

# SINGLE ELECTRONIC WINDOW DESIGNING AND PREPARATION IN MONGOLIA

MNCCI

# Content

- Basic info about Mongolia and its foreign trade
- Needs for trade facilitation tools- Doing Business Indicator of World Bank regarding on international trade of Mongolia
- How SEW started –initiation by MNCCI, WG establishment by GOM
- National Program on SEW approved by the Government of Mongolia

# Mongolia: Basic facts

- Located in Central Asia, between Russia and China
- 2.5 million people,  
70% of the population is under 35 years old
- 1.564 million sq.km /larger than the territories of Britain, France, Germany and Italy combined/
- Capital: Ulaanbaatar city with population of 1000 000

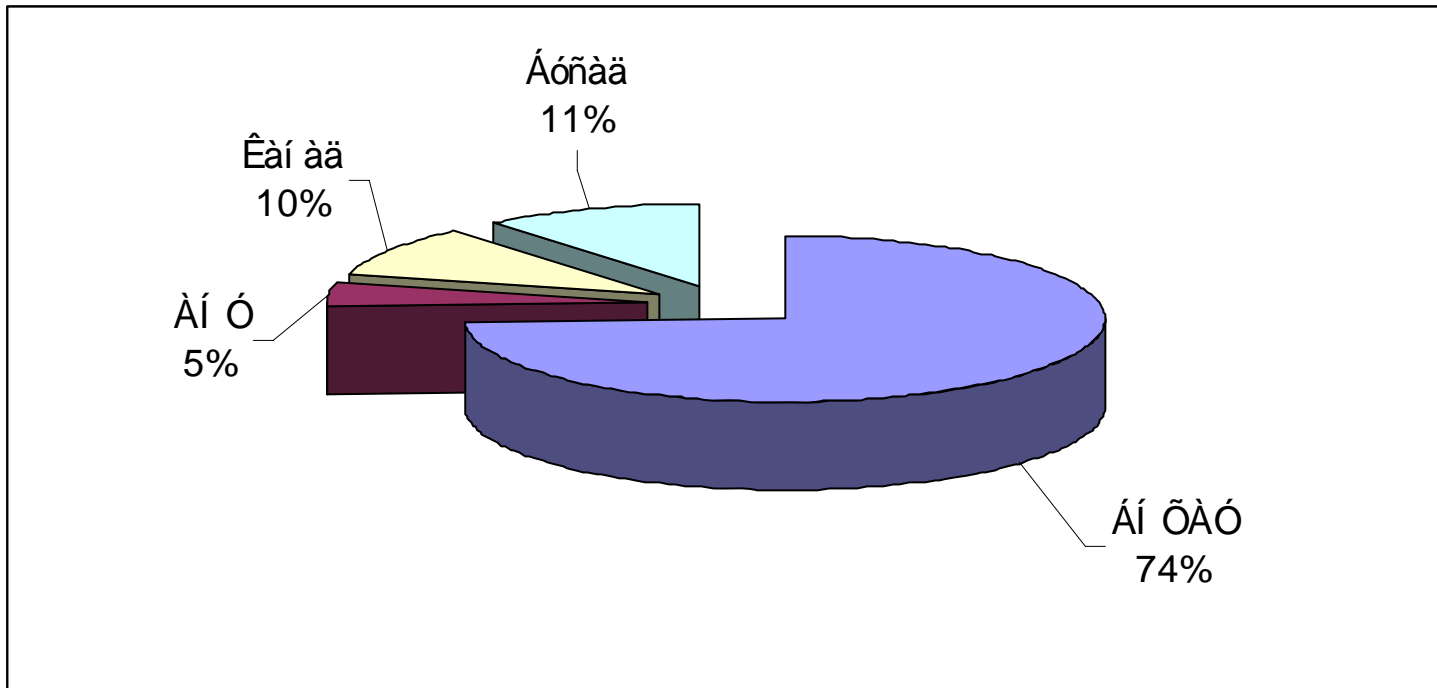
# Mongolia: Basic facts

- Sharp, continental climate with 4 seasons a year
- The official language is Mongolian
- 34 million of livestock
- Religion: Tibetan Buddhism with elements of Shamanism
- Currency unit: Tugrug, MNT 1165=US\$1  
/as of March. 2007/
- Adult literacy rate: 97.8%

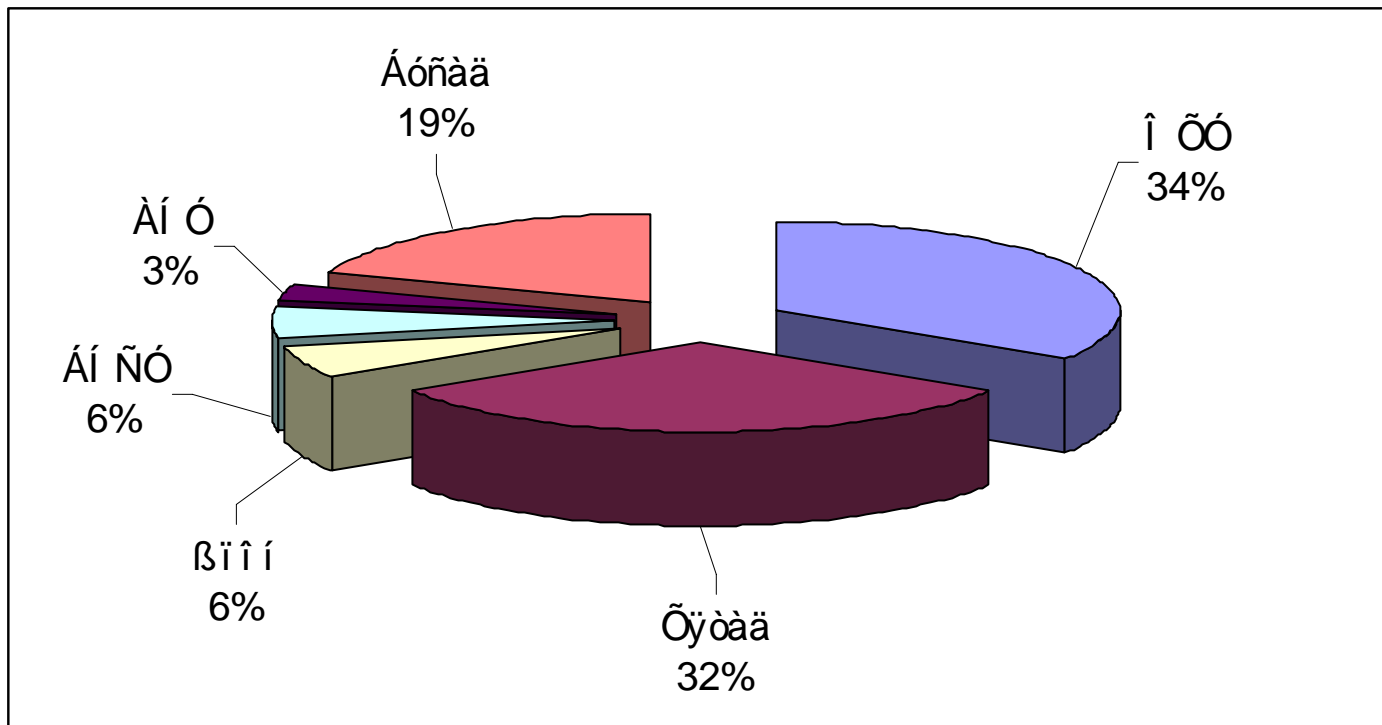
# Foreign trade

- Export by 3<sup>rd</sup> quarter of 2007: 1.3 bln US\$
- Import : 1.46 bln US\$
  
- Export destination: 70 countries Asia 70.5%, America 19%, Europe 10.5%
  
- Import destination: 98 countries Europe 10.5%, Asia 47.5%

# Export destination



# Import destination



- Customs clearance number in 2005:
  - Exports: 32870
  - Imports: 79860
- Total number of:
  - Active trading companies: 560
  - Exporting company: 135
  - Importing company: 327



# Ranking of Mongolia

- World bank survey in 2005
  - Exports ranked in 131<sup>st</sup>
  - Imports ranked in 150<sup>th</sup>

among 180 countries

# Doing Business Report 2006 by WB

- Mongolia ranked 45<sup>th</sup> out of 175 countries
- A below average position: **Trading Across Borders**

# Favorable environment for SEW

- Mongolian Government Action 2004-2008:  
Committed to supporting economic growth  
by active trade policy reform
- E-Government program
- One Stop Shop program

# Trade related institutional organization

- 6 Ministries
- 6 government agencies
- 240 local branches and departments
- 1 NGO (Chamber of Commerce)

in 63 types of activities  
including permits and inspections

# Introduction of SEW

- Initiative by MNCCI in 2005 translation of UNECE recommendation No.33 submitted to the Government of Mongolia
- Letter by MNCCI submitted to the Prime Minister of Mongolia
- WG for SEW establishment by Government Resolution No. 251 of Oct 18, 2007
- USAID-EPRC project is providing technical support

# Action Plan of SEW

- Objectives:
  - Public awareness raising
  - Legal framework review
  - Improve IT infrastructure
  - Technical and feasibility study of SEW implementation
  - Define organization structure of the PPP based legal entity, investors, strategic partners
  - Official launch of the PPP based company

# Principles of implementation of the Action Plan

- Creation of strong political commitment
  - Communication strategy to raise awareness
  - Regular and frequent meeting between regulatory agencies
- Raise awareness and application of the current best international practice and technologies (adaptation to Mongolian context)
- Favorable legal environment
- International best practice, technology and standards adaptation
- Business entity (which is independent body) establishment for implementation
- PPP partnership based legal entity for investment
- “Establish-Operate-Hand-Over” principle
- Easy operation, user-friendly application of SEW

# Action Plan (Phase I-III)

- Phase I : Preparations for the establishment of SEW
- Phase II: Structuring the Private –Public partnership company
- Phase III: Formal launch and operations of the PPP enterprise



# Phase I

- Elaboration and approval of National Program
- Development and implementation of a public communications and awareness raising campaign
- Review and amendments to the current legal framework for trade facilitation and SEW implementation
- Technical assessment on current systems and procedures at participating organizations and resource requirement for PPP enterprise

# Phase II

- Conduct second stage financial and technical feasibility analysis to provide more detailed documentation of current systems and procedures at participating agencies and estimation of initial capitalization requirements of the PPP company based on Business Plan
- Legal structuring of the company including the formulation of legal options of incorporation and registration
- Enlist participation selected investors
- Continuation of public awareness raising campaign

# Phase III

- Formal launch of PPP company by July 2008

# Challenges ahead

- Lack of leadership and commitment among the related public institutions, excluding customs
- Lack of administrative and technical readiness on simplification of foreign trade documents with regard to UNeDOCs principles...
- Lack of knowledge among stakeholders and public awareness on the SEW concept

# Challenges ahead

- Harmonization and re-designing of processes and the current procedures
- Resource constraints and weak capacity of some government agencies that require professional training and harmonization of processes
- Most of the agencies lack ICT capabilities to interconnect with the Customs' network system, limiting their effective participation in the SEW

# Challenges ahead

- Technical assistance on conducting feasibility study on PPP based SEW system
- Capacity building of stakeholders in terms of e-Certificate, e-License and e-Signature concept, train professionals
- Need to review legal and regulatory framework
- Private sector players ability needs to be improved to access SEW activities and increase their active involvement

[www.mongolchamber.mn](http://www.mongolchamber.mn)

[www.mncttf.org.mn](http://www.mncttf.org.mn)