

**Dry Ports in Mongolia**  
A Cornerstone for Economic Prosperity

10.10.2016 Mongolia 1



**Dry Ports Significance for Land-Locked Countries**

Good morning Ladies and Gentlemen !  
The following short presentation has been prepared upon invitation by the Mongolian Team of the ULLC, the Mongolian National Chamber of Commerce (ICC), the National Transportation Company Tuushin and the Embassy of Czech Republic in Mongolia.  
Many thanks to all of them and very happy to be here with you today !

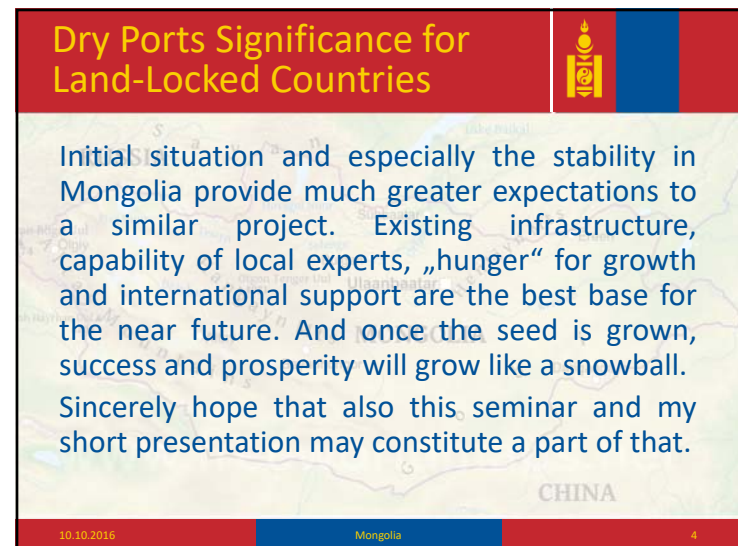
10.10.2016 Mongolia 2



**Dry Ports Significance for Land-Locked Countries**

This moment has a certain sentiment to me.  
Three years ago, almost the same time and under similar circumstances I was presenting about Dry Ports to representatives of State in Ethiopia. Although the project backed by Czech Ministry of Foreign Affairs has finally frozen due to political changes in Addis Ababa, and also because of turmoil in Sudan, an embryo of a dry port was set up and since almost 2 years is serving the Metropolitan area of AA.

10.10.2016 Mongolia 3



**Dry Ports Significance for Land-Locked Countries**

Initial situation and especially the stability in Mongolia provide much greater expectations to a similar project. Existing infrastructure, capability of local experts, „hunger“ for growth and international support are the best base for the near future. And once the seed is grown, success and prosperity will grow like a snowball.  
Sincerely hope that also this seminar and my short presentation may constitute a part of that.

10.10.2016 Mongolia 4

## Dry Ports Significance for Land-Locked Countries



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5

## Dry Ports Significance for Land-Locked Countries



### Key Words

- *Land Locked Country* = a country (or bigger territory) with no direct access to a seashore. Reasons for land locking may be geographical, political, economical, but usually a mixture of all
- Examples of LLC = Mongolia, Czech Republic, Ethiopia, Paraguay, but also provinces as Sichuan, Bavaria, US Mid-West and many other.

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6

## Dry Ports Significance for Land-Locked Countries



### Key Words

- *Multimodal Transportation* = product of transport industry combining two or more different, but tightly connected modes of transportation. Quite common in long distance moves:
  - Rail-Road intermodal
  - River-Sea intermodal
  - Road or Rail-Sea intermodal etc.

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7

## Dry Ports Significance for Land-Locked Countries



### Key Words

- *Multimodal Transportation* provides the best of all transport modes involved = economy and capacity of Rail or Ocean Services, flexibility and speed of a Truck, volume and price of a River barge. Much of this success depends on the effectiveness of „seams“, i.e. connective points, ports, terminals and hubs

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8


## Dry Ports Significance for Land-Locked Countries

Key Words

- *Terminal or Hub* = a point with strong concentration of transport and relevant services; a junction of lanes, interchange of moves between different types of transport modes; usually accompanied by a trading and logistic spot or even supported by an industrial center

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Mongolia
9

## Dry Ports Significance for Land-Locked Countries



10.10.2016
Mongolia
10

## Dry Ports Significance for Land-Locked Countries

Key Words

- *Block train* = a train set created ad hoc (non-repeated utilisation) of different, previously unknown sizes of railcars. While the costs for one-way rent might be low, the outcome (economy) suffers due to a difficult loading plan. Used in initial time of intermodal investment, or where own railcars are seasonably short.

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11

## Dry Ports Significance for Land-Locked Countries

Key Words

- *Shuttle train* = a train set created of fixed sequence and sizetype of railcars, usually owned or long-rented by the train operator. This train provides a balanced loadplan and because of fast terminal operation it may be used under firm, fast port-port connection. Good in times of steady cargo supply.

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Mongolia
12

## Dry Ports Significance for Land-Locked Countries


Key Words

- *Maximum train capacity* = a train capacity defined in
  - tons of cargo accepted (gross weight including container tare)
  - TEU capacity
  - overall length including the locomotive (set by the terminal standards)

In Europe a Container train is limited to 550 meter/1200 tons, which equals to 45 UTI or approx 100 TEU

10.10.2016
Mongolia
13

## Dry Ports Significance for Land-Locked Countries



10.10.2016
Mongolia
14

## Dry Ports Significance for Land-Locked Countries

Key Words

- *Dry Port* (sometimes *inland port*; source: Wikipedia) is an inland intermodal terminal directly connected by road or rail to a seaport and operating as a centre for the transshipment of sea cargo to inland destinations.

In addition to their role in cargo transshipment, dry ports may also include facilities for storage and consolidation of goods, maintenance for road or rail cargo carriers and customs clearance services.

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Mongolia
15

## Dry Ports Significance for Land-Locked Countries

The location of these facilities at a dry port relieves competition for storage and customs space at the seaport itself.

An inland port can speed the flow of cargo between ships and major land transportation networks, creating a more central distribution point. Inland ports can improve the movement of imports and exports, moving the time-consuming sorting and processing of containers inland, away from congested seaports.

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Mongolia
16

**Dry Ports Significance for Land-Locked Countries**

The term *inland port* is used in a narrow sense in the field of transportation systems to mean a rather more specialized facility that has come about with the advent of the intermodal container (standardized shipping container) in international transport. Rather than goods being loaded and unloaded in such ports, shipping containers can just be transferred between ship and road vehicle or ship and train. The container may be transferred again between road and rail elsewhere and the goods are only loaded or unloaded at their point of origin or final destination.

10.10.2016 Mongolia 17

**Dry Ports Significance for Land-Locked Countries**

An *inland port* is just such an inland site linked to a seaport. This kind of inland port does not require a waterway. Key features of an inland port are the transfer of containers between different modes of transportation (intermodal transfer) and the processing of international trade. This differentiates an inland port from a container depot or transport hub.

The term inland port may also be used for a similar model of a site linked to an airport or land border crossing rather than a seaport.

10.10.2016 Mongolia 18

**Dry Ports Significance for Land-Locked Countries**

Introduction

Since the deepest history of manhood, the civilisation relied on vital trade lanes and communication points. From the coastal settlements, the peoples moved to the hinterland, discovering not only additional pray and resources for their living, but also trading opportunities with the neighbouring tribes and nations.

10.10.2016 Mongolia 19

**Dry Ports Significance for Land-Locked Countries**

Actually, we are facing another major stage of that move. Not only the industries move closer to the major inland settlements (source of labour) and industrial clusters (source of resources or subsupplies of ware) but also the infrastructure reflect the trends and spreads into vast network of intra-connected, behind-the-shore hubs and intersections.

10.10.2016 Mongolia 20

## Dry Ports Significance for Land-Locked Countries



These trends are seen not only in the countries with a difficult or no access to the seaports, but same move we can monitor in countries like China, India, USA, CIS or even Germany and CEE, Africa etc., i.e. in fact this is a demonstration of the global changes of production, trading and transportation schemes.

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21

## Dry Ports Significance for Land-Locked Countries



Containerisation has injected another vital stimulus into this development. Containers, being conceived for easy handling, storage and transportation to longer distances, are both the root and also consequence of the migration of transport junctions.

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22

## Dry Ports Significance for Land-Locked Countries



**A point where the streams of cargo (in and out) and the hardware (also in and out) meet, is called an Inland Container Terminal or DRY PORT.** The latter reflects the similarity of the unit to a standard seaport, where all relevant Services and intraconnections between hinterland and main lane are concentrated on a rather limited but highly organised piece of land.

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23

## Dry Ports Significance for Land-Locked Countries



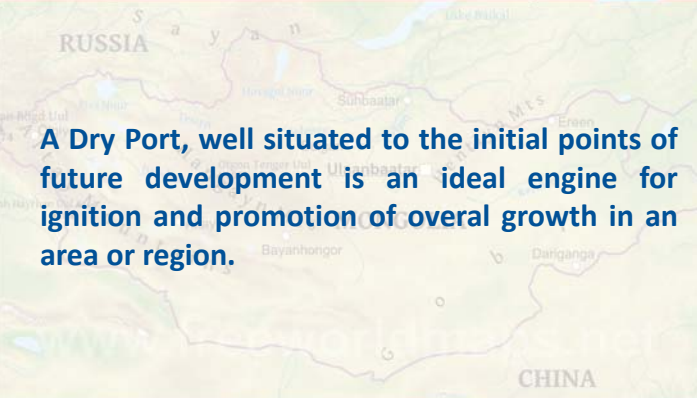
The concentration is again both the reflection but also a permanent cause of in **intensive supply and demand at the very point, which is subsequently producing (and enquiring) additional and supportive functions and Services (a spiral effect).**

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24

**Dry Ports Significance for Land-Locked Countries**



A Dry Port, well situated to the initial points of future development is an ideal engine for ignition and promotion of overall growth in an area or region.

10.10.2016 Mongolia 25

**Dry Ports Significance for Land-Locked Countries**



10.10.2016 Mongolia 26

**Dry Ports Significance for Land-Locked Countries**

At a Dry Port, the main lane is well simulated by a high capacity rail connection to the nearest seaport of convenience. **A high capacity rail lane between a seaport and the respective Dry Port will have rather positive impact on the economy of that seaport, as it allows to transfer part of its duties to the (vaster) hinterland.** A Dry Port, usually less limited by plots, may offer better resources for storage, handling and eventually to minor production or service promotion than in a seaport area, surrounded seriously by water.


10.10.2016 Mongolia 27

**Dry Ports Significance for Land-Locked Countries**

For a land-locked country, a Dry Port may also have significant (supportive) impact on the custom related issues. **A Dry Port with a status of Bonded Area allows at one hand a duty-free trading and machining of goods, but also provides the local authorities a rather concentrated e.g. effective tool of supervision over the merchandise moving from and into the country.**

10.10.2016 Mongolia 28



**Dry Ports Significance for Land-Locked Countries**



Last but not least, a Dry Port well situated at crossroads and intersections, may contribute to higher effectivity, speed and reliability of the transportation from the very beginning or at the „last mile“ (usually to a rather longer distance), again as a result of the volumes concentration = **high-tech scheme of rail transportation, handling and collection/distribution. The first leg shall also provide additional know how to similar projects of a kind in the territory.**

10.10.2016 Mongolia 29

**Dry Ports Significance for Land-Locked Countries**

10.10.2016 Mongolia 30

**Dry Ports Significance for Land-Locked Countries**



Mongolia is an ideal environment for the development of Dry Ports. With fast growing local industries and volumes of cargo exchanged with our world, with no access to a seashore but with a relatively good connection to neighbouring ports of China, and a rather promising growth also in the public consumption, and last but not least at the border of two railway systems it calls for an erection and development of respective hubs, even with reflection of the vast territory of the country and a minor-but-growing intensity of settlement. And it also has a significant experience of the past...

10.10.2016 Mongolia 31

**Dry Ports Significance for Land-Locked Countries**



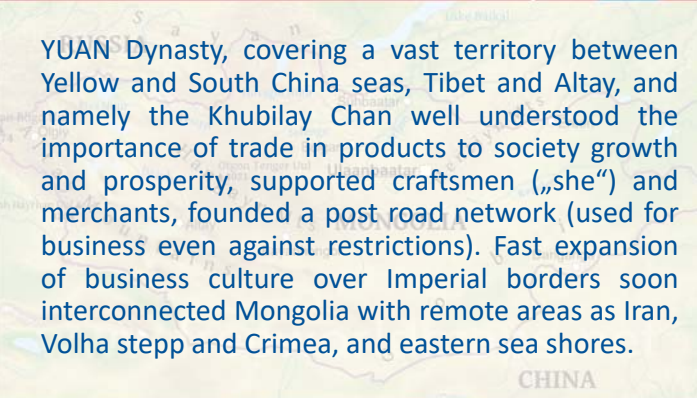
12-13th Century brought flourishing trade in livestock and horses exchanged for luxury goods from China.

With success of Chinggis Chan and his successors expansion to West and South new centers were established, soon after warfare situation developing as trading posts and refuge for merchants.

10.10.2016 Mongolia 32



**Dry Ports Significance for Land-Locked Countries**



YUAN Dynasty, covering a vast territory between Yellow and South China seas, Tibet and Altay, and namely the Khubilay Chan well understood the importance of trade in products to society growth and prosperity, supported craftsmen („she“) and merchants, founded a post road network (used for business even against restrictions). Fast expansion of business culture over Imperial borders soon interconnected Mongolia with remote areas as Iran, Volha stepp and Crimea, and eastern sea shores.

10.10.2016 Mongolia 33

**Dry Ports Significance for Land-Locked Countries**



The fall of Yuan dynasty was directly caused by insufficient management of the vast empire economy and decline in production and trade. Gegenchan Shadbal established a wheat granary matrix in the West but soon, upon the attacks of several Chinese uprisings the empire collapsed.

10.10.2016 Mongolia 34


**Dry Ports Significance for Land-Locked Countries**



Loss of control over rich South (taken over after battle at Tai-yuan) ruled by a new MING dynasty brought to Mongolia an immediate economic decline. Border trading posts were either destroyed or blocked by Chinese troops. Mongolia suffered of shortage in finished products but also wider agricultural production. The only „trade“ was performed as an Exchange of tributes to Ming against chinese luxurious goods.

10.10.2016 Mongolia 35

**Dry Ports Significance for Land-Locked Countries**



The need of finished goods was soon discovered by Ming rulers and stopped with immediate effect (especially trade in horses vs. weapons) in 1448. That led to another war of Mongolian aristocracy with Ming emperor Yingzong, and after his defeat the intronization of Esen Taishi. The trade has been reopened and concentrated to the gates in the Great Wall. Twice a year the cities Datong and Xuanfu hosted (trade) fairs.

10.10.2016 Mongolia 36

## Dry Ports Significance for Land-Locked Countries



Altan Chan brought a new economic strategy and gave support to border posts (charuuls) in Urianchay as the only channels for goods exchange. The region of new capital of Inner Mongolia Chöchchot soon represented a significant market in agricultural products. The peace treaty with Ming China signed 1571 just confirmed the economic power of the Mongolian state.

10.10.2016

Mongolia

37

## Dry Ports Significance for Land-Locked Countries



During the reign of Great Qing (Manchu) the population forced to fixed settlements, products available. The former migration was replaced by growing villages and cities which was reflected also in the mix of agricultural products and their eventual surplus. Also the former exchange of goods during the enforced delegation visits to Beijing lost its significance, as the Chinese firms tended to open their branches within Mongolia.

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38

## Dry Ports Significance for Land-Locked Countries



These trading posts were organised dominantly by existing settlements (Chöchchot, Dolonnuur, Ich Chüre) but also hosted by monasteries and crossroads (licensed by local Administration). Also the Great Wall gates nominated by the Empire soon turned into hubs for merchants and supportive services. The roads from Kalgan and Chöchchot to hinterland became the backbones of the growing economy of the future state. The richest trader even gained official functions from the Empire (toll collection on örtöö's etc.)

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39

## Dry Ports Significance for Land-Locked Countries



Also the northern frontier, reached in 17. century by the Russian missionaries, slowly turned into a line of trade. In 1654 Russian Tsar representatives demanded a free transit through Mongolia for Chinese goods, but failed. Only the Russian-Manchu peace treaty (Nivchugin Geré, 1689) gave the first but strong kick to trade in these regions, resulting in regular market foundation by Ich Chüre. Kyachta soon became the embryo of nowadays free trade zone (1727)

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40

## Dry Ports Significance for Land-Locked Countries



The Russian-Manchu Declaration (1861) extended the free trade rights to Russian business down to Ich Chüre, protected also politically (consulates). Soon consuls appeared also in other trading centers as Ulyastay, Chovd, Urumqi, Qomul and Gucheng. In 1915 the goods exchange with China and Russia grew to balance, and transit was a respected producer of national income (tolls etc). Via the port of Tianjin Mongolia received first products from the Far West.

10.10.2016

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41

## Dry Ports Significance for Land-Locked Countries



Desperate efforts of Manchu Empire to survive, confronted with western superpowers resulted in colonisation of the hinterland provinces. Empire planned to open new mines, connect them with a railway, new agricultural centercities were drawn on the maps. The situation however moved faster. Mongolia was allowed a certain autonomy but lost a part of its territory. And the I. WW and Russian revolution had also short negative impact on the economy.

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42

## Dry Ports Significance for Land-Locked Countries



An idea of full political and economical independence was fueled by growing contacts with the outer world (Japan, US, Chinese republic), but also influenced by sudden shortage of goods after rioting Chinese trading posts in 1912.

The foundation of Mongolia by Declaration of Independence (14.9.1921) gave new birth to progress.

10.10.2016

Mongolia

43

## Dry Ports Significance for Land-Locked Countries



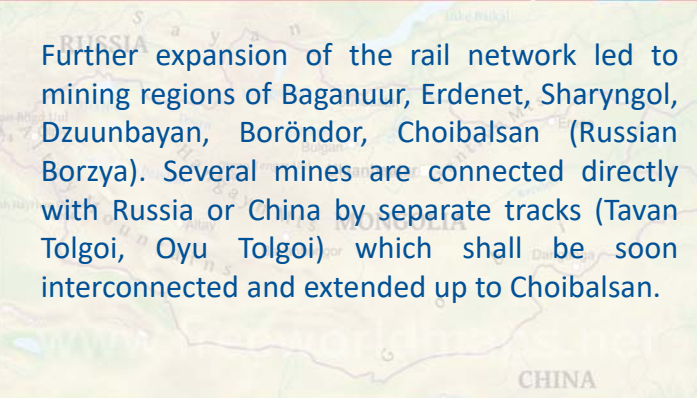
Notwithstanding the years of terror and russification of the country led by Stalinist rule in Soviet Union, the national economy grew by two-digit figures. Mining industry, wool combing, meat procession contributed to fast development of cities. 3.1.1956 the last part of Transmongolian railway (Naushki-Ulanbaator-Erenhot) was ceremonially opened as a tributary to Transsiberian railway.

10.10.2016

Mongolia

44

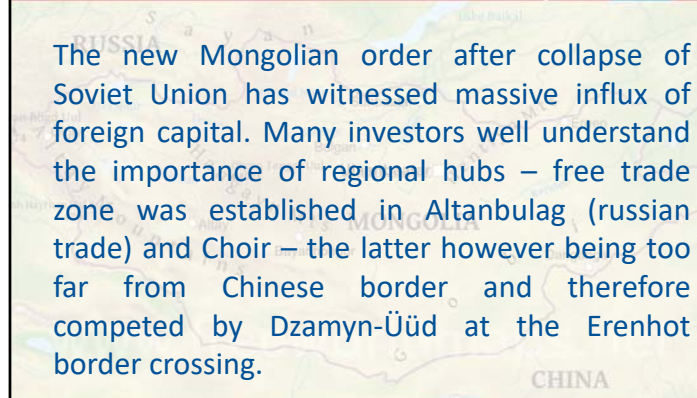
**Dry Ports Significance for Land-Locked Countries**



Further expansion of the rail network led to mining regions of Baganuur, Erdenet, Sharyngol, Dzuunbayan, Boröndor, Choibalsan (Russian Borzya). Several mines are connected directly with Russia or China by separate tracks (Tavan Tolgoi, Oyu Tolgoi) which shall be soon interconnected and extended up to Choibalsan.

10.10.2016 Mongolia 45

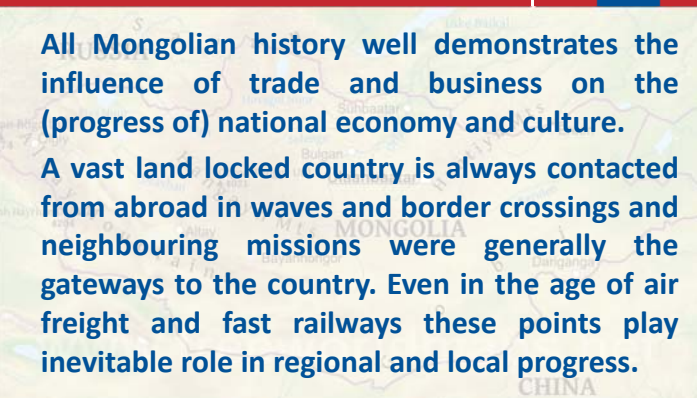
**Dry Ports Significance for Land-Locked Countries**



The new Mongolian order after collapse of Soviet Union has witnessed massive influx of foreign capital. Many investors well understand the importance of regional hubs – free trade zone was established in Altanbulag (russian trade) and Choir – the latter however being too far from Chinese border and therefore competed by Dzamyin-Üüd at the Erenhot border crossing.

10.10.2016 Mongolia 46

**Dry Ports Significance for Land-Locked Countries**



**All Mongolian history well demonstrates the influence of trade and business on the (progress of) national economy and culture.**

A vast land locked country is always contacted from abroad in waves and border crossings and neighbouring missions were generally the gateways to the country. Even in the age of air freight and fast railways these points play inevitable role in regional and local progress.

10.10.2016 Mongolia 47

**Dry Ports Significance for Land-Locked Countries**



10.10.2016 Mongolia 48

### Dry Ports Significance for Land-Locked Countries




Mongolia is an ideal environment for the development of Dry Ports. With fast growing local industries and volumes of cargo exchanged with our world, with no access to a seashore but with a relatively good connection to neighbouring ports of China, and a rather promising growth also in the public consumption, and last but not least at the border of two railway systems it calls for an erection and development of respective hubs, even with reflection of the vast territory of the country and a minor-but-growing intensity of settlement. The book of progress is open ...

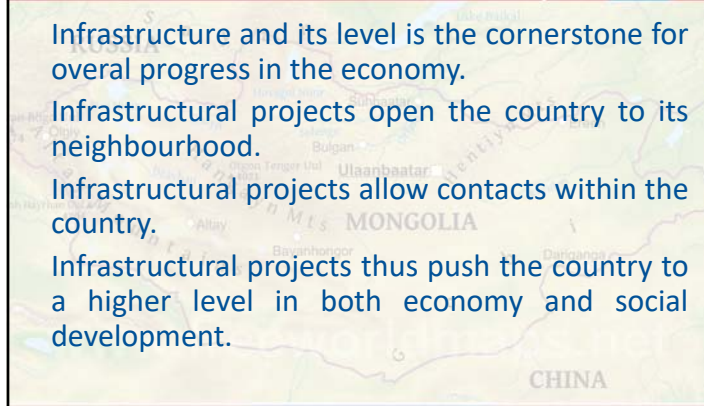


10.10.2016 Mongolia 49

### Dry Ports Significance for Land-Locked Countries



Infrastructure and its level is the cornerstone for overall progress in the economy.  
 Infrastructural projects open the country to its neighbourhood.  
 Infrastructural projects allow contacts within the country.  
 Infrastructural projects thus push the country to a higher level in both economy and social development.



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### Dry Ports Significance for Land-Locked Countries




**Infrastructural projects, when finished have an immediate impact on the national GDP growth; logistics and transportation may create up to 10% of the GDP and give employment to 5% of labor.**

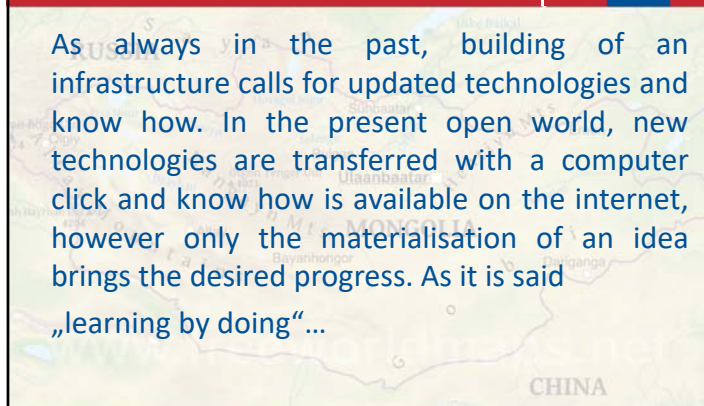


10.10.2016 Mongolia 51

### Dry Ports Significance for Land-Locked Countries



As always in the past, building of an infrastructure calls for updated technologies and know how. In the present open world, new technologies are transferred with a computer click and know how is available on the internet, however only the materialisation of an idea brings the desired progress. As it is said „learning by doing“ ...



10.10.2016 Mongolia 52

## Dry Ports Significance for Land-Locked Countries

To raise a Multimodal Hub or a Dry Port represent a complex of engineering and logistic tasks and challenges.

Even at an existing railtrack and/or road point, with at least a minor community within few kilometer radius and positive features of the landscape the location and erection will face several obstruction and objective obstacles.

10.10.2016
Mongolia
53

## Dry Ports Significance for Land-Locked Countries

- Geographical Location**  
 A Dry Port – by its name, logically – is located in a solid ground hinterland and thus looks easy to be founded. Due to its size however a mass of soil must be removed, solid bases built and a wider backland secured for the value added services.  
 With satellite mapping, GPS locator and building machines of a kind this problem will be solved. And the tested procedures can be easily reproduced again.

10.10.2016
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54

## Dry Ports Significance for Land-Locked Countries



10.10.2016
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55

## Dry Ports Significance for Land-Locked Countries

- Logistic Location**  
 A Dry Port should have a strong connection to other transport hubs or sources of goods so the ideal location seems to be an important junction of roads, rail and/or rivers with an international importance.  
 A dry port may however be build in a compromised location serving all involved in a balanced level. The method for finding such a position is provided by mathematic method of „catchment area“.

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56

### Dry Ports Significance for Land-Locked Countries

It considers different **weights** of individual elements in the modal split; i.e. the capacity of railway and the flexibility of trucking, multiplied by the costs per unit at both ends, including the construction costs for the necessary infrastructure.

The spice of Leadtime to and from the hub may also be added. Time is money...

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57

### Dry Ports Significance for Land-Locked Countries

$$f(D_k) = \sum_{v \in D_k} \sum_{u \in A(v)} 2 * d(u, v) * w(u)$$

uzel	U1	U2	U3	U4	U5	U6	U7	U8
váha	2	3	1	4	2	2	3	1

10.10.2016
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58

### Dry Ports Significance for Land-Locked Countries

The theoretical part of such project may well be allocated with an University team, giving them an unique opportunity to collect universal knowledge in the theory of logistics and – subject to interaction establish with fellow universities in the world – a chance of expansion / export of their gained know how to other projects in several LLC's.

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59

### Dry Ports Significance for Land-Locked Countries


#### 3. Business location

As a Dry Port represents an inevitable part of a commercial environment in a country, whom it serves as a key element of goods transfer, the „business“ location, i.e. vicinity to major trading posts and hub should not be forgotten.

On the other hand, a new location may soon attract businesspeople to settle around and establish a completely new business society.

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60

## Dry Ports Significance for Land-Locked Countries




4. Fiscal location

Dry Port, a point of merchandise concentration, must allow the State to perform effective supervision over the custom status of these goods. Dry Port may either be a part of a wider Free Trade area or should at least be separated from the outer world and provide custom shelter (bonded) to the goods in transit through it. And it goes without saying, the State should have a secured access to duties levied at the gates.

10.10.2016
Mongolia
61

## Dry Ports Significance for Land-Locked Countries





5. Best practice

Several countries in the world solve exactly the same problem: how to bring supplies to their territory to feed its industry and people and how to transport the local products to be sold in the outer world. Sometimes it is enough to study the examples of such activities and take the same steps (of course slightly adapted to local conditions). It will save a lot of time and money...

10.10.2016
Mongolia
62

## Dry Ports Significance for Land-Locked Countries





**DRY PORTS IN (SELECTED) LAND LOCKED COUNTRIES OF THE WORLD**

10.10.2016
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63

## Dry Ports Significance for Land-Locked Countries



**Intergovernmental Agreement on Dry Ports**

The **Intergovernmental Agreement on Dry Ports** is a 2013 United Nations treaty designed to promote the cooperation of the development of dry ports in the Asia-Pacific region. It was concluded under the auspices of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) and is open to ratification by any state that is a UNESCAP member.

10.10.2016
Mongolia
64



## Dry Ports Significance for Land-Locked Countries




The Agreement was adopted in Bangkok on 1 May 2013 by a resolution of UNESCAP and was opened for signature on 7 November 2013. It remained open for signature until 31 December 2014 and have entered into force on 23 April 2016, after having been ratified by the requisite eight states.

As of July 2016, the Agreement has been signed by 17 states. It has been ratified or acceded to by 10 states: Bangladesh, China, India, Kazakhstan, Mongolia, Russia, South Korea, Tajikistan, Thailand and Vietnam.



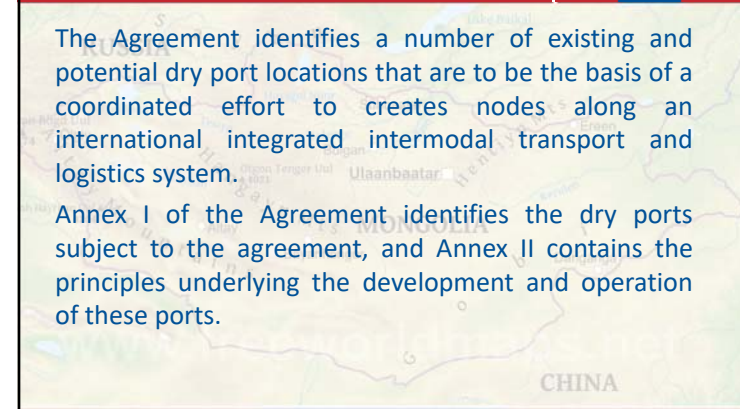
10.10.2016 Mongolia 65

## Dry Ports Significance for Land-Locked Countries




The Agreement identifies a number of existing and potential dry port locations that are to be the basis of a coordinated effort to creates nodes along an international integrated intermodal transport and logistics system.

Annex I of the Agreement identifies the dry ports subject to the agreement, and Annex II contains the principles underlying the development and operation of these ports.



10.10.2016 Mongolia 66

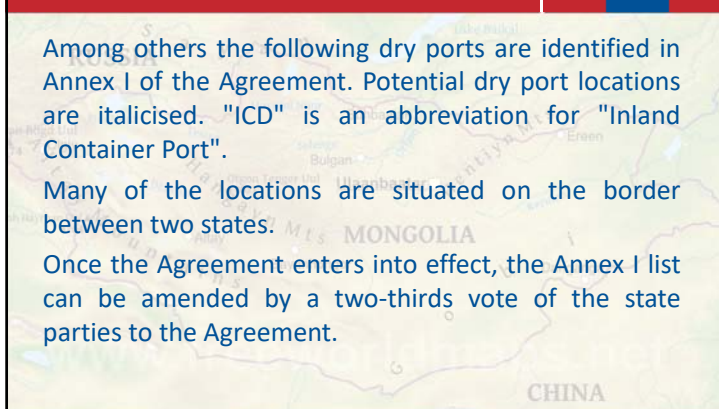
## Dry Ports Significance for Land-Locked Countries



Among others the following dry ports are identified in Annex I of the Agreement. Potential dry port locations are italicised. "ICD" is an abbreviation for "Inland Container Port".


Many of the locations are situated on the border between two states.

Once the Agreement enters into effect, the Annex I list can be amended by a two-thirds vote of the state parties to the Agreement.



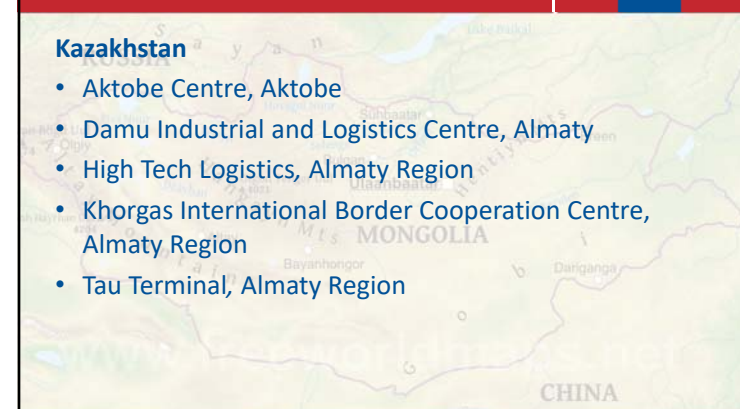
10.10.2016 Mongolia 67

## Dry Ports Significance for Land-Locked Countries



### Kazakhstan

- Aktobe Centre, Aktobe
- Damu Industrial and Logistics Centre, Almaty
- High Tech Logistics, Almaty Region
- Khorgas International Border Cooperation Centre, Almaty Region
- Tau Terminal, Almaty Region



10.10.2016 Mongolia 68

### Dry Ports Significance for Land-Locked Countries

**Mongolia**

- Altanbulag
- Sainshand
- Ulanbaatar
- Zamyn-Üüd
- Choibalsan

10.10.2016 Mongolia 69

### Dry Ports Significance for Land-Locked Countries

**China**

- Erenhot South International Logistics Center, Erenhot
- Manzhouli New International Freight Yard, Manzhouli (altogether 17 spots, the above 2 have a direct Contact with Mongolia...)

10.10.2016 Mongolia 70

### Dry Ports Significance for Land-Locked Countries

**Russia**

None close to Mongolian border.

10.10.2016 Mongolia 71

### Dry Ports Significance for Land-Locked Countries

**1. KHORGOS GATEWAY, Kazakhstan**

The location of Khorgos Dry Port is intended as the staging point at which cargo enters the Special Economic Zone and feeds – and is fed from – the planned Logistics Zone and the Industrial Zone in Almaty region. Importantly, the Dry Port also supplies the local markets and will act as a transshipment facility for through traffic. Transitting cargo is an important source of income to Kazakh economy.

10.10.2016 Mongolia 72

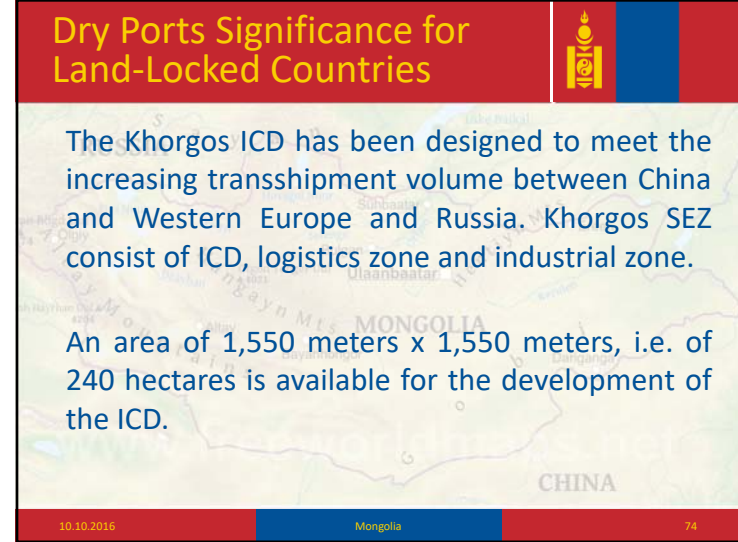
**Dry Ports Significance for Land-Locked Countries**



Ministry of Industry and New Technologies of the Republic of Kazakhstan has planned & started developing Dry Port & Special Economic Zone at Khorgos in Kazakhstan. This project will Create an enabling environment to establish efficient and highly competitive producing units of processing industries, development of cross-border trade and economic cooperation, increasing the transit potential of Kazakhstan by increasing volume of transit, export and import container cargo, social and economic development of the region of Almaty oblast, attracting investments, technologies and modern management.

10.10.2016 Mongolia 73

**Dry Ports Significance for Land-Locked Countries**

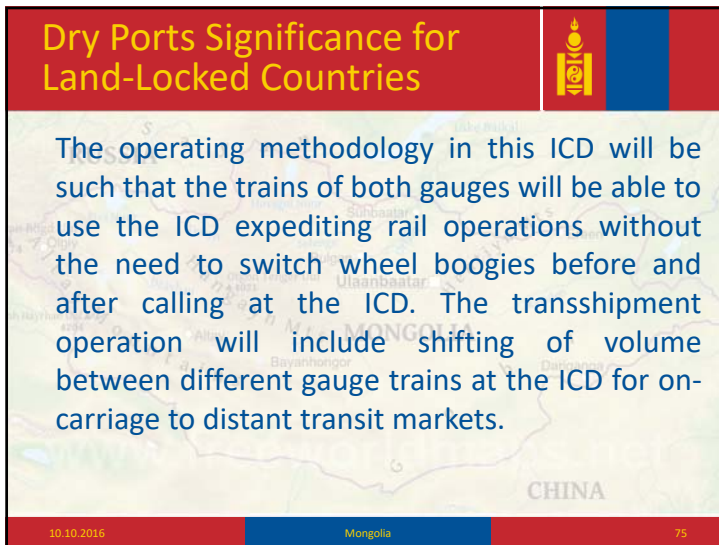


The Khorgos ICD has been designed to meet the increasing transshipment volume between China and Western Europe and Russia. Khorgos SEZ consist of ICD, logistics zone and industrial zone.

An area of 1,550 meters x 1,550 meters, i.e. of 240 hectares is available for the development of the ICD.

10.10.2016 Mongolia 74

**Dry Ports Significance for Land-Locked Countries**



The operating methodology in this ICD will be such that the trains of both gauges will be able to use the ICD expediting rail operations without the need to switch wheel boogies before and after calling at the ICD. The transshipment operation will include shifting of volume between different gauge trains at the ICD for on-carriage to distant transit markets.

10.10.2016 Mongolia 75

**Dry Ports Significance for Land-Locked Countries**



KHORGOS Dry Port is a key part of a wider Khorgos Special Economic Zones. These have several targeted focuses, as vehicles for increased investment, economic development and commerce. Special legal (custom) regimes are offered to those companies whose activities foster fast development of high-productivity and competitive industries, promote investments and transfer of new technologies, and increasing employment opportunities.

10.10.2016 Mongolia 76

### Dry Ports Significance for Land-Locked Countries

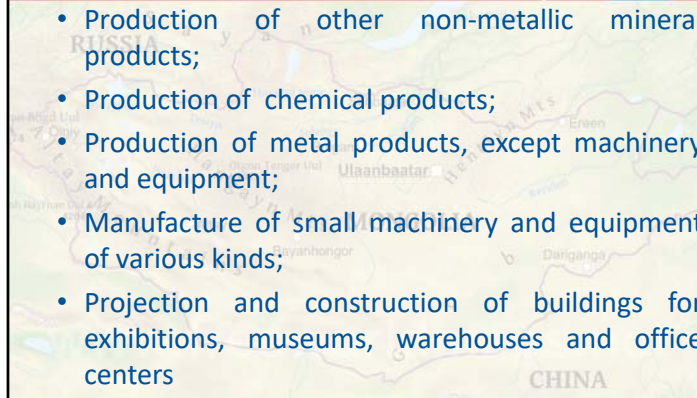


Supported industries at Khorgos

- Warehousing and support activities for transportation.
- Food production.
- Manufacture of leather and related products;
- Manufacture of textiles.

10.10.2016 Mongolia 77


### Dry Ports Significance for Land-Locked Countries



- Production of other non-metallic mineral products;
- Production of chemical products;
- Production of metal products, except machinery and equipment;
- Manufacture of small machinery and equipment of various kinds;
- Projection and construction of buildings for exhibitions, museums, warehouses and office centers

10.10.2016 Mongolia 78

### Dry Ports Significance for Land-Locked Countries



10.10.2016 Mongolia 79

### Dry Ports Significance for Land-Locked Countries



Components of SEZ:

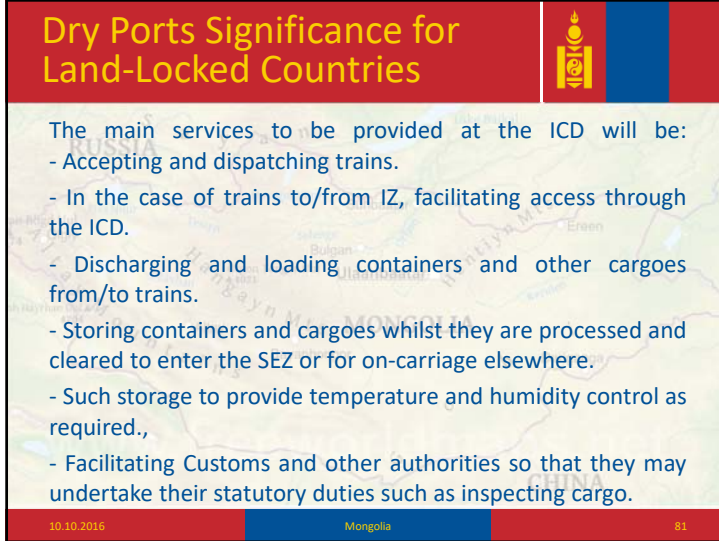
- International Center for Boundary Cooperation (ICBC)
- Dry Port (Inland Port)
- Industrial Zone
- Residential Zone

Strategic development for SEZ

- Airport
- Altynkol Station
- Zhetygen-Khorgos Railways
- West Europe –West China Highway

10.10.2016 Mongolia 80

### Dry Ports Significance for Land-Locked Countries



The main services to be provided at the ICD will be:

- Accepting and dispatching trains.
- In the case of trains to/from IZ, facilitating access through the ICD.
- Discharging and loading containers and other cargoes from/to trains.
- Storing containers and cargoes whilst they are processed and cleared to enter the SEZ or for on-carriage elsewhere.
- Such storage to provide temperature and humidity control as required.,
- Facilitating Customs and other authorities so that they may undertake their statutory duties such as inspecting cargo.

10.10.2016 Mongolia 81

### Dry Ports Significance for Land-Locked Countries




2. BIRGUNJ DRY PORT, Nepal

Nepal Intermodal Transport Development Board (NITDB) has set up a rail linked Inland Clearance Depot (ICD) at Sirsiya, Birgunj (Nepal). It is the first rail-linked terminal in Nepal, which caters to both Third country imports and exports and bilateral cargo from/to India. On July 6th 2004, NITDB awarded Himalayan Terminal Pvt Ltd the contract to operate and manage the Inland Clearance Depot in Sirsiya, Birgunj.

10.10.2016 Mongolia 82

### Dry Ports Significance for Land-Locked Countries



**Ownership**

Himalayan Terminal Pvt Ltd (HTPL) is a joint venture company with Indian and Nepalese participation. The management control is with Container Corporation of India Ltd, CONCOR, which is a pioneer in the field of setting up and running ICD's in India. Its other partners are the Transworld Group, an Indian Shipping company, Nepal Transit Warehousing Corporation and Interstate Multimodal Transport Pvt Ltd. Kathmandu, Nepal.

10.10.2016 Mongolia 83

### Dry Ports Significance for Land-Locked Countries



**Combination of Public and Private Investment**

1. Container Corporation of India Ltd. (CONCOR) is an Indian public sector company currently engaged in India in the business of providing terminal services and facilities for handling and transportation of containerized cargo by rail, road and coastal shipping, and inter modal logistics services for aggregation and distribution of cargo.
2. Transworld Group, an Indian Shipping Company.

10.10.2016 Mongolia 84

### Dry Ports Significance for Land-Locked Countries

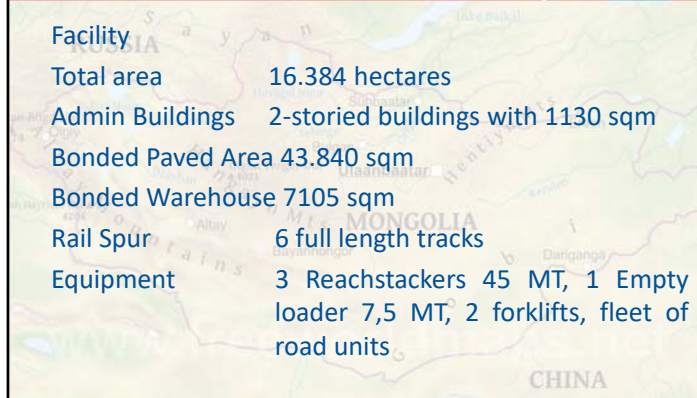


3. Nepal Transit Warehousing Corporation (NTWC) is in the business of transit cargo and warehouse management at the Kolkata and Haldia port in India and in Rexaul, Birgunj and Kakervitta in Nepal, it also provides clearing and forwarding services to public sector undertakings in Nepal for exports from and imports into Nepal.

4. Interstate Multimodal Transport (P) Ltd. (IMTPL) is in the business of international freight forwarding, CHA activities, road transportation of containers and cargo in Nepal.

10.10.2016 Mongolia 85

### Dry Ports Significance for Land-Locked Countries



Facility	
Total area	16.384 hectares
Admin Buildings	2-storied buildings with 1130 sqm
Bonded Paved Area	43.840 sqm
Bonded Warehouse	7105 sqm
Rail Spur	6 full length tracks
Equipment	3 Reachstackers 45 MT, 1 Empty loader 7,5 MT, 2 forklifts, fleet of road units

10.10.2016 Mongolia 86

### Dry Ports Significance for Land-Locked Countries

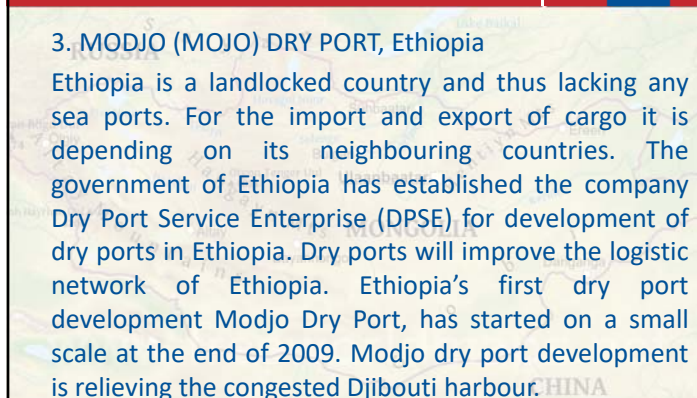


Services

- One stop shopping = Services of Customs, CHA, Shipping Lines, Road Hauliers
- Warehousing for Transit cargo
- Storage for laden and empty containers
- Tracking and monitoring containers
- Road delivery services with anti-pilferage devices
- Container repair Services, equipment survey
- Laboratory testing for foodstuff and animal feed

10.10.2016 Mongolia 87

### Dry Ports Significance for Land-Locked Countries




3. MODJO (MOJO) DRY PORT, Ethiopia

Ethiopia is a landlocked country and thus lacking any sea ports. For the import and export of cargo it is depending on its neighbouring countries. The government of Ethiopia has established the company Dry Port Service Enterprise (DPSE) for development of dry ports in Ethiopia. Dry ports will improve the logistic network of Ethiopia. Ethiopia's first dry port development Modjo Dry Port, has started on a small scale at the end of 2009. Modjo dry port development is relieving the congested Djibouti harbour.

10.10.2016 Mongolia 88

### Dry Ports Significance for Land-Locked Countries



10.10.2016
Mongolia
89

### Dry Ports Significance for Land-Locked Countries

Modjo was the first dry port to be built by the Ethiopian government, following a 2007 study by the then Ministry of Transport & Communication (MoTC). At the time, they suggested that inland (dry) ports that handle customs inspections, documentation of cargo and packaging for import export, could save up to six to seven day demurrage in foreign currency for every container that passes through Djibouti. This is achieved by faster despatch allowed by a concentration of service to an intermodal solution.

10.10.2016
Mongolia
90

### Dry Ports Significance for Land-Locked Countries

Initially, the ESLSE had difficulty lifting goods fast enough from Djibouti port, leaving as many as 22,000 containers stockpiled at the port, in July 2012, for lack of adequate transporters. The ESLSE would significantly improve this, cutting down the average waiting time at Djibouti to around six days. Its problem was then transferred to Modjo, since importers would not pick up their goods. In April 2013, the average waiting time at Modjo was 49 days, whereas the intention was to keep it down to 15 days. There was a backlog of 40 containers piling up daily at the dry port, which has the capacity to carry 6,300 teu containers, stacked in three rows.

10.10.2016
Mongolia
91


### Dry Ports Significance for Land-Locked Countries

Although other satellite ports have been set up in Comet (Addis Abeba); Gelan, in the Oromia Special Zone, 25Km east of the capital; Dire Dawa, 317Km east of Addis; Mekelle, 780Km north of Addis and Kombolcha, 380Km north of Addis, it is still Modjo that handles 61.9 % of all containers coming through the dry ports.

Moreover, Modjo accommodated 26.9 % of the 155,269 twenty-foot-equivalent (teu) containers imported into the country in 2012/13.

10.10.2016
Mongolia
92

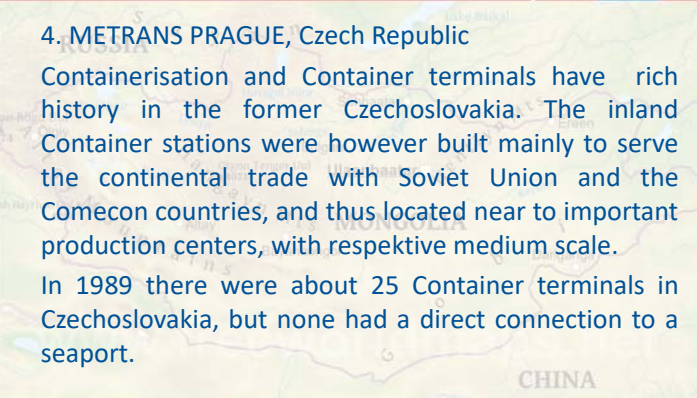
### Dry Ports Significance for Land-Locked Countries



4. METRANS PRAGUE, Czech Republic


Containerisation and Container terminals have rich history in the former Czechoslovakia. The inland Container stations were however built mainly to serve the continental trade with Soviet Union and the Comecon countries, and thus located near to important production centers, with respective medium scale.

In 1989 there were about 25 Container terminals in Czechoslovakia, but none had a direct connection to a seaport.




10.10.2016
Mongolia
93

### Dry Ports Significance for Land-Locked Countries




In 1990 Hamburg based group EUROGATE invested into a river port terminal in Melnik (25 km north of Prague) with intention to provide transshipment and storage services to all kind of cargo (including project and out of gauge cargo), thanks to its trimodal (rail, road, water) facilities.

However the limited space for growth, poor rail connection, absence of fast road link both to capital and national highway network, and frequent floods brought the terminal to soon decline.



10.10.2016
Mongolia
94


### Dry Ports Significance for Land-Locked Countries



In 1992 the then public owned Freight Forwarding and Shipping Co. Cechofracht decided to invest into its daughter company Metrants Ltd., by providing funds to turn a railhead station into a Dry Port (Uhrineves Prague), serving the area of Greater Prague up to 50 km all directions


Soon the company expanded into the hinterland, and gradually covered all Czechoslovakia.

The reason for such success were/are shuttle trains to major ports of Europe, and mainly Hamburg/Bremen.



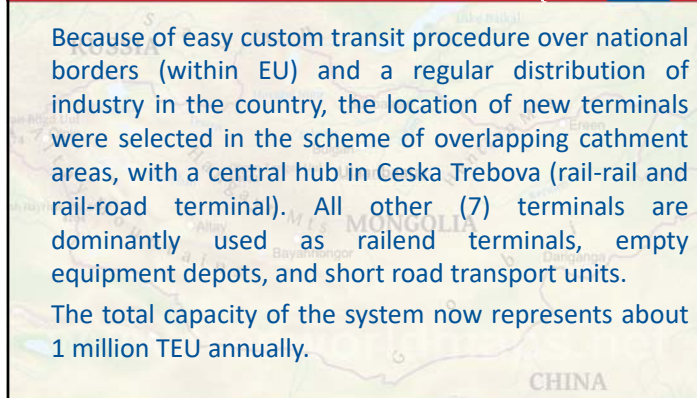
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Mongolia
95

### Dry Ports Significance for Land-Locked Countries



Because of easy custom transit procedure over national borders (within EU) and a regular distribution of industry in the country, the location of new terminals were selected in the scheme of overlapping cathment areas, with a central hub in Ceska Trebova (rail-rail and rail-road terminal). All other (7) terminals are dominantly used as railend terminals, empty equipment depots, and short road transport units.


The total capacity of the system now represents about 1 million TEU annually.



10.10.2016
Mongolia
96



## Dry Ports Significance for Land-Locked Countries



**Equipment**

Within the first years of steady output growth the terminals were equipped with diesel engine rubber wheel reachstackers, with a high speed of handling and space flexibility.

With the implementation of shuttle trains with fixed railcar scheme the first rail-rail or rail-ground handling was turned onto gantry cranes, actually bridging up to 4 railtracks at once. They are fixed to own rail but provides fast handling with higher economy and low environmental influence.

10.10.2016
Mongolia
97

## Dry Ports Significance for Land-Locked Countries




**Equipment**


The yet last acquisition of Metrans are own locomotives, of different production but all good for different rail track management and power systems in Europe. A fully owned train (loc + railcars), on top driven by Metrans own employees, further increases the economy of the run, security against outer risks as strikes or holidays in various countries, and brings Metrans to a direct negotiation position with respective port authorities and railtrack companies elsewhere.

10.10.2016
Mongolia
98

## Dry Ports Significance for Land-Locked Countries



**Coverage**



10.10.2016
Mongolia
99

## Dry Ports Significance for Land-Locked Countries





FUTURE CHALLENGES

10.10.2016
Mongolia
100

### Dry Ports Significance for Land-Locked Countries

Mongolia is being a signatory member to the Intergovernmental Agreement on Dry Ports and thus may and can enjoy first class access to information from other member countries, may share their best practices, co-negotiate the foreign support (be it know how or technology or management skills tuition). Several points on the Mongolian map have been selected as future Dry Ports or at least multimodal and border terminals.

10.10.2016
Mongolia
101

### Dry Ports Significance for Land-Locked Countries

For a certain reason this event has concentrated on the Northern Border Altanbulag-Kyachta (Khiagt). The background might be various, from the predominating direction of trade to Russia to easier logistics (same gauge) to its vicinity to Mongolian capital. Therefore a major investment into the site changing the border railway station and road crossing into a 21st century hub should be prompted. Here should be built railterminal with transloading equipment, a custom bonded zone, a minor railcar and container repair- and depot-facility.

10.10.2016
Mongolia
102

### Dry Ports Significance for Land-Locked Countries

A real Dry Port should however be erected in the South. A border station at Zamyn-Üüd should be paid the highest attention for several reasons:

- Opening Mongolia to outer world, and foreign (non-Russian) investment in the country shall soon reflect in a growing volume of trade to / from overseas;
- The site has a direct connection with the Chinese seaport of Tianjin with a bonded coverage, and Mongolia enjoys a VIP status in the port;
- The site is a logical service point because of different gauges


10.10.2016
Mongolia
103

### Dry Ports Significance for Land-Locked Countries

- The site may easily turn an economical capital to a bigger region at both sides of the border. Erenhot (Erlian) has since 1992, when opened to international trade, grown from 8.000 to almost 100.000 inhabitants, the Mongolian side may follow the same soon and all these people need to be fed and accomodated;
- Once equipped with industries processing food it may fast develop into an export site for perishable goods which by return will reinforce the quality of the dry port;

10.10.2016
Mongolia
104

### Dry Ports Significance for Land-Locked Countries



- Once interconnected with the hubs in Ulanbaatar, Oyu Tolgoi and other centers, Zamyun Üüd will become a first class gateway to the country and the pipeline for its exports of finished goods
- Being a part of the Transsiberian railway system its role in the long distance trade should also be reiterated
- Last but not least, once secured at the supply end it may turn into a door for tourists coming to Mongolia, and especially to Gobi desert areas, and travelling further north to the Capital or other province.

10.10.2016 Mongolia 105

### Dry Ports Significance for Land-Locked Countries



THANK YOU FOR YOUR ATTENTION

10.10.2016 Mongolia 106