



MONGOLIAN WOOL & CASHMERE
ASSOCIATION

CURRENT STATUS OF THE BUSINESS ENVIRONMENT AND INVESTMENT OPPORTUNITIES IN THE MONGOLIAN CASHMERE SECTOR

2025



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CONTENT

- **INTRODUCTION OF THE MONGOLIAN WOOL AND CASHMERE ASSOCIATION**
 - **LONG AND MID TERM OF MONGOLIA'S POLICIES**
 - **STRATEGIES**
 - **CURRENT SITUATION OF THE MONGOLIAN WOOL AND CASHMERE INDUSTRY**
 - **EXPORT OPPORTUNITIES IN MONGOLIA'S WOOL AND CASHMERE INDUSTRY**
 - **INVESTMENT NEEDS IN MONGOLIA'S WOOL AND CASHMERE SECTOR**
-

MONGOLIAN WOOL AND CASHMERE ASSOCIATION

ESTABLISHED YEAR:

1993

**NON GOVERNMENTAL ORGANIZATION
THAT SERVES THE COMMUNITY**

MEMBERSHIP:

154

VISION:

**TO BECOME THE WORLD'S OWN
ECO-FRIENDLY, SOCIALLY
RESPONSIBLE, HUMAN RIGHTS-
PROMOTING, AND SUSTAINABLE
TEXTILE MANUFACTURER.**

OPERATIONAL WAY:

- Law, legal and tax environment
- Quality, standard certification
- Training center
- Textile technology center
- Foreign relations, collaboration and marketing

OUR VALUE:

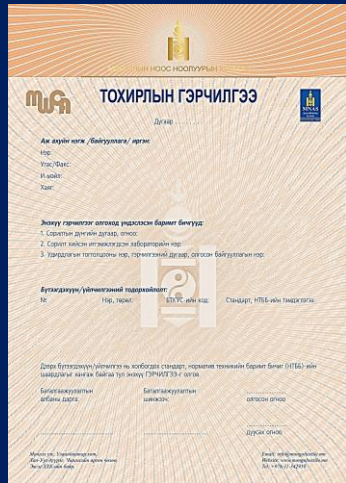
- Mongolian wool and cashmere
- Bilateral trust
- Qualified human resource
- Active participation in various field
- Innovation and advanced technology



QUALITY, STANDARD CERTIFICATION

CERTIFICATE OF CONFIRMITY

If the standard meets with Mongolian MNS standard



EXPORT CERTIFICATE

Washed wool and dehaired cashmere products specified in Article 13.3 of the Law on Standardization, Technical Regulation, Conformity Assessment and Accreditation are subject to mandatory certification by Government Order No. 291...



MONGOLIAN NOBLE FIBRE PRODUCT QUALITY STANDARD

Product quality indicator

- Dyeing stability
- Size sustainability
- Cashmere contain
- Mongolian origin raw material



SUSTAINABLE TEXTILE PRODUCTION SYSTEM STANDARD

- Appropriate use of natural resources
- Social responsibility
- Production waste
- Harmless to human and nature
- Energy and chemical usage
- Labor protection and animal rights



PROTECTED GEOGRAPHICAL INDICATION /GI/

"Geographical indication" means the geographical name of a country, region or place where goods or products are produced, which have a quality, reputation or other distinctive characteristics determined by factors such as the natural and climatic conditions of the area or the customs of the people of that area.

- White
- Beige
- Light grey
- Brown
- Dark



MONGOLIAN LONG AND MID TERM POLICY AND TARGET

VISION 2050

MONGOLIA'S LONG TERM DEVELOPMENT CONCEPT



ECONOMY



**REGIONAL AND
RURAL
DEVELOPMENT**



**GREEN
DEVELOPMENT**

Will develop leading economic sectors and create an export-oriented economy.

Develop the processing industry of livestock-derived raw materials in an environmentally friendly manner, improve the level of raw material processing, and increase the production and export of value-added products.



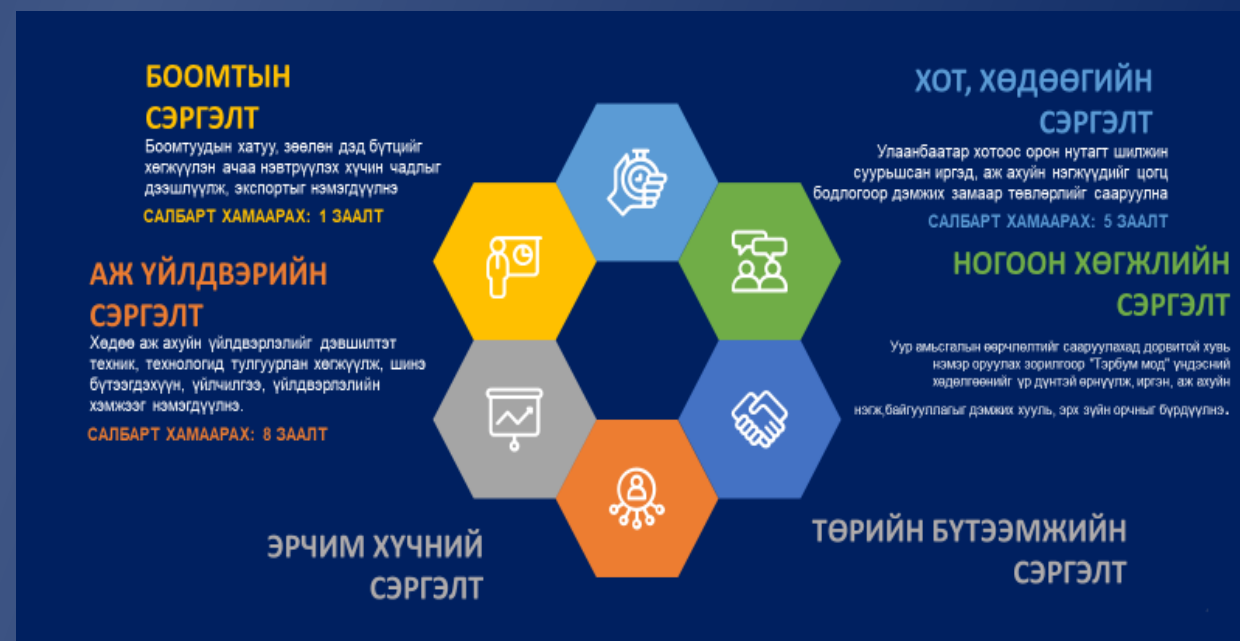
WHITE GOLD National movement

In 2023, full cashmere production level was **20%** and will increase it until **40%** in 2028.

42 pack – MNT 320,7 billion

12 pack - MNT 25,6 billion

NEW REVIVAL POLICY



STRATEGIC OBJECTIVE 1

Develop a business ecosystem that promotes industry integration, investment, and growth

- 1.1. Encourage the creation of networks to improve sector integration and supply chains.
- 1.2. Introduce financial solutions aimed at innovation and operational improvement in the sector.
- 1.3. Support investments that enhance competitiveness in international markets.

STRATEGIC OBJECTIVE 2

Improve the capacity for early-stage processing and manufacturing

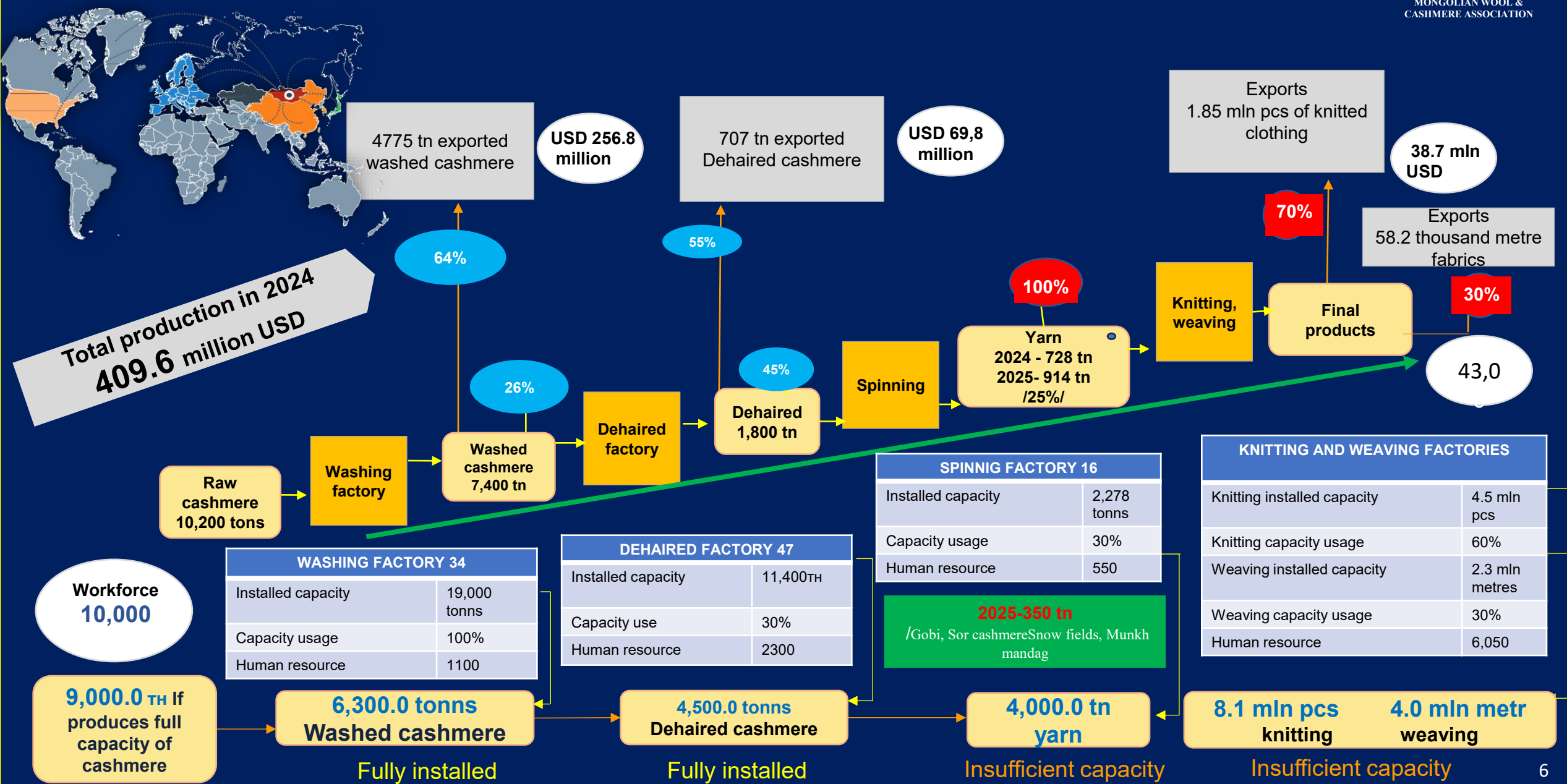
- 2.1. Provide professional training for herders and livestock product managers to optimize raw material utilization
- 2.2 Train skilled human resources capable of working throughout the value chain
- 2.3. Establish a research and innovation institutional framework for the wool and cashmere sector.

STRATEGIC OBJECTIVE 3

Enhance export competitiveness and strengthen market linkages

- 3.1. Create conditions for products to meet technical requirements and standards in export markets
- 3.2. Strengthen the export marketing capacity of businesses ready to enter international markets
- 3.3. Promote and brand Mongolian wool and cashmere products

CASHMERE PRODUCTION, SALES AND WORKFORCE



DEHAİRED CASHMERE EXPORT
/2019-2025/



FIRST NINE MONTHS OF 2024-2025

	САМНАСАН НООЛУУР		ЭЦСИЙН БЭЛЭН БҮТЭЭГДЭХҮҮН	
	Тоо хэмжээ /тн/	Үнийн дүн /сая.дол/	Тоо хэмжээ /мян/шир/	Үнийн дүн /сая.дол/
2024	471,8тн	46,0	82,734	6,5
	↓ x5		↓ 16%	
2025	2304,6тн	188.0	95,763	7,6

Тайлбар:

- Самнасан ноолуурын экспорт эхний 9 сарын байдлаар тоо хэмжээ **5 дахин**, үнийн дүнгээр **4,1 дахин** өссөн.
- Эцсийн бэлэн бүтээгдэхүүн эхний 8 сарын байдлаар **16 хувийн** өсөлттэй байсан бол 9 сард 2,7 хувь буурсан.



EXPORT OPPORTUNITIES IN MONGOLIA'S WOOL AND CASHMERE INDUSTRY

- Since February 2025, the ban on the export of washed cashmere has increased the demand for processed cashmere in foreign markets.
- As consumer purchasing behavior increasingly favors eco-friendly and sustainable production, exports are rising.
- Within the framework of the Eurasian Agreement, starting from January 1, 2026, 204 types of wool and cashmere products will be eligible for duty-free export to the northern neighbor.
- Under the Generalised System of Preferences Plus (GSP+), 7,200 products originating from Mongolia enjoy preferential tariff treatment
- Within the framework of the Mongolia–Japan Economic Partnership Agreement, 5,700 types of products are being exported.
- Global demand for cashmere is increasing, particularly in Europe.
- China's import of 100 million cashmere products indicates significant market potential in the southern neighbor's market.
- Promotional activities introducing Mongolian cashmere to the U.S. market have led to a steady increase in demand and consumption.
- The ISO standard initiated and developed by Mongolia, which sets requirements for textiles, animal welfare, cashmere collection, labeling, production, and traceability systems, has been endorsed and approved by the Technical Committee of the International Organization for Standardization.



INVESTMENT NEEDS IN MONGOLIA'S WOOL AND CASHMERE SECTOR

Required Investments	BACKGROUND
Improving the raw material procurement system /Raw Material Fund/ Developing a traceability system	There is a growing need to enhance the quality of raw cashmere, develop the raw material preparation system, and ensure the sustainability of the value-added chain by strengthening the capacities of herders and herder cooperatives, as well as improving the traceability system of the cashmere supply chain. How? Organize training and provide information on animal health and well-being, pasture management, adaptation and resilience to climate change; improve the traceability of the entire value chain in accordance with international standards, rules, and regulations; optimize the use of resources; strengthen efforts to protect animal welfare and biodiversity; and develop digital training and online platforms to connect herders and herder cooperatives with national producers. Funding sources: State Budget, donor organizations
Installed capacity of the cashmere sector in spinning production	To increase the production and export of value-added and deeply processed wool and cashmere products, it is essential to enhance the utilization of existing spinning capacity and implement technological upgrades and modernization of high-tech equipment. How? Strengthen coordination among sector stakeholders to identify the specific needs of the spinning industry. Provide incentives, financial schemes, or low-interest long-term loans to support industry growth. Encourage foreign direct investment (FDI) and establish joint ventures with strategic partners. Funding Sources: State budget, private investment, and foreign direct investment (FDI)
Technological modernization of processing companies	Through sectoral modernization, it is necessary to increase the efficient production of value-added products ready for export, reduce production waste, adopt recycling technologies, and carry out regular product development and marketing activities. How? Support stakeholders in upgrading production capacity, equipment, management systems, and infrastructure. Provide incentives or financial schemes to facilitate modernization. Share information on the latest advanced technological solutions and global best practices. Organize regular capacity-building trainings and seminars. Funding Sources: Government budget, private investment, and foreign investment
Strengthening human resource capacity in the sector	It is necessary to continuously enhance the knowledge and skills of the workforce to support value-added activities, digital transformation, and advanced technologies, as well as to establish and implement a coordinated policy framework. How? Implement programs to upgrade the skills of female employees and prepare senior managers for leadership roles. Carry out an Italian-Mongolian engineer and technical staff exchange program and initiate joint diploma programs between universities in both countries. Develop training programs in consultation with leading global engineering colleges, design institutes, and/or academicians, and enhance the capacity of instructors. Expand the Textile Technology Center under the Mongolian National Chamber of Commerce and Industry (MNCCI) into a laboratory, testing, research, and innovation development hub. Funding Sources: Government budget, donor financing

THANK YOU FOR YOUR
ATTENTION