

Development of Regional Cooperation Programs for Mongolia and the People's Republic of China-RETA 6370

Joint Dissemination Workshop on the Study of
Zamyn-Uud & Erlian Border Development Program
April 14, 2009
Hohhot, Inner Mongolia, PRC

Asian Development Bank

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Actionable Statements

- ⌘ “cooperation in this region should be institutionalized...and coordination strengthened”
- ⌘ “We always encourage the Chinese business sectors to have more exchanges with their counterparts in Northeast Asian countries...”
- ⌘ “We are supposed to upgrade the current information sharing facilities to better serve our businesses.”

-Vice Minister Yi Xiao Zhun, Ministry of Commerce, China,
*UNDP Greater Tumen Initiative Seminar, Ulaanbaatar,
Mongolia, March 2009*

Actionable Statements

⌘ “The Joint Border Development Commission needs active oversight by the *Asian Development Bank* for 2-3 years to ensure effectiveness”

-Chairman Orgodol Sanjaasuren, Mongol Post Bank, formerly with *World Bank and International Finance Corporation*

⌘ “Regional projects have high payoffs, but are expensive and time consuming with a need to benefit all equally”

-Mr. Adrian H. Ruthenberg, Country Director, Mongolia Resident Mission, *Asian Development Bank*

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I. Border Trade Demand *Erlian*

- ⌘ Erlian -US\$437.8-\$878.9 million: 26.15% trade growth from 2004-2007
 - ⌘ Exports: Imports- 33%: 25% 2004-07
\$130 million: \$750 million in 2007
 - ⌘ Exports: Building materials, Food
Imports: Raw Materials: value added
(Mongolia-mining, animal; Russia-timber)
-

Border Trade Demand

⌘ US \$16-\$375 million: 41.4%
GDP growth from 1996-2007.
US\$613-\$2,326 DI/capita: 26%

⌘ Forecasted: US \$4 billion 2020: 59%
DI/capita of US \$6,176: 33%

Border Trade Demand *Zamyn Uud*

- ⌘ Zamyn-Uud –2007 US \$1,288/capita
GDP for Mongolia
 - ⌘ Forecasted GDP- 8.3%-7% to 2020
 - ⌘ Trade Logistics Facilities- 16.5% growth
from 2003-2007
 - ⌘ MCA Rail Project: 17 million metric tons
2006 to 23 million no changes-41 million
with changes by 2011
-

II. Border Development Strategies

⌘ Mongolia- "Transit Mongolia & Action Plan"

⌘ Erlian- "5432 Program"

-Truck Border Road

-North Border Logistics-Processing

-East Rail Logistics- Processing

-Airport with Logistics Area

-Enterprises with plans: "cold chain"

III. Joint Border Development Commission

⌘ *Joint Border Control Conference* →

Joint Border Development Commission:

- ⌘ Who? **Zamyn-Uud** Special/NCTTF/Customs
Erlia Border, Transport, Customs
AND Private businesses of both sides
 - ⌘ What? Harmonize Border Projects: Road, Rail, Logistics, FEZ, Urban (water, energy)
 - ⌘ When? Monthly, Quarterly, Yearly
-

IV. United States-Canada Border

Joint Infrastructure Improvements



⌘ Steering Committee
-monthly

⌘ Core Group
-quarterly & decisions

⌘ General Assembly
-annually

Since 1997, secured over
\$38 million from US-CAN

United States-Canada Border

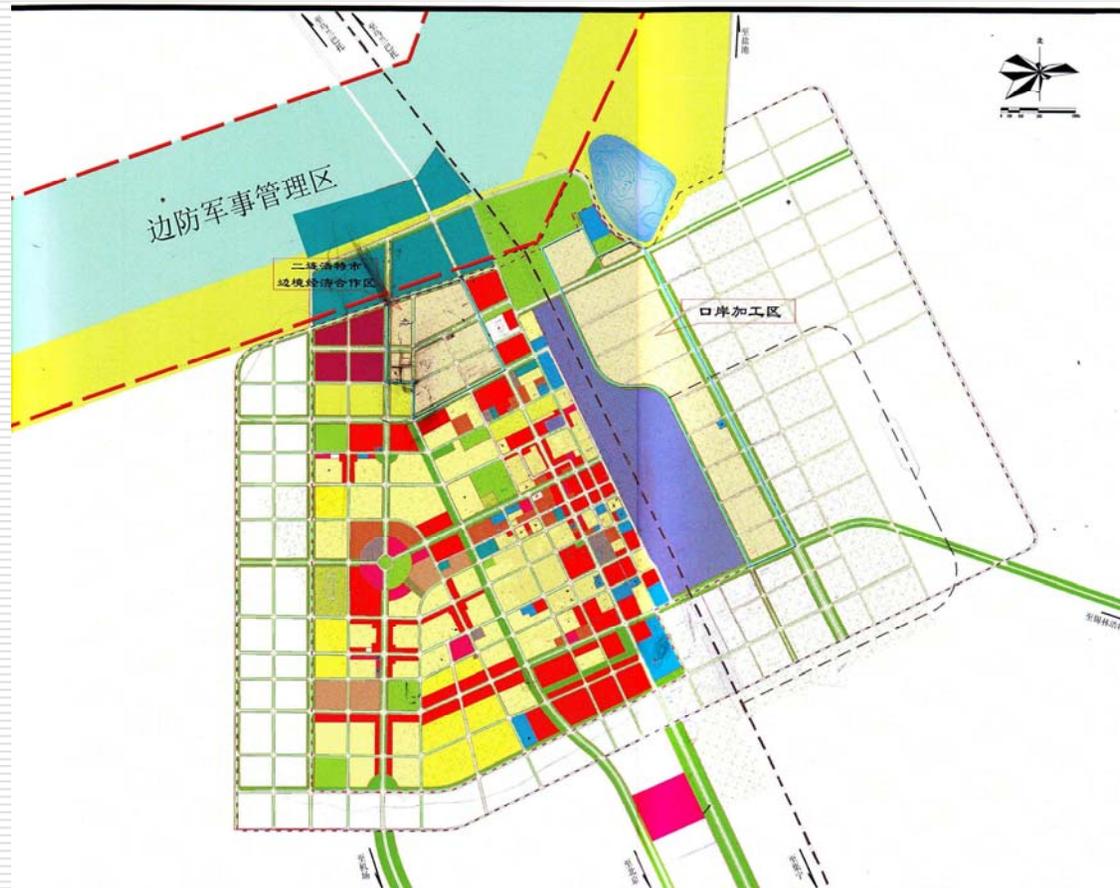
⌘ Joint Government & Business Goals:

- A forum for ongoing communication
- Coordinate Planning as joint system not individual border crossings
- Distribute data and information
- Identify/Pursue improvements:

Infrastructure, Operations, Technologies



Joint Border Development Commission



V. JBDC Working Groups/Committees:

A. *Operational Improvements*

Transloading → International Practices
with supply chain value add services

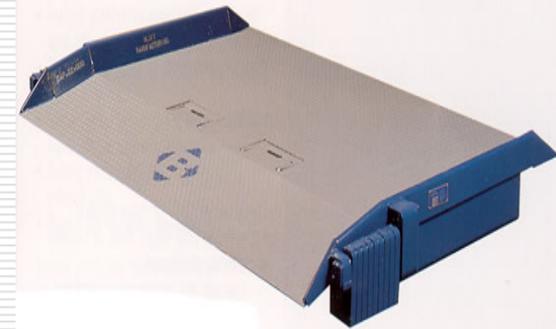
1.) Manual → Pallets/Forklifts →
containerization of all cargo in the future

2.) Border/Yard Chaos →
Registration/Scheduling System Software

3.) Certificates of Conformity/Erlian Lab

B. *Infrastructure Improvements*

- 1.) Loading Platforms
 - 2.) Warehouses
 - 3.) Yard Roads-Parking
 - 4.) Choyr-Zamyn-Uud
 - 5.) Water Pipelines
- General Arrangement Plan (GAP)



C. Policy Improvements

1.) **SMGS-UBTZ**

Harmonize Railway & Freight Forwarding
Laws

2.) **Truck Crossing Agreement**

Working Group-Nov 08, Mar 09- *1991 Agreement*
Manzhouli municipal border agreement

3.) **Free Economic Zone Harmonization**

Harmonize with Erlian FEZ/Logistics Plans
Xinjiang-Horgos & Kazakhstan Border

Policy Improvements

4.) Data Exchanges

Customs Mutual Assistance/CAREC

5.) International Trade Corridor Mgt

Objectives, Roles & Responsibilities



Asian Development Bank
Intervention Short-Term
VI. Projects & Capacity Building

- ⌘ **Joint Website**-Mongolia-PRC-Russia
CIECC, Beijing (\$65,000/\$35,000)
 - ⌘ **Single Electronic Window**
-data agreement

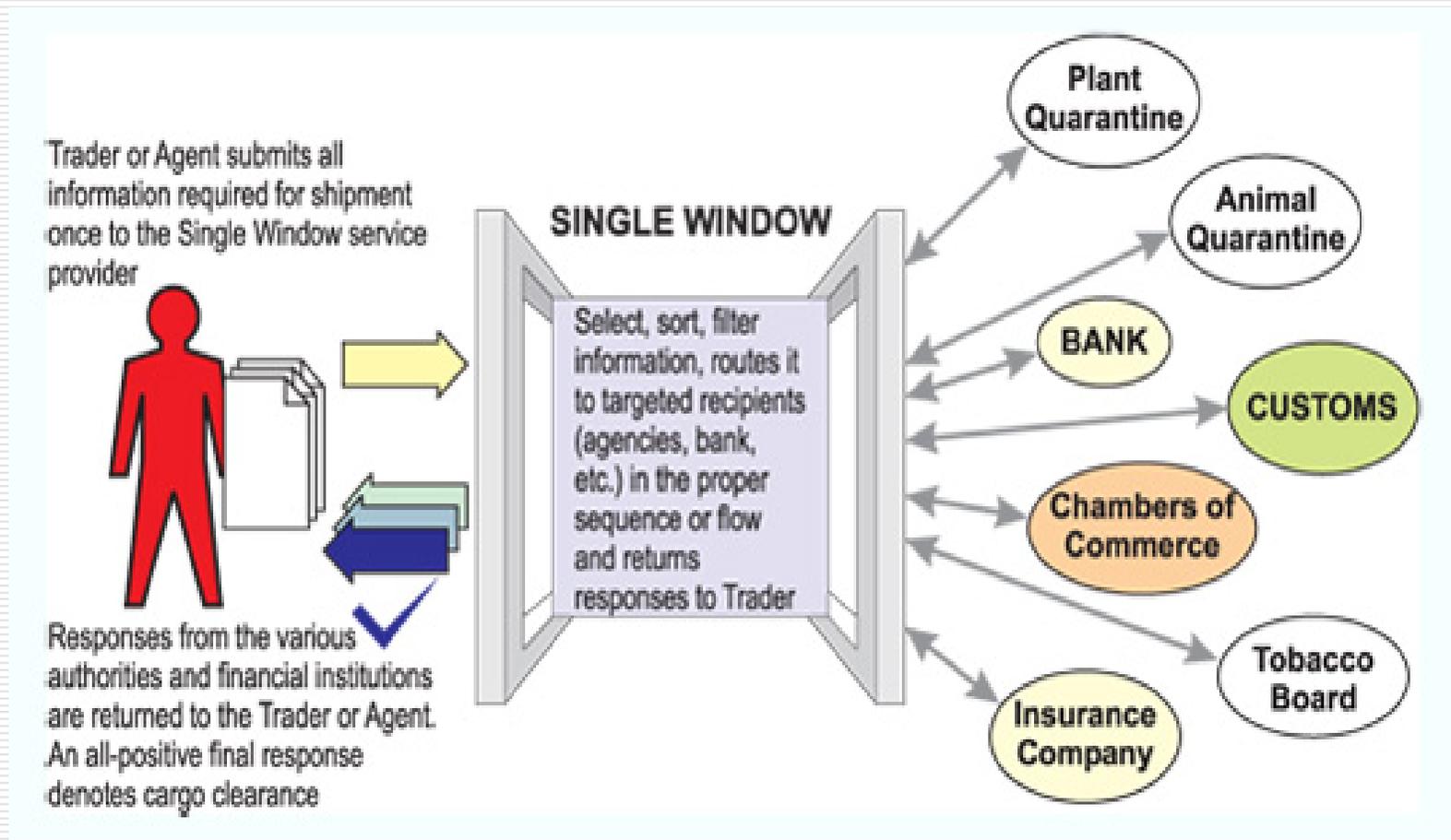
 - ⌘ **Training-Case Studies**
 - ⌘ **Study Tours**-By a Working Group in the
Joint Border Development Commission
-

Assessment of Training Needs

- ⌘ Working Group of Capacity Building
 - Assess the needs and goals, jointly
 - list of site locations & participants
 - ⌘ Suggestions: Tianjin-Binhai; Hailar; Hong Kong-Shenzhen; and the Cascade Gateway, U.S.A.
 - ⌘ Concepts in Case Studies: (ADBI)
Intermodalism; Information Systems; PPP; Delivery of Urban Services; IPA
-

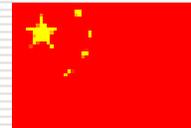
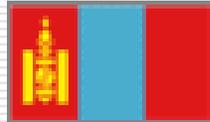
Single Electronic Window

Internal & Bilateral Agreements



Thank You

Questions/Answers



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