the maintenance of existing ones are being given high priority of the Mongolian Government. Country’s road network heavily dependent on railway for the transit transportation. As part of the Government of Mongolia’s 2016-2020 action plan, road and transport sector’s objective to expand and develop transport and logistics network that supports economic improvement, meets social needs and requirements, and provides safe and comfortable service is priority.
The construction of new roads and the maintenance of existing ones are being given high priority of the Mongolian Government. As part of the Government of Mongolia’s 2016-2020 action plan, road and transport sector’s objective to expand and develop transport and logistics network that supports economic improvement, meets social needs and requirements, and provides safe and comfortable service was included. Country’s road network heavily dependent on railway for the transit transportation. The transport network in Mongolia consists of four subsectors railway, road, air and water. Specific conditions to the country have predetermined that railway and road play dominant roles.
TRANSPORT SECTOR IN MONGOLIA

Roadway: 109,361 km (international and state 15,231 km which paved 6,234 km)

Airway: 46.5 thousand km

Railway: 1.9 thousand km

Waterway: 0.1 thousand km
TRANSPORT SECTOR IN MONGOLIA

- INTERGOVERNMENTAL AGREEMENT ON DRY PORTS;
- INTERGOVERNMENTAL AGREEMENT ON ROAD TRANSPORTATION ALONG THE ASIA HIGHWAY NETWORK BETWEEN GOVERNMENT OF MONGOLIA, RUSSIAN FEDERATION AND PEOPLES REPUBLIC OF CHINA;
- INTERGOVERNMENTAL AGREEMENT ON THE ACCESS TO AND FROM THE SEA AND TRANSIT TRANSPORTATION THROUGH CHINESE TERRITORY BY MONGOLIA, 2014 – INSTEAD OF 1991;
- INTERGOVERNMENTAL AGREEMENT BETWEEN GOVERNMENTS OF MONGOLIA AND PEOPLES REPUBLIC OF CHINA ON DEVELOPING COOPERATION IN RAILWAY TRANSIT TRANSPORTATION;
- INTERGOVERNMENTAL AGREEMENT ON THE ACCESS TO AND FROM THE SEA AND TRANSIT TRANSPORTATION THROUGH RUSSIAN FEDERATION TERRITORY BY MONGOLIA 1992;
- INTERGOVERNMENTAL AGREEMENT BETWEEN GOVERNMENTS OF MONGOLIA AND RUSSIAN FEDERATION ON TERMS FOR RAIL FREIGHT TRANSIT TRANSPORTATION
INTERGOVERNMENTAL AGREEMENTS

- CONVENTION ON THE CONTRACT FOR THE INTERNATIONAL CARRIAGE OF GOODS BY ROAD (1956.05.19)
- CONVENTION ON ROAD TRAFFIC (1968.11.08)
- THE CONVENTION ON INTERNATIONAL TRANSPORT OF GOODS UNDER COVER OF TIR CARNETS (TIR CONVENTION)
- INTERGOVERNMENTAL AGREEMENTS ON ROAD TRANSPORTATION WITH KAZAKHSTAN, LATVIA, RUSSIAN FEDERATION, PEOPLES REPUBLIC OF CHINA, BELORUSSIA, TURKEY, DEMOCRATIC PEOPLE’S REPUBLIC OF KOREA
MINISTRY OF ROAD AND TRANSPORT DEVELOPMENT OF MONGOLIA – REGIONAL MEETING

FLEXIBLE TARIFF POLICY

TRANSIT CORIDORS

FLEXIBLE TARIFF POLICY
1. Railway goods transferred in the receiving border station according to SMGS.

2. Control authorities and other stakeholders at the border stations are the followings:

• General Authority for Border Protection;
• General Department for Citizenship and Migration of Mongolia referred as Immigration of Mongolia;
• General Customs Administration of Mongolia;
• General Agency for Specialized Inspection (GASI).
Mongolian-Russian border crossing points characteristics

- Same track gauge, no transshipment;
- Locomotives are served one by one between border stations every year;
- 13 pair trains per day, maximum permitted weight of trains: 6000 tons, maximum length of the train: 71 wagons;
- Dynamic weight controlling on both sides;

Technological time of train receiving procedure:

- at the Sukhbaatar station is 2 hours and 55 minutes /175 minutes/ and
- at the Naushki station is 3 hours and 55 minutes /235 minutes/, which takes longer for 1 hour.
Mongolian-Chinese border crossing points characteristics

- **Mongolia**, "Ulaanbaatar railway" JSC
  - Zamiin-Ude
  - Gauge: 1,520 mm

- **PRC**, China railway corporation
  - Erlian
  - Gauge: 1,435 mm

- Different track gauges;
- Transshipment is done on receiving side railway station;
- 12 pair trains per day, maximum permitted weight of trains: 5000 tons, maximum length of the train: 60 wagons;
- Grouping the same goods /coal, container, iron ore and the others/ in a train;
- Up to 10 wagon of same goods can be transported by one transport documentation.
2. RAILWAY TRANSIT TARIFF RATE

Container transportation tariff (2007): 15.5%

Transshipment tariffs for containers (2017): 65.5%

Differentiation rate system in tariff: based on volume of transportation per month (2017)
FACILITATION MEASURES AT RAILWAY BORDER CROSSINGS

1. Technological time:
   - Train receiving procedure time at Zamiin-Ude station was 420 minutes:
   - Mongolia introduced parallel technology system: train receiving procedure time reduced by 173 minutes (248 minutes).

2. Fast processing of container trains:
   - Excluded the locomotive changing procedure for whole travel;
   - Technical maintenance technology is reduced at technical station from 60-70 minutes to 30-40 minutes.

Reducing the travel time: freight transportation 850-950 km per day.

- Russia to China: 28 hours, became 27% faster
- China to Russia: 31 hours, became 26% faster
CONTAINER TRAIN TRAVELLING TIME FROM CHINA TO RUSSIA, /ROUTE TRAIN/
3. Simplification: Exchange information between railway stakeholders

**Phase I:**
In 2016, signed contract between Mongolian and Russian railway authorities for exchange electronic documents by IFTMIN: 14103 documents received, 12591 documents sent.

Beginning stage of paperless procedure for railway transportation: Consignment notes and Transfer lists are exchanged fully Electronic version since May 2017 /IFTMIN, IFTSUM/.

**Phase II:**
E-sign will be available in 2018 between Ulaanbaatar Railways and Russian Railways, international and domestic transport documents will be acceptable without collating with paper documents.
4. Simplification: Development of sufficient and efficient capacities for transshipment: Zamiin-Uud Regional logistic park

- **Zone-1:** 50T CRANE 4 RAILWAY ACROSS
- **Zone-2:** 70T GANTRY CRANE OPERATIONAL AREA
- **Zone-3:** Open Warehouse
- **Zone-3 Enclosed Warehouse**

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<tr>
<th>Capacity</th>
<th>5 million ton/year</th>
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<td>Investment</td>
<td>71,64 million USD</td>
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<td>Operation starts</td>
<td>2018</td>
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FACILITATION MEASURES AT BORDER CROSSINGS

Challenges:

1. Lack of available wagons for reloading both on Zamiin-Ude and Erlian stations.
2. Lack of cooperation between internal and external stakeholders: Electronic information exchange between railways and control authorities.
3. Long time taken for freight trains to cross the border at the Erlian/Zamiin-Ude.
4. Lengthy transshipment operations, limited reloading/receiving capacities.
5. Capacity building improvement.
THANK YOU FOR YOUR ATTENTION