



TRANSIT CHALLENGES AND CURRENT SITUATION IN MONGOLIA

BAIGALMAA Damba (M.Sc. in Maritime Affairs)

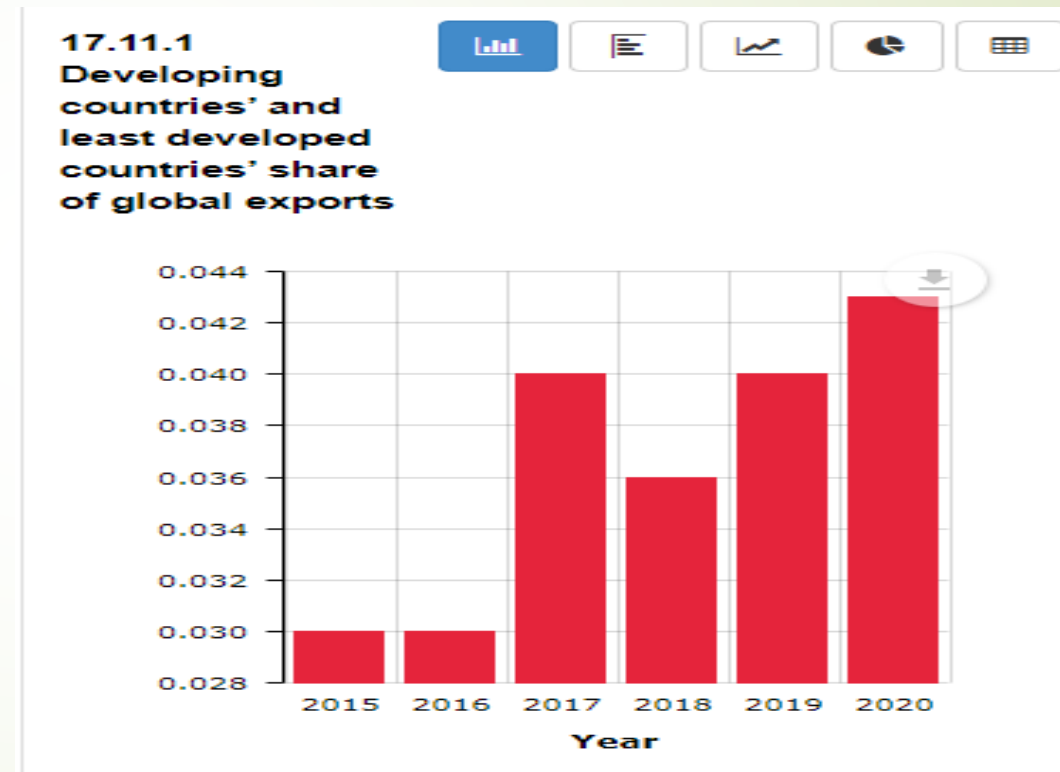
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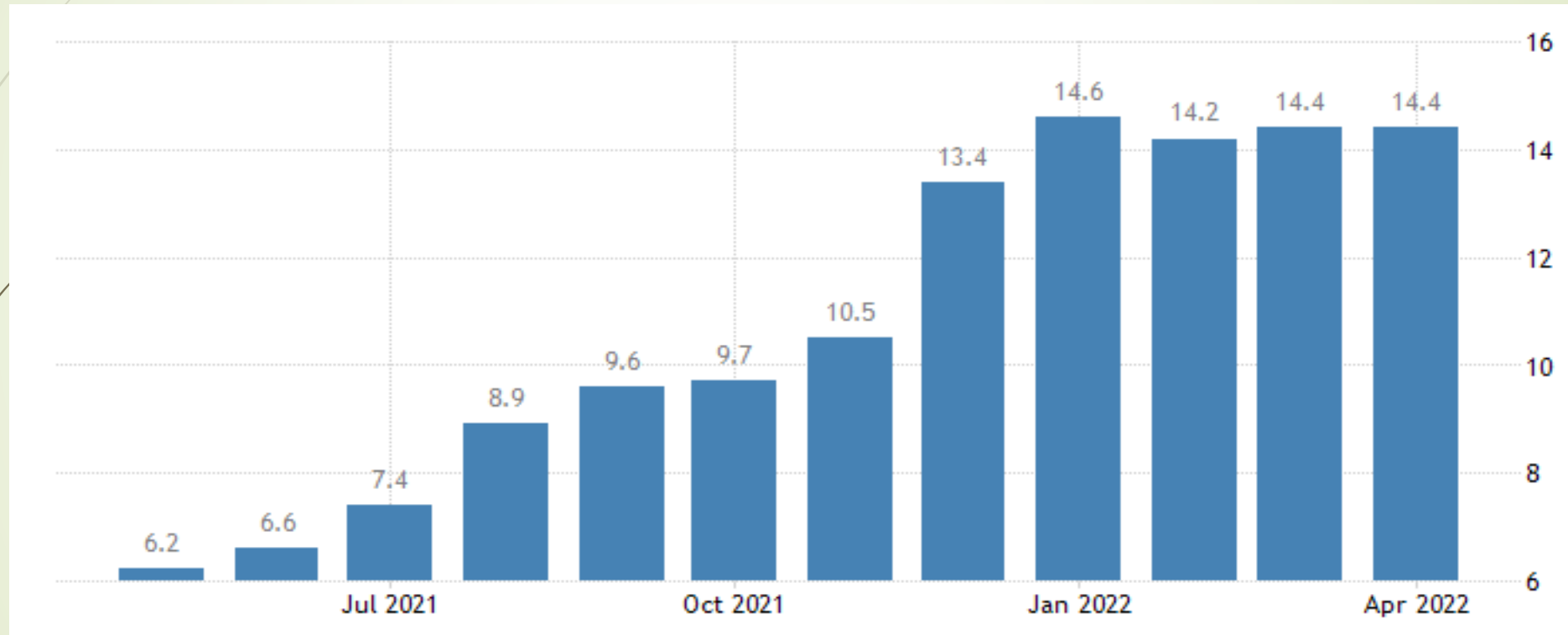
1. SHARE OF GLOBAL MERCHANDISE OF LANDLOCKED COUNTRIES

The landlocked developing countries' share of global merchandise exports remained small, at 1 per cent in 2019, and highly concentrated in commodities.

(UNCTAD/DITC/COM/2019/1/Corr.1)



2. INFLATION RATE IN MONGOLIA



<https://tradingeconomics.com/mongolia/inflation-cpi>

3. DEMURAGE / DETENTION CHARGES IMPOSED TO MONGOLIAN FREIGHT FORWARDING COMPANIES

TYPE OF CONTAINER	DETENTION/DEMURAGGE PENALTIES /in USD\$/					
	7 days	14+ days	21 + days	21-60 days	After 60 days	120 days
20' (TEU)		90	180	2 009	3 091	5 370
40' (FEU)		180	361	4 019	4 491	10 740
40' (FEU) HC		202	342	4 491	6 909	11 943

Note: The tariff was used in June 2021, during the most difficult period, relating to Tianjin clogs and pandemic lockdowns. Although, the situation has a bit relieved, there are still financial burden on Mongolian economics due to detention and demurrage. This information was received from Mongolian Freight Forwarders' Association.

MEASURES TAKEN BY MARITIME COUNTRIES AGAINST DETENTION & DEMURRAGE CHARGES

- The Indian Ministry of Shipping, by order dated March 29, 2020 advised lines not to impose any container detention charge on import and export shipments for the period of 22 March of 2020 to 14 April 2020. The order further states not to charge, levy or recover any demurrage, ground rent, beyond allowed free dates, storage charge in the port, additional anchorage charges etc.
- The US Federal Maritime Commission (FMS) issued an interpretive rule on demurrage and detention charges under the Shipping Act 1984. (April 28, 2020) This rule states, the Commission will consider from several aspects if charges are reasonable etc.

<https://unctad.org/webflyer/contracts-carriage-goods-sea-and-multimodal-transport>

4. RIGHTS AND RESPONSIBILITIES PROVIDED BY THE INTERNATIONAL CONVENTIONS

► Freedom of Transit:

- ✓ Convention and Statute on Freedom of Transit, 1921
- ✓ United Nations Convention on the Law of the Sea, 1982
- ✓ The Trade Facilitation Agreement (TFA), 2017

5. UN SUSTAINABLE DEVELOPMENT GOALS-2030

✓ POVERTY
REDUCTION

✓ LEAVING NO ONE
BEHIND



THE IMPLEMENTATION OF UN SDGs

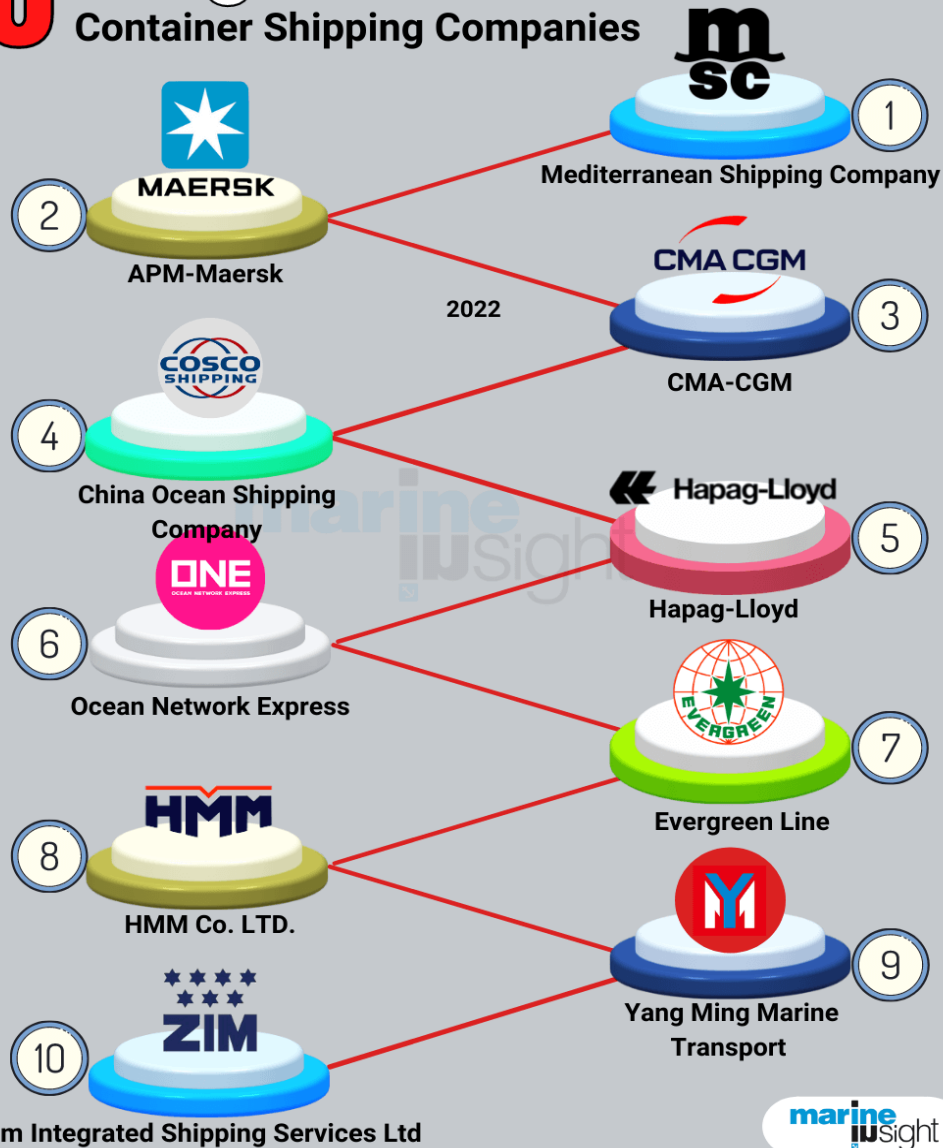
will depend on a global partnership for sustainable development with the active engagement of:

- governments
- civil society
- the private sector, and the
- United Nations system.

(<https://sustainabledevelopment.un.org/focussdgs.html>)



10 Largest Container Shipping Companies 2022



- 1. MSC – Mediterranean Shipping Company
- 2. APM-Maersk
- 3. CMA-CGM
- 4. COSCO – China Ocean Shipping Company
- 5. Hapag-Lloyd
- 6. ONE – Ocean Network Express
- 7. Evergreen Line
- 8. Hyundai Merchant Marine
- 9. Yang Ming Marine Transport
- 10. Zim Integrated Shipping Services Ltd

<https://www.marineinsight.com/know-more/10-largest-container-shipping-companies-in-the-world/>

6. SOLUTIONS

1. Shipping lines can offer quotas for containers to be used for importing or exporting goods for landlocked developing and least developed countries to boost the economy.
2. Neighboring transit countries with free access to and from the sea should consider special needs and rights accorded to landlocked countries and assist them to transit without any hindrance through their territory by establishing and enhancing their infrastructure development.
3. It is vitally important for international community to understand the principle of “Freedom of transit”, enshrined in international law, in depth and consider its frequent and consistent implementation in international transshipment.



Thank you for your kind attention!