



**CAREC Trade Facilitation and Mongolian Customs:
Experiences and Challenges
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CAREC Trade Facilitation Program

- Customs Cooperation Committee
 - Ten years and 5 priority areas
 - simplification and harmonization of procedures
 - ICT for customs modernization and data exchange
 - risk management and post-entry audit
 - Joint customs control
 - Regional transit development
- Integrated Trade Facilitation
 - Corridor performance measurement and monitoring
 - CAREC Federation of Carrier and Forward Associations
 - Sanitary and phytosanitary cooperation
 - Regional Improvement of Border Services Project (border crossing points and single window)



Customs Modernization Project

- **2007-2011**
- **Component 1** – Customs Automated Information System /CAIS: Core component in modernization project - 70%
- **Component 2** - Infrastructure Improvement - 22% (Scanners/7 and Lab equipment/4)
- **Component 3** - Capacity building (C2B) - 8%
- Parallel financing: ADB loan (5 mln USD) and Korean Government Grant (2.5 mln USD)



CAIS

- Tailored for Mongolian customs
- World class technology
- Web technology, on-line, real time procedure
- Operating system, software language – up to the international standard
- Possibility to exchange data
- Information security
- *In operation since July 1, 2010*



Re-engineering

- Customs control:
 - Control of cargo movement
 - Customs clearance
- CAIS & External portal separated
- Risk management
- Manifest: covers export and import goods
- Carry in/Carry out ,Transport declaration
- Data warehouse, data mart



Risk Management

Welcome!

Гаргах

User Infor Modification

Risk Criteria Management

Common Apply Rate

Random Rate (Local)

Mandatory Risk Criteria

Risk Criteria

Certified Company

Mandatory Risk Criteria

Risk Criteria Serial No

Export/Import

Deleted Yes or No

Expired Y/N

Central/Local

Customs House

Apply Period

Expand
Condition

Хайх

Mandatory Risk Criteria List

Add Modify Delete Excel Upload Excel Download

<input type="checkbox"/>	Export/Import	Customs House	Risk Criteria	Apply Period		Cargo Selectivity		Apply Status
				Start Date	End Date	Applied Date	Expired Date	
<input type="checkbox"/>	Import		HS [0511] Animal products not elsewhere specified or i...			2010-03-02		Y
<input type="checkbox"/>	Import		HS [0106] Other live animals.			2010-03-02		Y
<input type="checkbox"/>	Import		HS [0104] Live sheep and goats.			2010-03-02		Y
<input type="checkbox"/>	Import		HS [0102] Live bovine animals.			2010-03-02		Y
<input type="checkbox"/>	Import		HS [0101] Live horses, asses, mules and hinnies.			2010-03-02		Y
<input type="checkbox"/>	Import		HS [9504.90.00] - Other	2010-03-01	2010-12-31	2010-03-02		Y
<input type="checkbox"/>	Import		HS [2922.39.00] -- Other	2010-03-01	2010-12-31	2010-03-02		Y
<input type="checkbox"/>	Import		HS [2922.19.00] -- Other	2010-03-01	2010-12-31	2010-03-02		Y
<input type="checkbox"/>	Import		HS [2922.49.00] -- Other	2010-03-01	2010-12-31	2010-03-02		Y
<input type="checkbox"/>	Import		HS [2922.50.00] - Amino-alcohol-phenols, amino-acid-ph...	2010-03-01	2010-12-31	2010-03-02		Y
<input type="checkbox"/>	Import		HS [2924.29.00] -- Other	2010-03-01	2010-12-31	2010-03-02		Y



CAIS

- The Mongolian Customs has ICT system developed inline with the international requirements
- Exchange of e-documents both at domestic and international level became possible
- Basis for National SEW is developed at the Customs level



CAREC Capacity Building

- Since 2001: Meetings – 58 officials
- Seminars, workshops- 115 officials
- Shanghai Customs College -181 officers
- Customs Management Workshop- 20 officers
- Time Release Study (TRS) Planning Workshop
- CAREC Training course on Specialized Customs Topics: Joint Customs Control, etc.
- CAREC Training Workshop on Customs Management Modernization



Trade Facilitation- at the border

- Joint Customs Control with PRC Customs
 - Simplification and harmonization of procedures: Manifest alignment at Zamyun-Uud and Gashuunsukhait BCP's
 - Gashuunsukhait BCP: 18,299 manifests since 15 Dec 2011
 - Zamyun-Uud BCP: 110,000 manifests since 1 Jan 2011
 - Globally Networked Customs: exchange of electronic manifest to be considered
- WCO-2012: Borders divide, Customs connect
- Connectivity
 - Coordinated Border Management



Trade Facilitation

- Why trade facilitation?
- Mongolia: World Bank's "Doing Business 2012" Report
- "Ease of Doing Business" indicator – 86th of 183 countries surveyed
- "Registering Property" indicator – 26th
- "Trading across borders" indicator – 159th – more important for economic growth



Trade Facilitation

- *USAID – Business Plus Initiative Project Report on “Preliminary estimates of the staggering costs of inefficient trade regulation in Mongolia”:*
- Almost \$20 mln annually in Five unnecessary import and export document cost (for example, export – 8 documents, 28 days)
- More than \$2 billion in reduced trade volumes every year, and the associated loss of about \$154 mln in revenues collected by CGA on imports
- Close to \$2 billion in lost of GDP Growth



New project: RIBS

- Identical infrastructure and capacity of BCP's
 - Different level of infrastructure – causing delays and bottlenecks
 - Sub-regional level solution needed
 - Building the mechanism of planning and information exchange in development of BCP's between neighboring countries



New Project: RIBS

- Endorsed by the 8th MC in Oct 2009
- Component 1: BCP Improvement /Zamyn-Uud 4b, Bulgan-Yarant 4a/
- Component 2: SW development
- To be initially implemented in Mongolia, Kyrgyz Republic and Tajikistan
- Loan fact-finding mission from ADB visited on 16-19 May 2012
- MOU stating Financing plan, implementation arrangements, etc



Trade facilitation - SEW

- Government Resolution – June 2011 – Steering Committee was established
- CGA – appointed as a lead government agency
- Chamber of Commerce – representing the private sector
- Working Unit is established at the CGA



On-going activities

- **USAID-Business Plus Initiative Project:**
- Tripartite MoU between the CGA, Chamber of Commerce and Industry and BPI Project
- Time Release Study – USAID/BPI project
- Availability of the trained personnel: Mongolian customs officers attended CAREC TRS Planning Workshop in Tashkent, Uzbekistan



On-going activities

- **USAID-Business Plus Initiative Project:**
- Further implementation of Risk Management
- Enhancement of Customs Brokers' institution and drafting of the new law on Customs Brokerage
- **GIZ** – SEW Training
- **Korea Customs:** AEO program implementation
 - Internationally accepted trade facilitation benefits
 - AEO mutual recognition arrangements



Challenges ahead

- ? (AusAid and Australian Government):
Project on Enhancement and Capacity Building of Mongolian Customs Research and Development Center
- MoU with Canberra University Center for Customs and Excise Studies signed
- Capacity building: hosting of regional training - stimulus for national training institutions to develop



Thank you for your attention!

“After climbing a great hill, one only finds that there are many more hills to climb”

Nelson Mandela

