



## **PPP-Logistic center, Free economic zone and SEW**

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1. Implementation procedure of Single Electronic Window, Free Economic Zone and Logistic center in Mongolia by using PPP based model
2. Close cooperation with PRC on the above subjects

Initiation and implementation  
procedure of SEW to  
facilitate foreign trade

PPP model in SEW

- Translation of UN/CEFACT recommendation No:33 submitted to the Government of Mongolia from the MNCCI and MCGA, 2006
- WG for SEW establishment by government resolution No:251, 18, Oct 2006
- National Program on SEW approved by the Government resolution No:131, 2007

## cont...

- Most of the participating governmental parties in foreign trade haven't been playing active role in facilitating foreign trade excluding MCGA.
- For MCGA, preparation of customs renovation project and human resource capacity etc.
- Creation of MNCCI data portal site including the issuing the Certificate of Origin by online.
- Due to the lack knowledge and coordination mechanism and bad relation among interested parties WG didn't show potential efforts etc.

# Doing business report 2009 by World Bank

- Mongolia ranked 58<sup>th</sup> of 170 countries but it ranked 156<sup>th</sup> by international trade indicator.
- According to the below average position of trading across border, Mongolian rank dropped by 7 points.
- It needs to be implement the SEW

Ease of...	Doing Business 2008 rank	Doing Business 2009 rank /forecast/	Change in rank
<b>Doing Business</b>	<b>55</b>	<b>58</b>	<b>-3</b>
<u>Starting a Business</u>	53	59	-6
<u>Dealing with Construction Permits</u>	109	103	+6
<u>Employing Workers</u>	70	71	-1
<u>Registering Property</u>	17	20	-3
<u>Getting Credit</u>	61	68	-7
<u>Protecting Investors</u>	19	24	-5
<u>Paying Taxes</u>	84	79	+5
<b><u>Trading Across Borders</u></b>	<b>149</b>	<b>156</b>	<b>-7</b>
<u>Enforcing Contracts</u>	36	38	-2
Closing a Business	118	108	+10

## cont...

- Now needs to improve their activities of other parties: Minister of Foreign Affairs and Trade, State Specialized Inspection Agency and Mongolian Agency of Standardization and Metrology
- Letter to Prime Minister submitted by the MNCCI and MCGA to improve the activities of WG and power the implementation program, March 2009



# Cont...

- Leading MCGA & MNCCI and to improve the participation of other governmental parties or public institutions and business entity etc
- MNCCI & MCGA have been working closely on trade facilitation, simplification and harmonization activities.

For example: Customs and Business Consolidating Committee take a place once a quarter and discuss some problems regarding the border trade barrier and difficulties and other questions etc

# WG on SEW

1. Simplification all international trade related documents including transportation, insurance, banking, inspection, permits and border control (export & import procedures)
2. Harmonization/alignment and re-design the document with regard to UNEdocs principles and to facilitate the mechanic activities
4. Handbook published by the MNCI, 2008

## cont....

- Completion of foreign trade documents changes to online on the basis of Customs network/database system and connection with other all related participating parties.
- To conduct trainings and workshops for capacity building and adaptation of national standards with regards UN Layout keys for trade documents.
- This standards have to be corresponded with two neighbor countries and international trade documents .

## cont...

- Handbook on standards of foreign trade published by MNCCI in 2008 according to the WTO, WCO and UN layout keys.
- Handbook on “List of the required documents to be customs clearance for any products by crossing the border” published by MCGA.
- It is possible to create the foreign trade documents model based on two handbooks.

# Regarding the cooperation with PRC and Mongolia

- Cooperation on renovation of equipment and raising public awareness
- Connection with single system all around the border in Mongolia and PRC.
- Acceptation all trade related documents each other and issue international trade language (English/Mongolian and Chinese (English) etc

## 2. Establishment of logistic center in PPP model

# Vision

- To accelerate the coordination of activities determining the purpose and action areas to facilitate international trade and transit transport of Mongolia, and to make Mongolia a land-linking transit country by supporting trade, transport and logistics sector

- National committee for trade and transport facilitation (NCTTF) was established by Government resolution No: 245 of Oct, 11, 2006.
- WG member of NCTTF was adopted by the Minister of Road, Transport and Tourism order No: 10 of Jan 10, 2007.
- Establishment of national program “Transit Mongol” by Government resolution No: 183 of May 14, 2008.
- WG of NCTTF was renewed by the Minister of Road Transport, Construction and urban Development, order No: 63 of Mar 11, 2009.



# Members of NCTTF

Chairman: Minister of Road, Transport, Construction and Urban Development /MRTCUD/

Vice Chairman: - State Secretary of Minister of Foreign Affairs and Trade

- Chairman of MNCCI

Secretary: - Deputy director of Transport Department of MRTCUD

+ 22 members (Ministries, Government Agencies and NGOs)

## Activities of NCTTF...

- To set up logistics centers in Altanbulag and Zamiin-uud
- MNCCI position is to be based on PPP principle. For example: to promote the private sector involvement in the establishment of logistic centers in free economic zone.
- Others

# Problems of the program..

- There aren't any law and practice of PPP principle so the activities of the NCTTF has been delaying
- Due to the misunderstanding of the interested parties, limiting their effective participation.
- There aren't any regulatory policy and coordination system in all stages.

# Actions to be taken from the MNCCI

- Within the framework of the project of MNCCI and ADB named “CAREC Transport and Trade Corridors performance measurement and Monitoring”, we are doing study and gather data to eliminate the border trade bottleneck and identify barriers to trade and transit impediment along the route.

cont...

We are collecting the information by using the methodology of Time/cost/distance along the corridor of CAREC 4b/Altanbulag-Darkhan-UB-Choir-Sainshand-Zamiin uud-Erlian-Tianjin.

## Cont...

- To take support the implementation of projects from the ADB and other international donor institutions.
- Actions to be taken by the MNCCI must be connected to the action plan of Erlian city and development of logistic centers.

# 3. Free Trade Zone development in PPP model

# Introduction

- Free zone law was adopted in Jun 28, 2002
- Free trade zone law of Zamiin-Uud was adopted in Jun 20, 2003
- Free trade zone law of Altanbulag was adopted in Jun 28, 2002.



## Participation of MNCCI:

To promote foreign investment and cooperation between two countries and to support private sector we are planning to take action on the following:

- MNCCI took 40 hectar area in Altanbulag province.

cont...

- We took first steps to work with the Government of Erlian city. It is open to the investors.
- To support the establishment of processing factories with the invested companies of PRC in Altanbualg and Zamiin uud provinces.

cont...

- To contribute foreign invested companies carrying in free trade zone to enroll of EU GSP which is given Mongolia.
- To open the representative offices in Erlian and UB.

cont....

- To exchange their opinion regarding the opening of permanent exhibition and trade fair hall in Erlan city
- Others

**Thank you for your  
attention**