Corridor Development in North-East Asia: focusing on Mongolia

Sangmin NAM
Deputy Head, ESCAP East and North-East Asia Office
Trends and composition of exports of Asian LLDCs (export value)

- Small number of exporting products: 285 (in 2017) the average of 873 for developing countries
- Heavy dominance of major fuel exporting LLDCs (i.e. Azerbaijan, Kazakhstan and Turkmenistan): over 70% of the total export from Asia LLDCs
Major export partners of LLDCs, 2017

Source: ESCAP’s calculation based on mirror data from UNCOMTRADE available from WITS (accessed February, 2019).

Notes: For brevity, Switzerland, the European Union and the Russian Federation have been written as Switz., EU and Russia, respectively.
Mongolia: heavy reliance on the exporting mineral resources

- Coal: 32.76%
- Copper ore: 24.54%
- Gold: 4.65%
- Travel and tourism: 5.84%
- Transport: 4.73%
- ICT: 3.32%
Mongolia: Export market diversification
**ENEA economies**

Intraregional trade: 21.8% of region’s total in 2018

But economies have varied levels of integration with the region:

- Most economies (except for China): intra-regional shares 2018 > 2005
- Mongolia: increasing dependence on China

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Source: IMF Direction of Trade Statistics.
Moving towards economic corridor while improving transport corridor and logistics corridor

Transport Corridor

- Network of transport routes comprising road, railway, inland terminals and border posts for transit trade and transport facilitation

Logistics Corridor

- Integration of multiple infrastructure components to improve functionality, either multi-modal or multi-sectoral

Economic Corridor

- Bringing production units, services and settlements along the corridor
Improving transport corridor: Intergovernmental Agreement on International Road Transport along the Asian Highway Network (AHN)
Strengthening multilateral and bilateral transport cooperation including through Subregional Agreements on Transport Facilitation

GMS-Cross Border Transport Agreement (CBTA)

ASEAN Framework Agreement on the Facilitation of Goods in Transit

SCO Agreement on Facilitation of International Road Transport

Agreement on International Road Transport

Basic Multilateral Agreement on International Transport for the Dev. of the TRACECA

ECO Transit Transport Framework Agreement
Progress in **Intergovernmental Agreement on International Road Transport along the Asian Highway Network**

- In operation: **200 road transport permits** issued to each Party in July 2019
- Permits allow rights to the carrier for **seamless transport of goods** along the covered routes (AH3 and AH4)
- Mongolia to **Chair the Joint Committee** in 2020
- Mongolia to expedite **road construction work on AH4 route**
Need to Improve Measures for Trade Facilitation and Paperless Trade Implementation of LLDCs

Source: UN Global Survey on Trade Facilitation and Paperless Trade Implementation 2017 (ESCAP, 2017)
Overall implementation of trade facilitation measures in North-East Asian countries and moving up towards seamless international supply chains
Improving performance on trade logistics

![Graph showing performance indicators for Mongolia 2018, including LPI, Timeliness, Customs, Tracking & Tracing, Logistics Competence, and International Shipments. The graph compares Mongolia 2018 with other regions and countries.](chart by amcharts.com)
China-Mongolia-Economic Corridor Program, and advancing regional connectivity

**Short timeframe for the agreement** (from the 1st to 3rd trilateral summit between 2014-2016) and trilateral expert meeting from 2017

**Wide fields of cooperation:**
- Transportation infrastructure
- Development of border-crossing points
- Trade, customs, inspections and quarantine
- Industrial sector
- Energy sector
- Environment and ecology
- Education, science and technology
- Humanitarian
- Agriculture

**Supporting institutional mechanism:** Trilateral Investment Planning Center
Need to have a tangible and speedy progress in measures for seamless cross-border trade

Source: World Bank, Improving Trade and Transport for Landlocked Developing Countries, 2014
THANK YOU