Multi-year Expert Meeting on Transport, Trade Logistics and Trade Facilitation
10th Session

Coordination and digitalization as a means to accelerated and climate-smart trade facilitation

17–19 July 2023

Trade facilitation implementation in LLDCs

Presentation by

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Trade facilitation implementation in LLDCs

Dashnyam ENKHTAIVAN
Deputy Permanent Representative, Mongolia

Multi-year Expert Meeting on Transport, Trade Logistics and Trade Facilitation, 10th session
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Total
44
Landlocked countries

32
LLDCs
COMMON CHALLENGES IN LLDCs

- Lack of direct access to the sea (1370 km)
- Remoteness from major markets
- Dependency on few markets
- High Transit costs
  - Per container: LLDC $3500
  - Transit: $1500
- Poor infrastructure development
COMMON CHALLENGES IN LLDCs

- Small population
- Small markets
- Dependency on few commodities

COVID IMPACT IN LLDCs

- Increased and Urgent Demand for Healthcare
COVID IMPACT IN LLDCs

- Increased and Urgent Demand for Healthcare
- Dependency on Transit Countries
- Increased Costs and Time for Export and Import
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COVID IMPACT IN LLDCs

- Increased and Urgent Demand for Healthcare
- Dependency on Transit Countries
- Increased Costs and Time for Export and Import
- Heavy Reliance on Commodity Exports
- High Levels of External Debt and Debt Crisis
- Decline in Remittance Flows

Food Crisis
All of 26 LLDCs that are WTO Member ratified the TFA
Rate of Implementation at 61.7%

OECD: Estimated Reduction of Costs

- 14.5% Low-Income 10 LLDCs
- 15.5% Middle-Income 9 LLDCs
- 13.2% Low-Income 4 LLDCs
WTO TRADE FACILITATION AGREEMENT IN LLDC

All of 26 LLDCs that are WTO Member ratified the TFA
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14.5% Low-Income
10 LLDCs

15.5% Middle-Income
9 LLDCs

13.2% Low-Income
4 LLDCs

UN ESCAP: Key Challenges

- Financial constraints
- Lack of coordination between government agencies
- Limited human resources

12th WTO MINISTERIAL CONFERENCE GENEVA 2022
CO-HOSTED BY KAZAKHSTAN

We instruct the Trade Facilitation Committee to hold a Dedicated Session on transit issues annually until the next review of the Trade Facilitation Agreement is completed. These dedicated sessions will highlight the importance of transit and reserve time for the Committee to discuss best practices, as well as the constraints and challenges faced by all landlocked WTO Members, including landlocked developing countries and LDCs as outlined in G/TFA/W/53.
**WORKSHOP ON TRANSIT FOR LANDLOCKED, DEVELOPING AND TRANSIT WTO MEMBERS**

**Key Participants**

26 LLDCs

UNCTAD
World Bank Group
COMESA
EAC
OECD
WCO
UN-OHRLLS

**Topics**

Transit Coordination
WORKSHOP ON TRANSIT FOR LANDLOCKED, DEVELOPING AND TRANSIT WTO MEMBERS

Topics
- Transit Coordination
- Guarantees
- Tracking and Sealing
WORKSHOP ON TRANSIT FOR LANDLOCKED, DEVELOPING AND TRANSIT WTO MEMBERS

Topics

- Transit Coordination
- Guarantees
- Tracking and Sealing
- Border Corridors
- Burdensome Border Formalities
WORKSHOP ON TRANSIT FOR LANDLOCKED, DEVELOPING AND TRANSIT WTO MEMBERS

Topics
- Transit Coordination
- Guarantees
- Tracking and Sealing
- Border Corridors
- Burdensome Border Formalities
- Recommendations and Conclusion

MONGOLIA’S EXPERIENCE ON TRANSIT COORDINATION

[Map of the China-Mongolia-Russia Corridor]
Composition of National Trade Facilitation Committee of Mongolia

Progress on the implementation of the WTO TFA

As of December 2022, **79.8 per cent** of the TFA measures were notified to the WTO as implemented. The five measures (all – Category C measures) yet to be implemented or notified are:

- Arts. 7.5 – Post-clearance A
- Art. 7.8 – Expedited Shipments
- Art. 8 – Border Agency Cooperation
- Art. 10.3 – Use of International Standards
- Art 10.4 – Single Window
Main findings

• Trade facilitation and paperless trade are among national priorities and supported by many DPs;
• Goods traded via e-commerce are subject to regular [lengthy] customs clearance (consumers value speedy deliveries);
• Logistics is mostly ensured via road and rail. Implementation of dry ports is high on the agenda;
• Large share of international and last mile rural deliveries are not competitive.

KEY CHALLENGES: Territorial and borderline vastness make implementations of the TF and logistic solutions more challenging (costlier; customs clearance and domestic deliveries’ timeframes are lengthy; addressing systems are multiple and non-unified; border measures of neighboring China aggravate the situation).

High priority actions

• Implement the National Electronic Single Window (consolidate, systemize and publish the list of the existing electronic documentary submission and exchange solutions in the area of international trade
• Implementation of trade facilitation solutions - overall (incl. risk-based clearance, de minimis) and specific to e-commerce
• Upgrade of physical [transport] infrastructure and increase competition in transport services
• Implementation of dry or multimodal ports
• Continue implementation of paperless trade solutions in/ of relevance to customs clearance.
• Digitalization of delivery services
• Continue digitalization of the delivery services to allow seamless processing and package / mail tracking by customers.
Current situation of transport: private sector engagement

ROAD TRANSPORT 12%

AIR 1%

CONTAINER IMPORT 49%

TRANSIT 38%

THANK YOU FOR YOUR ATTENTION