

**Opening Remarks
CAREC Workshop on
National and Regional Joint Trade and Transport Facilitation Committees
26 May 2009, Ulaan Baatar, Mongolia**

Thank you, Mr. Davaakhuu, for your kind words and welcome.

Let me thank the Government of Mongolia for hosting this event. A warm welcome to everyone here today.

Mongolia is doing very well in the World Bank's 2009 doing business index. It is ranked 59 overall out of 181. When it comes to trading across borders it is ranked 156. A very low score that Mongolia shares with the countries from Central Asia.

This low ranking comes at no surprise. It takes 49 days on average to import/export goods. It costs over twice as much (\$2500) to ship a container as it would for most other countries.

Despite location and physical barriers the potential to bring trade costs down is large. Good domestic policies are essential but the bulk of the cost reduction will come from regional cooperation.

The pay-offs are high. For example, a couple of years back we assessed that a reduction in transit, and transport costs by about 40-50% would raise incomes and consumption by 20 and 55 respectively. Within 10 years such cost reduction would translate into doubling of GDP.

Our meeting today is here to help CAREC members to realize the potential benefits from regional cooperation. The purpose of this meeting is to make CAREC transport and trade facilitation programs even more effective.

At the CAREC Ministerial Conference last year it was decided that this be done by establishing national and regional joint transport and trade facilitation committees and to align responsibilities and accountability in carrying out the CAREC action plan.

We meet today to translate the Minister's decision into reality. I am confident that this new committee structure will build on the good work done so far and result in improved coordination, even better trust and the realization of important regional projects

This workshop will hopefully conclude that these committees would work as long as there is ownership, coordination, and most important of all, concrete projects to work on, in order to build confidence and trust among various stakeholders involved.

I wish you a very successful meeting and a most enjoyable time in beautiful Mongolia