

Implementation of international agreements in road transportation sector in Mongolia

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About Mongolia

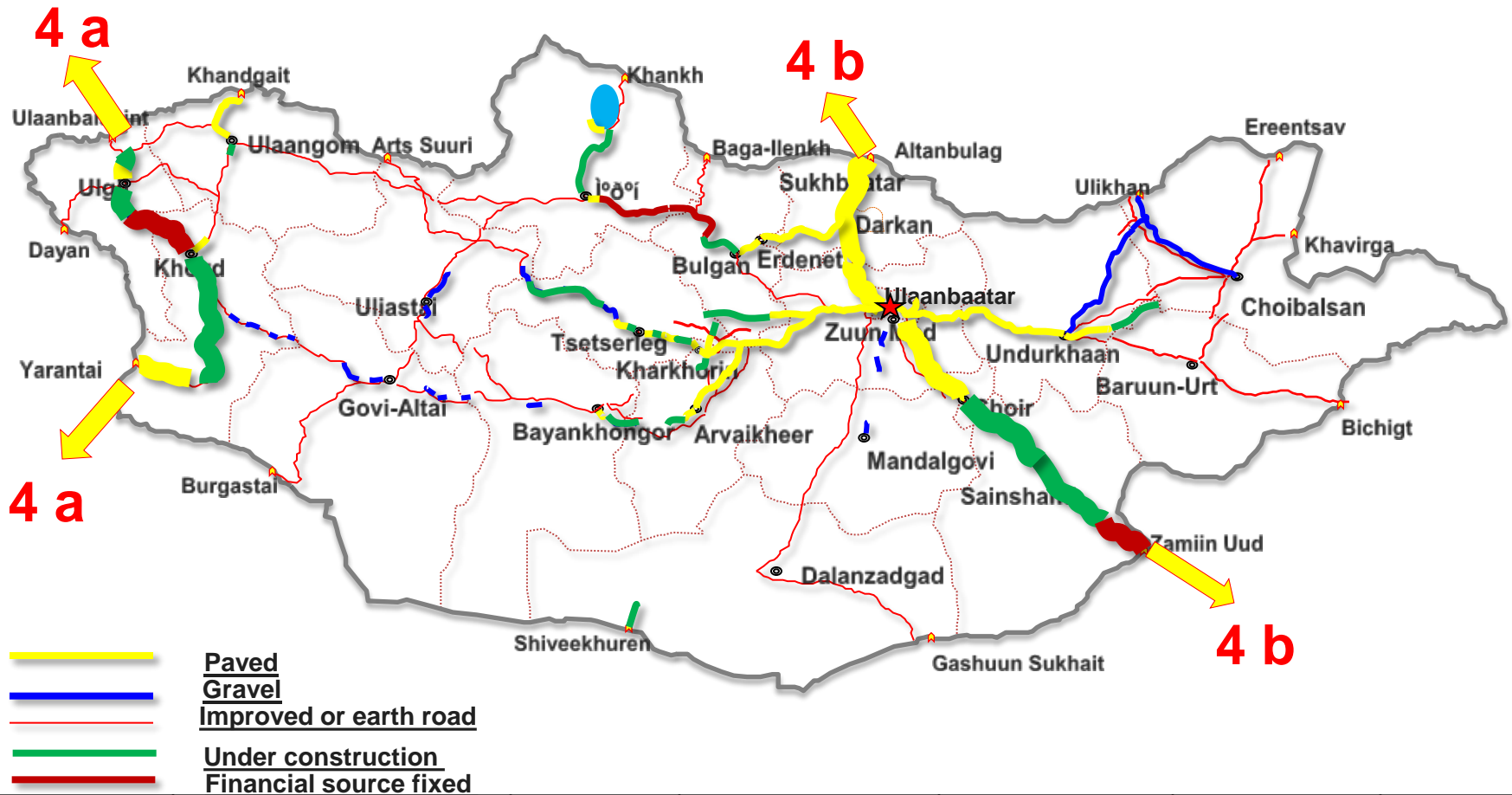
- **Locations:** a land-locked country in the Central Asia, between China and Russia;
- **Territory:** 1.566 million square kilometers
- **Population:** 2.7 million;
- **Density:** 1 square km per 1.6 persons (34.0 million heads of livestock)
- **Land boundaries:** 8,158 km, with Russia 3,485 km and with China 4,673 km



SIX CENTRAL ASIA REGIONAL ECONOMIC COOPERATION CORRIDORS



CAREC CORRIDORS 4a, 4b



CAREC highway corridors	Asian highway corridors AH	Paved road	There is a civil work	Gravel roads	Total length	Deadline
4b	AH3	593	448	-	1 041	2013
4a	AH4	94	402	252	748	2014

UNESCAP Resolution 48/11

7 Conventions Recommended:

Participation Mongolia in Conventions

- | | |
|---|---------------|
| • Convention on Road Signs and Signals, 1968 | 19 Dec. 1997 |
| • Convention on Road Traffic, 1968 | 19 Dec. 1997 |
| • Customs Convention on International Transport of Goods under Cover of TIR Carnets, 1975 | 01 Oct. 2002 |
| • Convention on Contract for International Carriage of Goods by Road, 1956 (CMR) | 18 Sept. 2003 |
| • International Convention on Harmonization of Frontier Control of Goods, 1982 | 05 May 2007 |
| • <i>Customs Convention on Temporary Importation of Commercial Road Vehicles, 1956</i> | _* |
| • <i>Customs Convention on Containers, 1972</i> | _** |

Bilateral and multilateral agreements

Transit transportation agreement with the governments of:

1. the People's Republic of China (1991.08.26)
2. Russian Federation (1992.10.29)
3. Republic of Kazakhstan (1993.10.22)
4. Democratic Republic of Korea (1996.05.10)

Bilateral and multilateral agreements

Mongolia holds international road transport relations agreement with the governments of:

1. the People's Republic of China (**2011.06.16**)
2. Russian Federation (1996.02.27)
3. Republic of Kazakhstan (1993.10.22)
4. Democratic Republic of Korea (1996.05.10)
5. Republic of Ukraine (1995.06.27)
6. Republic of Turkey (2002.06.02)
7. Republic of Kyrgyz (2004.03.01)
8. Republic of Belarus (December 2003)

Coordination and management of bilateral agreement in road transportation

Bilateral agreement regulates followings:

- Exchange of proposals for Passenger traffic from both sides' authorized authorities. Proposals should include: Name of Freight Company, Travel route, Frequency, Schedule, Tariffs, Destinations and stop points to collect and spread passengers, Time table
- Passenger traffic between two countries and transit traffic in their territories using single trip permission from both sides authorized authorities

Coordination and management of bilateral agreement in road transportation

- Freight transportation between two countries and transit transportation in their territories based on permission from both sides' authorized authorities
- Also Bilateral agreement regulates special conditions for freight forwarders, tariffs for passengers and goods, payment contracts, tax issues, resolution of disputes and border and customs control issues
- According to new updated “Road freight contract between Mongolia and China” which was held in 2011, road freight routes shall be determined in advance

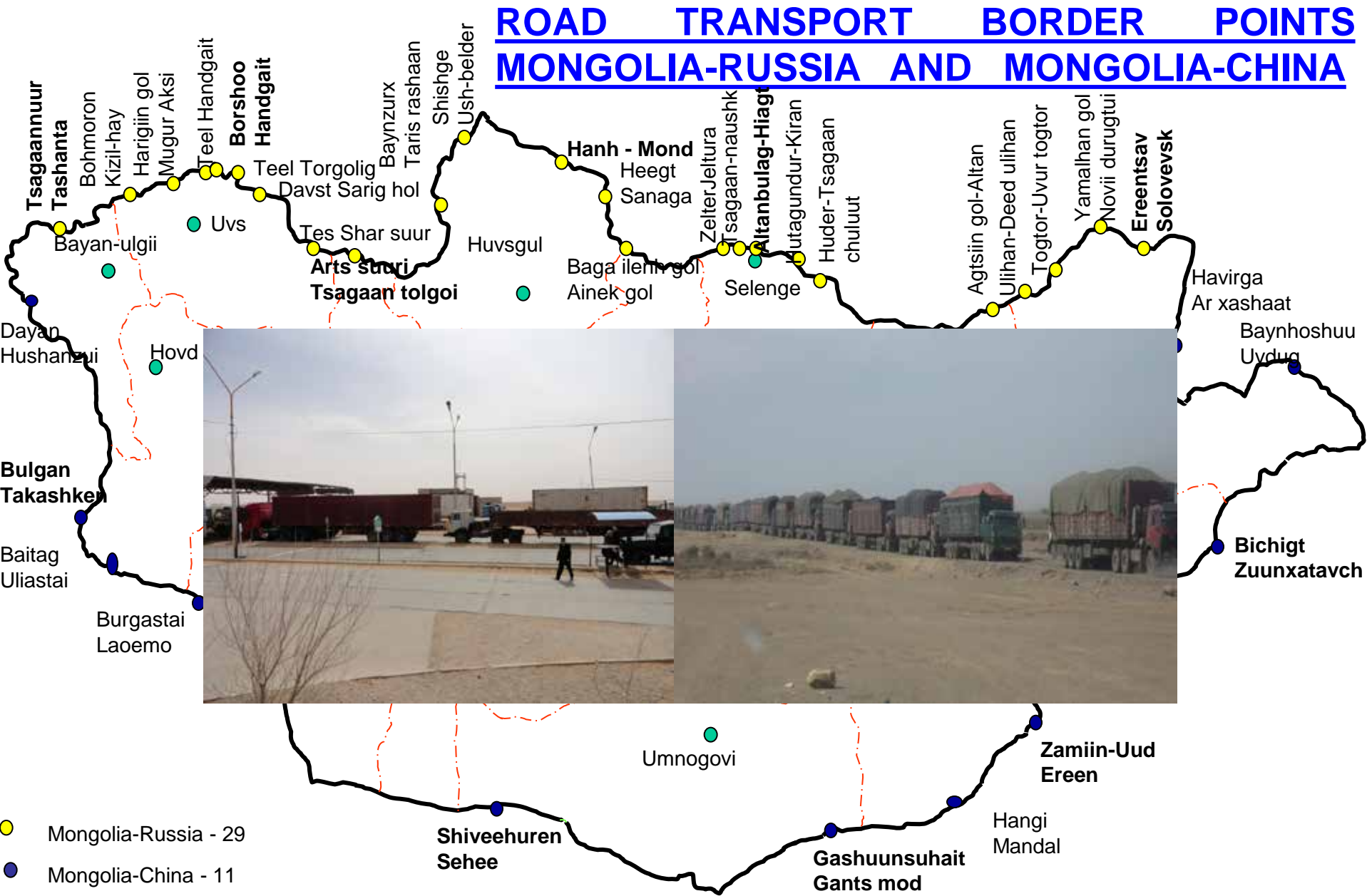
Coordination and management of bilateral agreement in road transportation

- The respective protocols and rules were signed between authorized negotiating parties in the implementation of road transport bilateral agreement.

Lastly:

- The road transport bilateral agreement between Government of People's Republic of Mongolia and Government of People's Republic of China was signed in 1991 and the agreement was renovated in 2011. Freight, passenger transportation along 34 routes was decided, which will be carried by 12 border points bordering Mongolia and Inner Mongolia autonomous region and Xinjiang Uyghur autonomous region of PRC in accordance with the agreement.

ROAD TRANSPORT BORDER POINTS MONGOLIA-RUSSIA AND MONGOLIA-CHINA



- Mongolia-Russia - 29
- Mongolia-China - 11

Implementation of bilateral agreement in road transportation

Data of passengers, vehicles, cargoes, crossing through frontier points of Mongolia as of 2011

Vehicles /thousand/			Number of passengers /thousand/			Cargo/load /thousand ton/		
Entrance	Exit	Total	Entrance	Exit	Total	Import	Export	Total
RUSSIAN FEDERATION								
55.1	54.3	109.4	186.9	180.8	367.7	52.6	6.9	59.5
THE PEOPLE'S REPUBLIC OF CHINA								
312.2	306.9	619.1	515.1	523.5	1028.6	1039.1	19369.0	20408.1
TOTAL								
367.3	361.2	728.5	702.0	704.2	1406.2	1091.7	19375.9	20467.6

Implementation of bilateral agreement in road transportation

Use of road transportation permission licenses /2011/

Country	Types of permission licenses	Swapped	Used
People's Republic of China	Freight	145000+30000	164072
	Freight/special/	35000	35000
	Passenger/permanent/	70	20
	Passenger/non-permanent/	24500+8000	31198
	Third country freight	-	-
Russia	Freight	10000	2148
	Passenger/non-permanent/	1500+1000	1588
	Third country freight	300	23
Kazakhstan	Freight	-	-
	Passenger	-	-
Turkey	Freight	250	4
	Passenger	-	-
Belarus	Freight	25	7
	Passenger	25	0
Kirgiz	Freight	20	0
	Passenger	-	-

Implementation of bilateral agreement in road transportation

Factors behind the underdevelopment of the international road transportation are:

- The state of land lockedness of Mongolia, located in the center of mainland and remote from other countries and sea;
- Poor development of road infrastructure in Mongolia;
- Trade turnover not increasing between Mongolia and Russia;
- Strict and bureaucratic border and customs rules and regulations of Russia;
- Insecure transportation security throughout Russian auto roads;
- China has not yet acceded to major international road and transport conventions as recommended by UNESCAP Resolution 48/11; and
- Legal framework to effect international road transport through Chinese domestic auto road network has not been created.

PROBLEMS

- As for Mongolia, we urgently need to finish construction of highways of the CAREC transport corridors 4A and 4B, to develop infrastructure along highways, to establish the logistics centers in the big frontier points /Zamiin Uud, Altanbulag, Tsagaannuur, Bulgan/and big cities terminals
- Implement the “Electronic single window system” project for foreign trade and develop the borderline ports infrastructure.
- Research and determinate mineral resource export transportation and usage of heavily loaded truck issues.
- Paved road should be built immediately in order to export transportation of mining mineral resources will be provided environmentally friendly way.

PROBLEMS

Neighbor countries shall pay special attention and effectively cooperate on the implementation of transit transportation agreement between the Government of Mongolia (1991) and Governments of China and Russia (1992), to enable pleasant environment for Mongolian transporters to transport goods to/from the ocean ports or third countries and, to enable pleasant condition of freight & to allow tariff discount and protect rights of landlocked country.

Thank you for your
kind attention