

Regional Logistics Development Project

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ADB

Mongolia

- Landlocked-limited access to seaports
- Underdeveloped transport network
- Inefficient cross-border transport
- Longer lead time and high cost of goods at delivery

Logistics

- Well-developed logistics is a key to cost-effective and competitive transportation
- Provides added value to industry
- Closely linked to economic growth and development

Logistics in Mongolia

- Not well-developed
- Overall Logistics Performance Index of 136 out of 150
- Major port of entry is Zamyun-Uud and main destination for imports is Ulaanbaatar
- Clearance of import cargoes can take anywhere between 10 to 60 days

96°00'E

111°00'E

RUSSIAN FEDERATION

MONGOLIA REGIONAL LOGISTICS DEVELOPMENT PROJECT

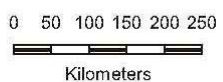


50°00'

50°00'N

42°00'N

42°00'



PEOPLE'S REPUBLIC OF CHINA

- National Capital
 - Provincial Capital
 - City/Town
 - ADB-Financed Road
 - National Road
 - Other Road
 - Railway
 - River
 - Provincial Boundary
 - International Boundary
- Boundaries are not necessarily authoritative.

96°00'E

111°00'E

Key Objective

Under the overall framework of promoting environmentally sustainable development and inclusive growth, promote an efficient, competitive, and reliable multimodal transport in the country

The Project

- Output: Develop an intermodal logistics facility at Zamynd-Uud
- Road to rail, rail to rail, and road to road
- Capable of handling container and break-bulk cargo

The Project–Rationale

- Key intervention to facilitate seamless transportation
- Reduce time for transportation for export and import cargoes
- Enhance the competitiveness of Mongolia's internal and external trade
- Promote private sector participation

The Project–Rationale

- Promote Mongolia as an efficient and competitive land transit route between east and west and north and south
- Promote international transit trade
- Increased container movements

Salient Features

- Coherent interconnection between modes
- Adequate access by rail, road to transfer points to facilitate integration of these modes and transfer between modes
- Adequate interoperability between modes and loading units—unit dimensions and common standards

Salient Features

- IT based capacity management system
- Integrated and harmonized security regulations
- Technological innovation applications
- Open access to SMEs in terminals

Project Financing

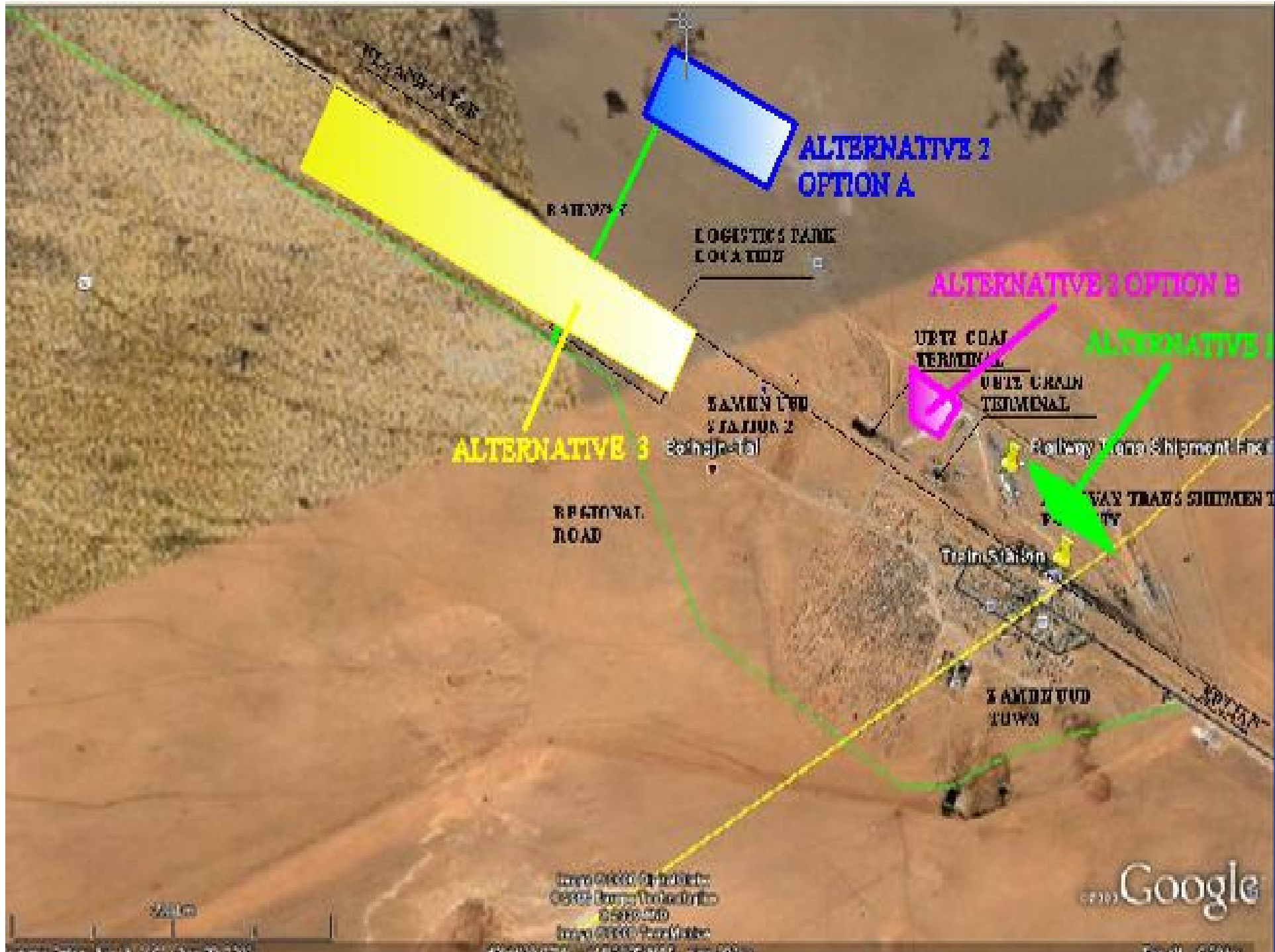
- Total cost about \$60 million
- ADB financing: \$40–45 million
- Opportunities for possible co-financing

Key Issue

Location of the terminal

- Critical to the design of the Project
- Multiple stakeholders
- Have different agendas

Key challenge was to bring consensus



Key Challenge

- 16 committees/groups: each one claims they have the mandate
- Mutually exclusive and have different perceptions
- Lack of coordination
- A steering committee headed by Vice Minister is set up to coordinate

Progress so far

- After several site visits and consultations with different stakeholders—the location has now been agreed to
- Board consideration expected in March 2011

Key Benefits

Better multimodal transport will:

- Help reduce poverty by providing improved and affordable access to markets,
- Lead to resource optimization,
- Be more energy-efficient, and
- Promote environmental sustainability

The Project–Beneficiaries

- People and industries located in the cities and towns of Zamyn-Uud, Choir, and Ulaanbaatar
- Freight shippers, manufacturers, and suppliers
- Generate jobs and opportunities in Zamyn-Uud

Conclusion

- The Project has important national and regional benefits
- Small investment with significant returns
- Key issue was location of the terminal
- Project expected to be considered for approval in 2011

Thank you

For further details, contact
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