

Maritime Development Trends in Mongolia

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Abstract : Mongolia is aiming at connect and expand global trade to third countries using Russia, China and East Asian ports. Also, trying to evolve infrastructure and super-structure in international maritime transportation. This paper presents maritime development trends in Mongolia and focuses on discussing the current situation of international maritime plan and points out some issues currently facing by the policy to develop promoting the country's maritime businesses. Finally, this paper presents some future directions for developing the maritime transportation in Mongolia.

Key words : Mongolia, maritime, trends, logistics, situation



The world's top 10 rich mineral resources

The world's top 10 rich mineral resources, "Mongolia" 🇮🇲 🇰🇷

- ❖ 175 billion tons coal, 80 million tons of copper, gold 4.5 one thousand tons, 5 billion barrels of crude oil with other major resource rich countries in Northeast Asia

- 1) China and Russia are geographically isolated from the Chinese coast near to the landlocked country nearly 2,000 km takes
- 2) Lack infrastructure, all industries in undeveloped mineral exports of raw
- 3) Dependent on exports to China due to lack of transport infrastructure is very high and can take advantage of vulnerabilities in border management in China is difficult to control for smuggling
- 4) Despite the surge in global mineral prices as the provider does not have the bargaining power
- 5) Recently, China's capital that accelerated erosion rates of the third country export sales channel development has been focused on the Mongolian government policy.

Shipping to Mongolia's rich mineral resources for strategic ways to take advantage of?

- ❖ The Mongolian government to maintain national security and survival as a measure to reduce dependence on import and export to China, third countries, including Korea, Japan and stable for a possible trade export sales channel development confirmed the government's rail policy (June '10), and are working actively to run overseas.
- ❖ Recently, global expansion and mineral resource development company bought the rights to acquire and develop a larger uncertainty factors for visibility improvements to the Foreign Investment.

Changing market trends and regulations of Mongolia

- ❖ The Mongolian government is driving economic growth in the mineral resource sector to stimulate foreign investment has prepared various promotion policy.

Field	For changes in the investment environment and market conditions	Compared to conventional
Investment Policy	Diversified industrial base for the industrial, electricity, gas, manufacturing, construction, light industry, and promote foreign investment in the agricultural sector Resource nationalism conscious of public opinion for its stake in the strategy, policy initiatives on government deposits	Improvement
Forex System	Foreign investors in foreign exchange transactions, account opening, overseas remittance is relatively free of everything. Changes in foreign currency inflows due to exchange rate volatility tugrik The stability of the global economy, domestic economic recovery and financial self-destruct down the exchange rate stable, according to the continuous reduction	Maintenance

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Changing market trends and regulations of Mongolia		
Taxation	<ul style="list-style-type: none"> January 2007 to stimulate investment in corporate tax cuts and tax stability contracts, etc. Abolition of windfall profit tax law (January 2011) Income Tax Act exemption period deficit expanded in February Korea between Mongolia signed tax treaties to prevent double taxation (in April 1992, June 1993) 	Improvement
Financial Institutions	<ul style="list-style-type: none"> As the initial step development of capital markets debt and equity transactions Commercial banks' capital market-driven global financial crisis in a larger risk of bankruptcy due to bad management Private sector and private commercial banks avoid lending A high proportion foreign borrowing of banks around the liquidity risk is increasing To stabilize financial markets, government spending has increased 	Maintenance
Labor system	<ul style="list-style-type: none"> Foreign-invested enterprises is a priority for the local employment needs are ever Hiring and firing workers, and relatively free tend 	Maintenance
Trading System	<ul style="list-style-type: none"> HS tariff rates apply, depending on the standard industrial classification, tariff rates are quite low for. EU 27 countries, the general preferential tariff for export (GSP+) recipient countries has been extended position. 	Maintenance

2. Current Situation

- For transit access to seaports in China :
 - Qingdao
 - Tianjin (Xingang)
 - Qing Huang Dao

Main corridor being used by Mongolian sea exports to markets in Europe, America, Japan and South Korea.

Russia : Vladivostok, Nahodka, Vanino, Vostochny, all on the Sea of Japan, St.Petersburg on the Baltic Sea and Novorossiskon the Black Sea

Maritime cooperation with Korea, China and Russia

➤ Enhance the logistics networking in Northeast Asia

Natural resources → Rail and Ship → **South Korea**

Other Countries →

South Korea possess the world's 50 th largest commercial shipping fleet, Mongolia is considered one of the top 10 producers of various natural resources such as coal, copper, molybdenum and uranium.

Signed on MOU (25 Feb 2011)

Source from: <http://www.mitm.gov.kh/pressroom/2011/02/25>

Maritime Cooperation with Korea and China

signed on MOU between MRTUCUD and MLTM.

In 2010

- To develop the Maritime transportation and logistics
- To get experience and to train experts for fish farming

In 2011

- To establish Joint Venture Company with “Sammok” shipping company
- To exchange data, hold education program, to research market, implement draft project with Pyontek (Korea) and Dandong port company (China)
- Educate sailors, marine engineers and open department for maritime transportation helping from Korea Maritime University
- Held national seminars in Korea and China

Preparing human resources

- 3 students are studying at Vladivostok Maritime University (Moscow) /supported by Joint venture company/
- 2 students at Korea Maritime University (Korea), / supported by KOICA technical helps/
- 5 students at Mokpo National Maritime University for master program /partnership Huree University of ICT/
- 1 officer at Sweden Maritime University by Marine Law and policy for master program

No technical and training place to prepare human resources in maritime transportation sector.

3. Issues and Future Directions

Issues and Future Directions

Proposed Recommendations

Policy

Infra-structure

Logistics Network

Human Resource

Government of Mongolia's maritime expansion strategy and promoting progress

- ❖ Russia and China by rail to ensure access to ports in East Asia connecting a third country, and aims to expand global trade, in close cooperation with South Korea will build system.



The 1st Marine Cooperation Conference

Exports of mineral resources, marine transportation link supporting the search for the ship

- Maritime Industry Charter for the development of Mongolia purchase, ship navigation (co-operate, etc.), ship management, ship financing

The development of domestic and foreign ports, use the support

- Korea support the use of ports and harbors of China and Russia jointly develop cooperation, including feasibility studies utilizing raised

Shipping, logistics dispatch of experts

- Korea support the use of ports and harbors of China and Russia jointly develop cooperation, including feasibility studies utilizing raised

Land, sea and construction support logistic network linking

- Linking land and sea logistics network construction, logistics, standardization, information consultation conducted joint research on the introduction

Sailor, marine, logistic and personnel education and training

- Mongolian crew, officer training from the crew training for the '11 year. Provides excellent employment opportunities for trainees

Third-country exports mineral adequacy, transportation to the planting project

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4. Policy and Strategic plan

- ❖ Provide maritime transportation's strategic plan and policy guide
- ❖ Educate the human resources
- ❖ Refine the law framework and implement the law
- ❖ Raise up benefit for finance, economic and investment plan
- ❖ Enhance the foreign cooperation
- ❖ Controlling and analyzing, assess the results

5. Conclusion

❖ Development policy and strategic plan

Future study through more research and well-known experts

❖ Logistics Network (Ranking index 129-150)

- Customs procedures 131
- Logistics costs (freight rates) 144
- Infrastructure quality 129
- Ability to track and trace shipments 136
- Timeliness in reacting a destination 142

❖ Human Resources

❖ Raise up benefit for finance, economic and investment plan