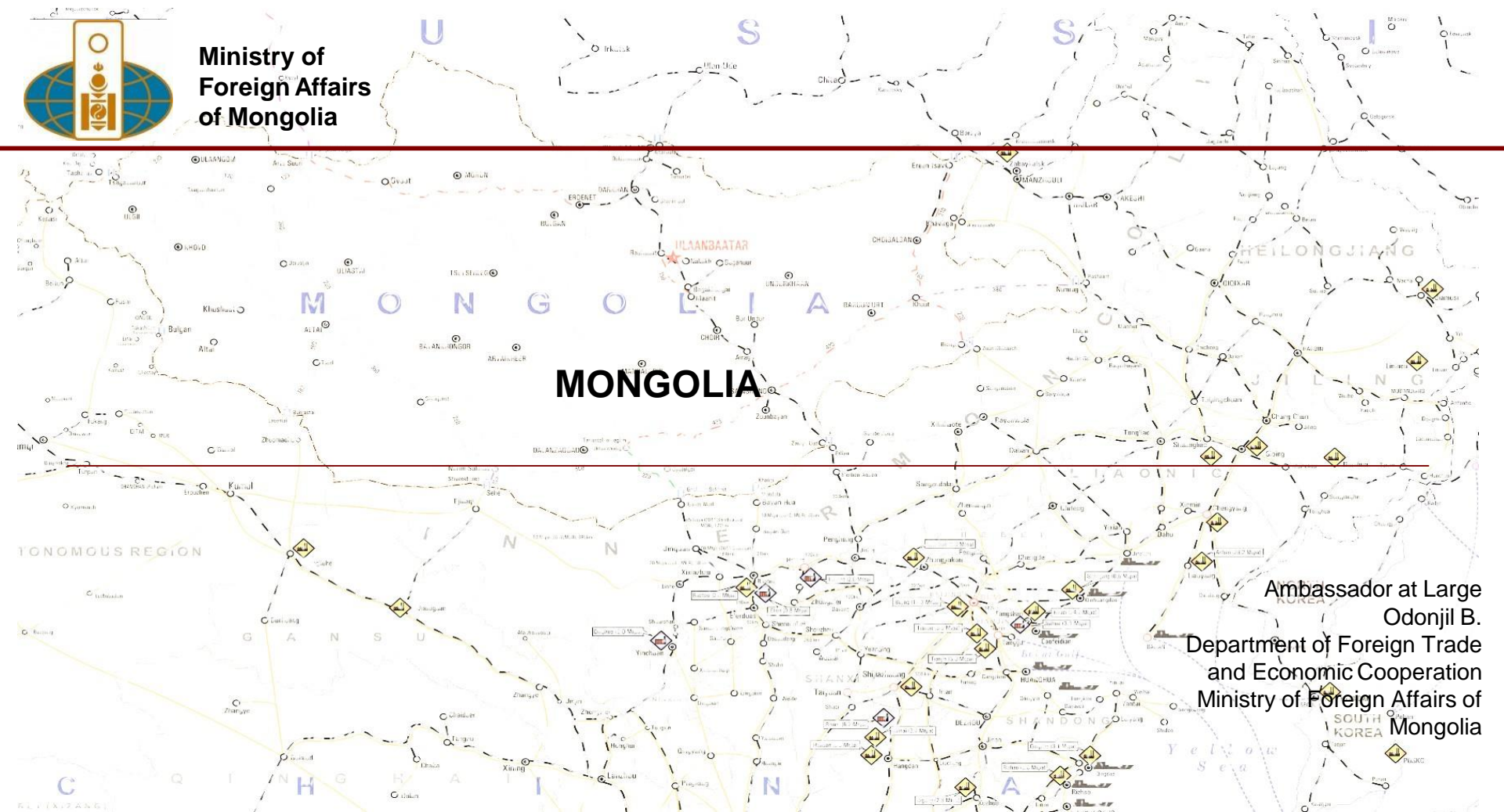




Ministry of Foreign Affairs of Mongolia



Ambassador at Large
Odonjil B.
Department of Foreign Trade
and Economic Cooperation
Ministry of Foreign Affairs of
Mongolia

1. The basic information of Mongolia?

- Mongolia is located between the People's Republic of China to the south and the Russian Federation to the north. The land area is 1.6 million square kilometers (km²).

- The population is 3.2 million. Approximately 1.2 million people reside in Ulaanbaatar, which is the capital city of Mongolia.

- Mongolia's average population density is only 2 persons per km².



2. The economy of Mongolia

- As result of rapid growth in mining, Mongolia has become one of the fastest growing economies.
- However mining is capital intensive and volatile to the commodity price. It creates limited employment opportunities, as a result poverty level still remains high – 29.8 % as of 2015.
- To reduce poverty the government will need to transform resource-driven economic growth into more broad-based development.
- In order to make the growth more inclusive, it is required to develop the productive non – mining sectors and to expand people's accession to economic opportunities and services.



2. The economy of Mongolia

- Improving economic competitiveness, expanding access to economic opportunities and services, and enabling economic development in the different regions are the priorities of the government.
- To achieve these goals, the government attaches high priority in improving the country's transport infrastructure.
- Through the improvement of connectivity within Mongolia and also between Mongolia and the neighboring countries, the government seeks to expand access to the economic opportunities.

3. Transport sector of Mongolia

- The Mongolian transport sector covers the air, road, and rail transportation
- Despite the large territory, there are only 49,300 km of main road, of which only 2,950 km are paved. This reliance on unpaved roads imposes high transportation costs.
- The country's air transportation system includes 23 airports, of which Chinggis Khaan airport in Ulaanbaatar serves as the country's international and domestic hub. Only four domestic airports have paved runways and are equipped with basic navigation aids.
- The Mongolian rail network comprises 1,815 km of broad-gauge track, of which 1,110 km are on the main line linking the Russian Federation to the People's Republic of China, 238 km are on a separate network in eastern Mongolia that also links to the Russian railway, and the remaining 477 km are branches off the main line.



3. Transport sector of Mongolia

- Freight transport grew at an average annual rate of 13% from 2000 to 2012, reaching 16.6 billion ton-km. In 2012, nearly 73% of total freight was transported by rail, most of the remainder by road transport, and a small portion by air. Rail is the dominant transport mode for commercial cargo and mineral exports.
- Between 2000 and 2012, passenger transport increased
- Road transport accounted for 45% of total passenger transport, rail for 30%, and air for 25%. The fastest-growing transport mode was road transport, which grew at an average annual rate of 18%; air transport grew at 9% and rail transport at 4%.
- International transport connections are crucial for integrating Mongolia's comparatively small and isolated economy into the large and growing regional markets.



3. Transport sector of Mongolia

If the government seeks transport service levels that are too high, this may lead to an inefficient use of resources and may burden the country with high costs for operation and maintenance of overdeveloped infrastructure.

The government needs to establish sound principles for planning and prioritizing transport network development, and ensure that transport investments will be financially and economically viable.



4. Economic Integration

- Regional cooperation and integration (RCI) is a process by which national economies become more interconnected regionally. RCI plays a critical role in accelerating economic growth, reducing poverty and economic disparity, raising productivity and employment, and strengthening institutions.

- The People's Republic of China conceptualized the B and Road Initiatives (BRI) in 2013. The vision document states that BRI aims to achieve better connectivity and economic cooperation among countries in Eurasia.

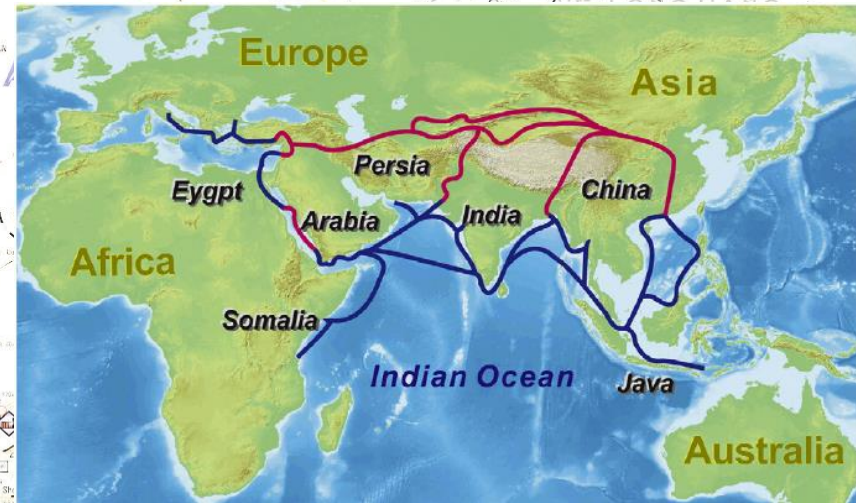
- BRI is one of the major regional cooperation initiatives in terms of its geographic coverage and expected scale of investment. The international community is keen to understand better how these strategies may influence and reshape the PRC's economic relations with its neighbors.

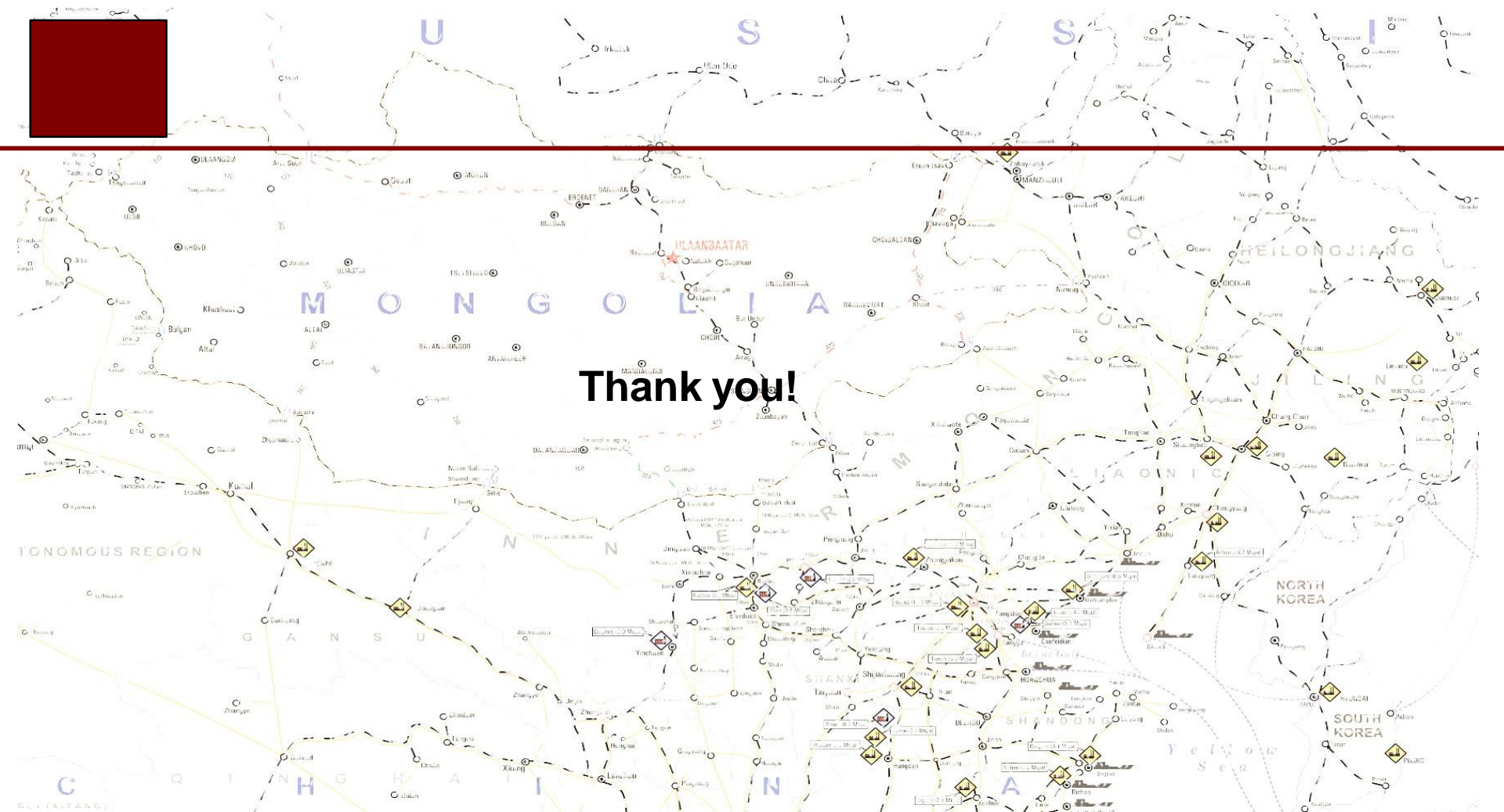


4. Economic Integration

Different countries and multilateral development partners are promoting many different regional and sub-regional cooperation initiatives aimed at linking Asia and Europe.

These include the Partnership for Quality Infrastructure (Japan), the Eurasia Initiative (Republic of Korea), Steppe Road (Mongolia), and New Silk Road (United States).





Thank you!