



EXPORT DIVERSIFICATION STRATEGIES OF MONGOLIA


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**GLOBALIZATION AND BUSINESS
DEVELOPMENT CONFERENCE**



▲
**KEY ECONOMIC
INDICATORS**



▲
**TRADE PERFORMANCE
AND CHALLENGES**



▲
**FURTHER
OBJECTIVES**



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**OBJECTIVES FOR
ENABLING FAVORABLE
EXTERNAL CONDITIONS
FOR ECONOMIC
DEVELOPMENT**

Government Action Plan (2016-2020)

- Aim to balance trade and economic cooperation with neighbor countries
- Priority to develop economic cooperation with third neighbor countries
- Participate actively in regional economic cooperation
- Reduce dependency on single market
- Diversify export markets and export products
- Participate in the regional value chain
- Enable favorable regulatory framework for foreign investors and businesses
- Reduce tariff and non-tariff barriers for targeted markets

“MONGOL EXPORT PROGRAM” (2019-2023)

-Approved by the Cabinet in September, 2019

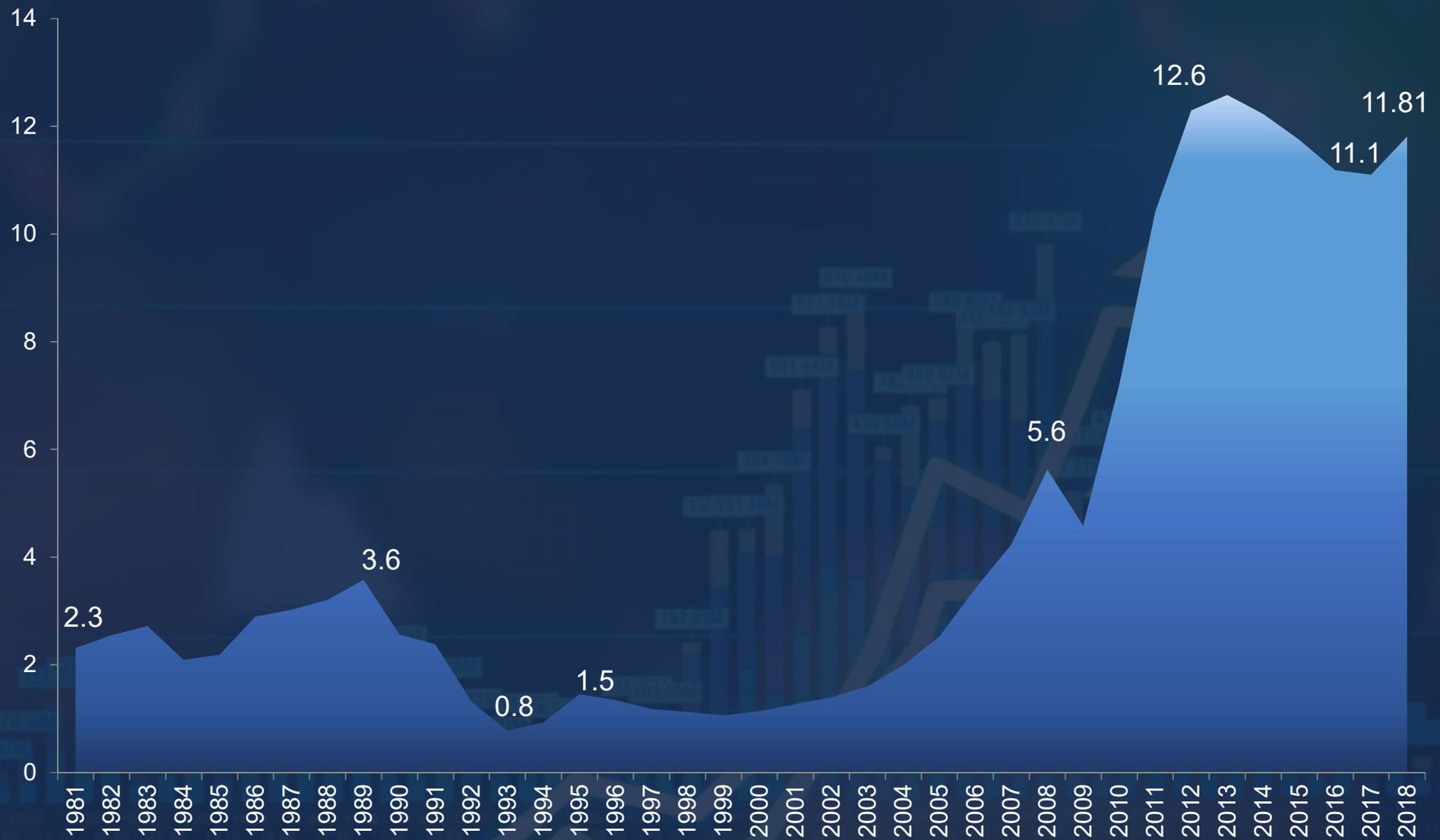
Main purpose:

- *Promote non-mining exports*
- *Diversify export markets*
- *Promotion of export development*
- *Support export market analysis*



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GDP OF MONGOLIA (1981-2018, USD billion)



Source: World Bank



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FOREIGN TRADE TURNOVER, GROWTH RATE (2000-2018, USD billion, percentage)



Source: General Customs Authority



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EXPORT VOLUME, GROWTH RATE (2000-2018, USD billion, percentage)

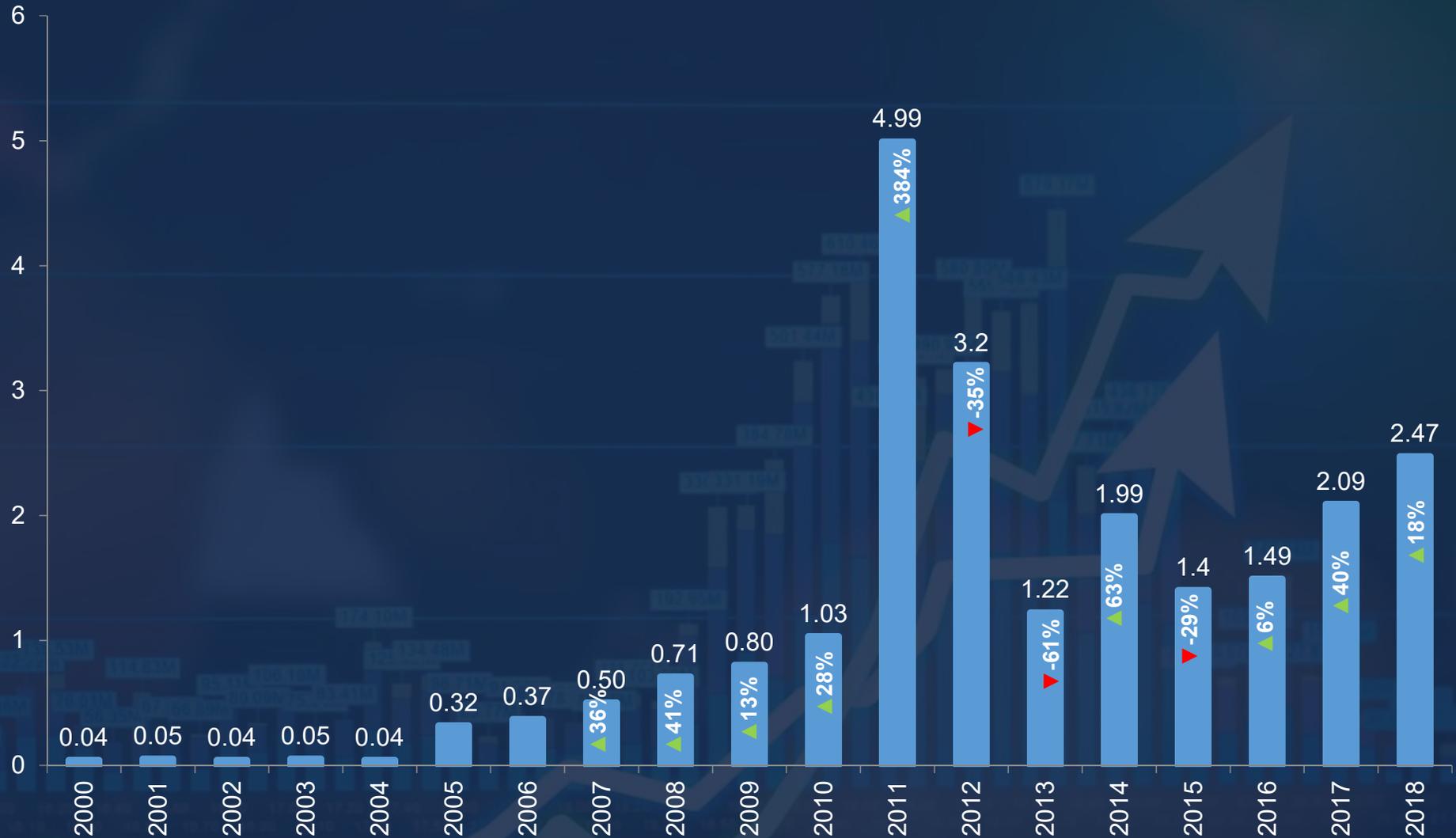


Source: General Customs Authority



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FOREIGN DIRECT INVESTMENT, GROWTH (2000-2018, USD billion, percentage)



Source: National Development Agency, Bank of Mongolia



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FOREIGN EXCHANGE RESERVE (2017-2018, USD billion)

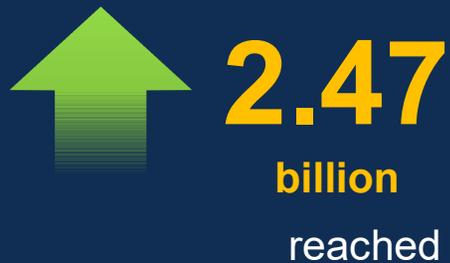


Source: Bank of Mongolia



IMPROVING ECONOMIC INDICATORS

Foreign Direct Investment



2016: USD 1.49 billion
2017: USD 2.09 billion
2018: USD 2.47 billion

Credit rating



Moody's: B-/Stable to
B/Stable
(2018.11.08)

Foreign trade balance



Export 2018: USD 7.0 billion
Import 2018: USD 5.9 billion

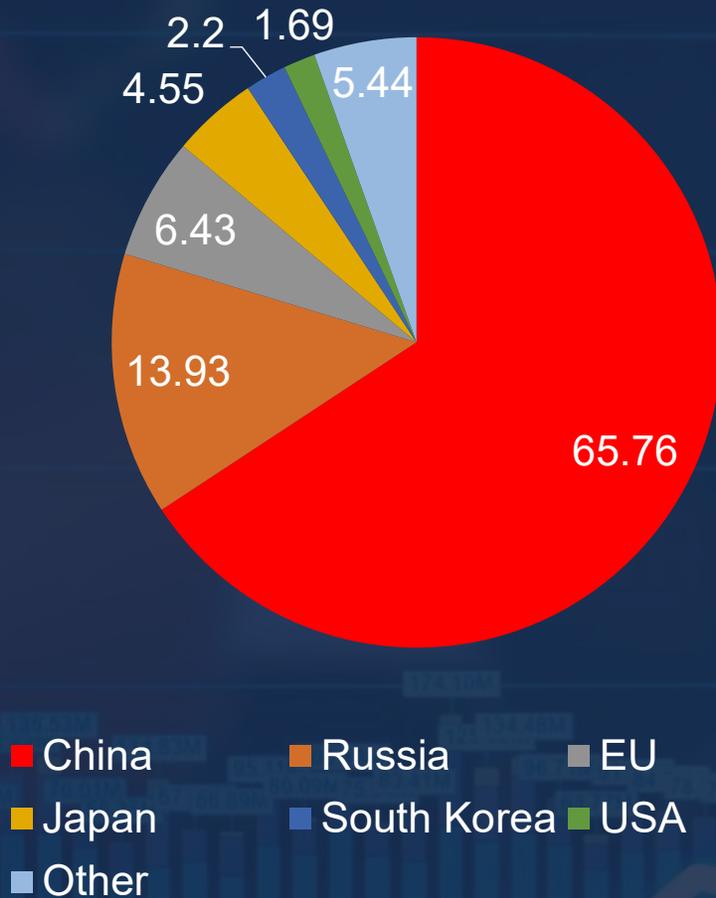


**TRADE PERFORMANCE
AND CHALLENGES**

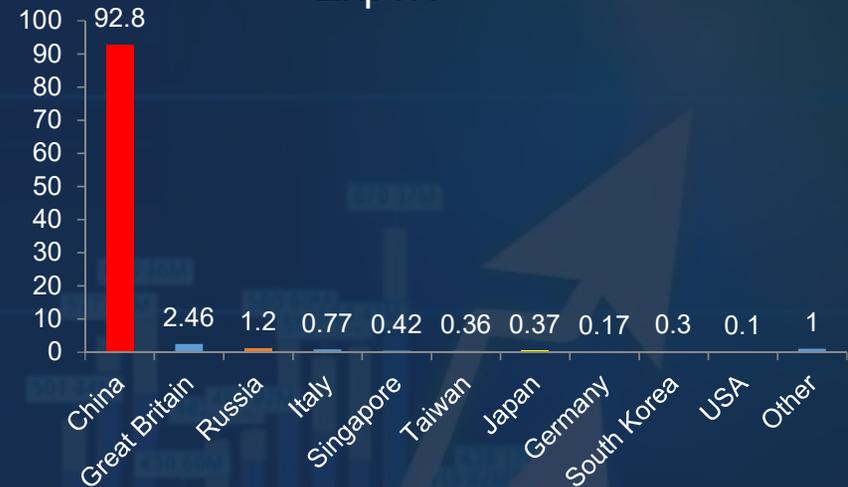


I. EXPORT MARKET DIVERSIFICATION (by country, 2018, share in percentage)

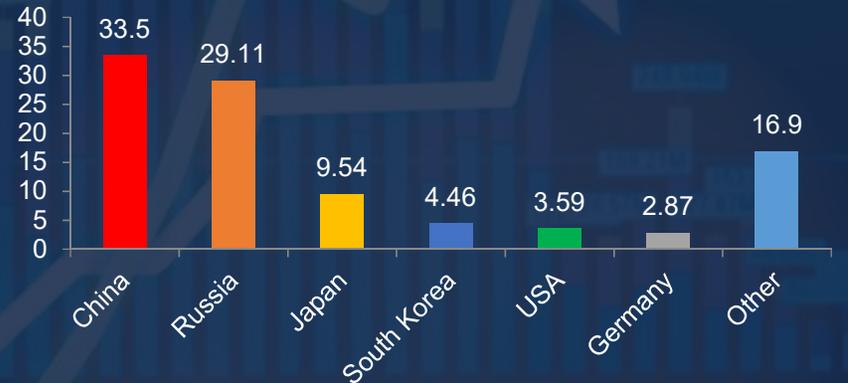
Trade turnover



Export

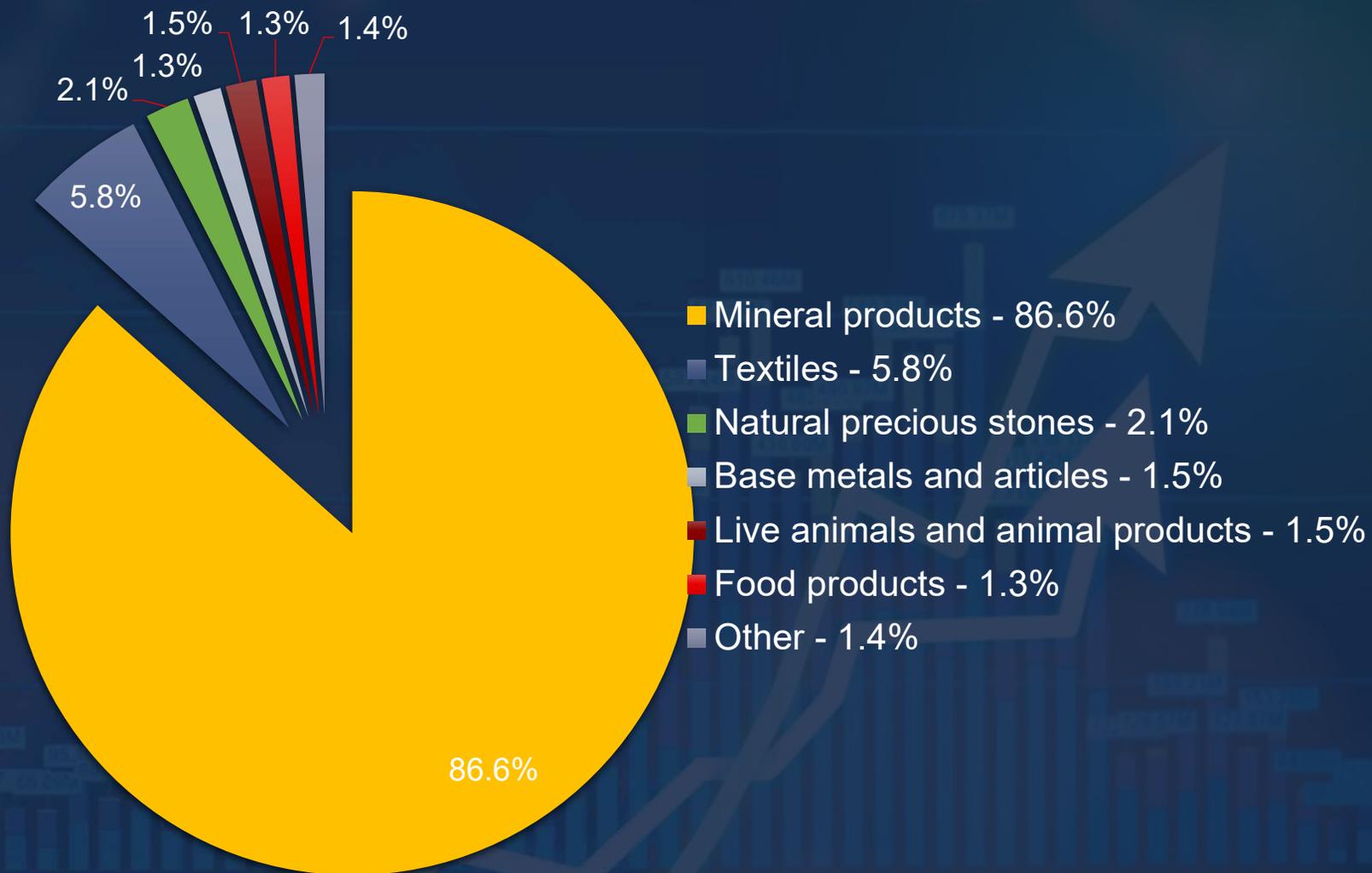


Import





II. EXPORT PRODUCT DIVERSIFICATION (2018, percentage)





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III. EXPORT BREAKDOWN (thousand USD, by type, 2000-2018)



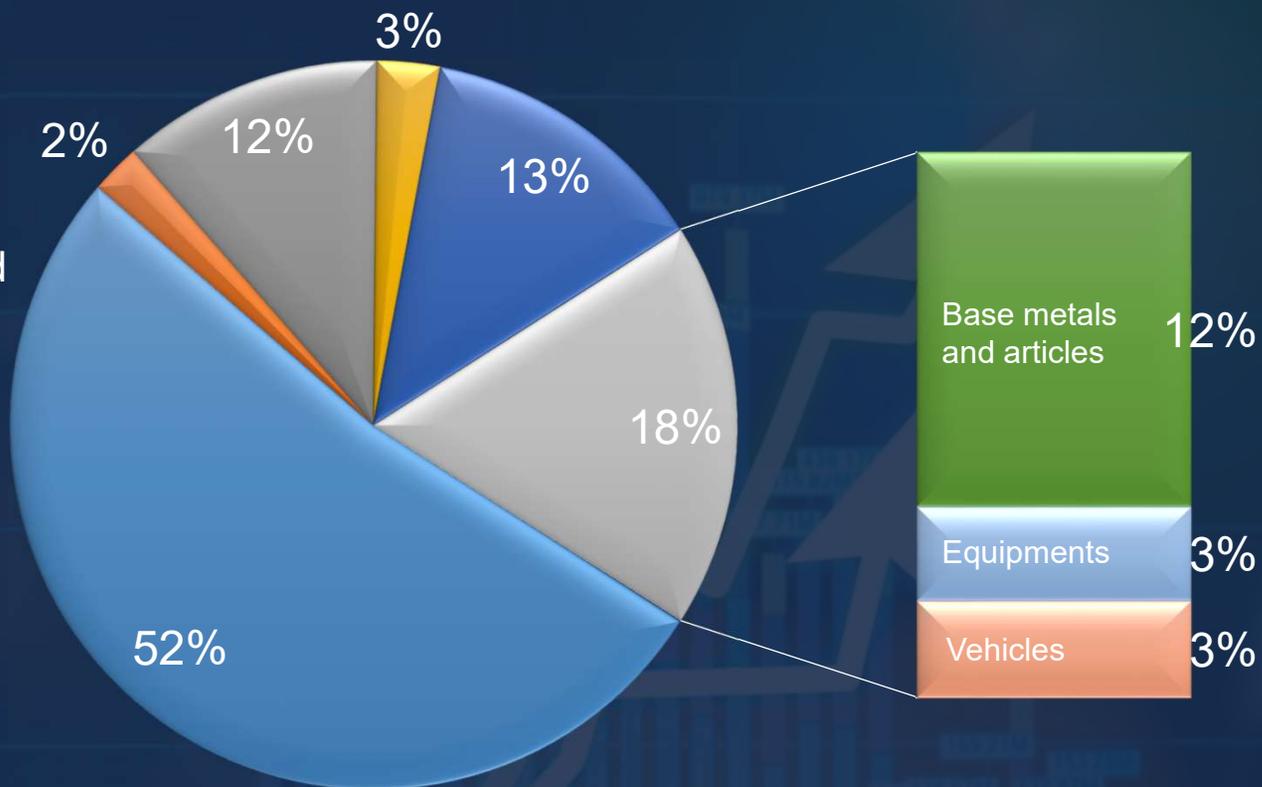
Source: General Customs Authority



NON-MINING EXPORT

(by product types, share in percentage, 2018)

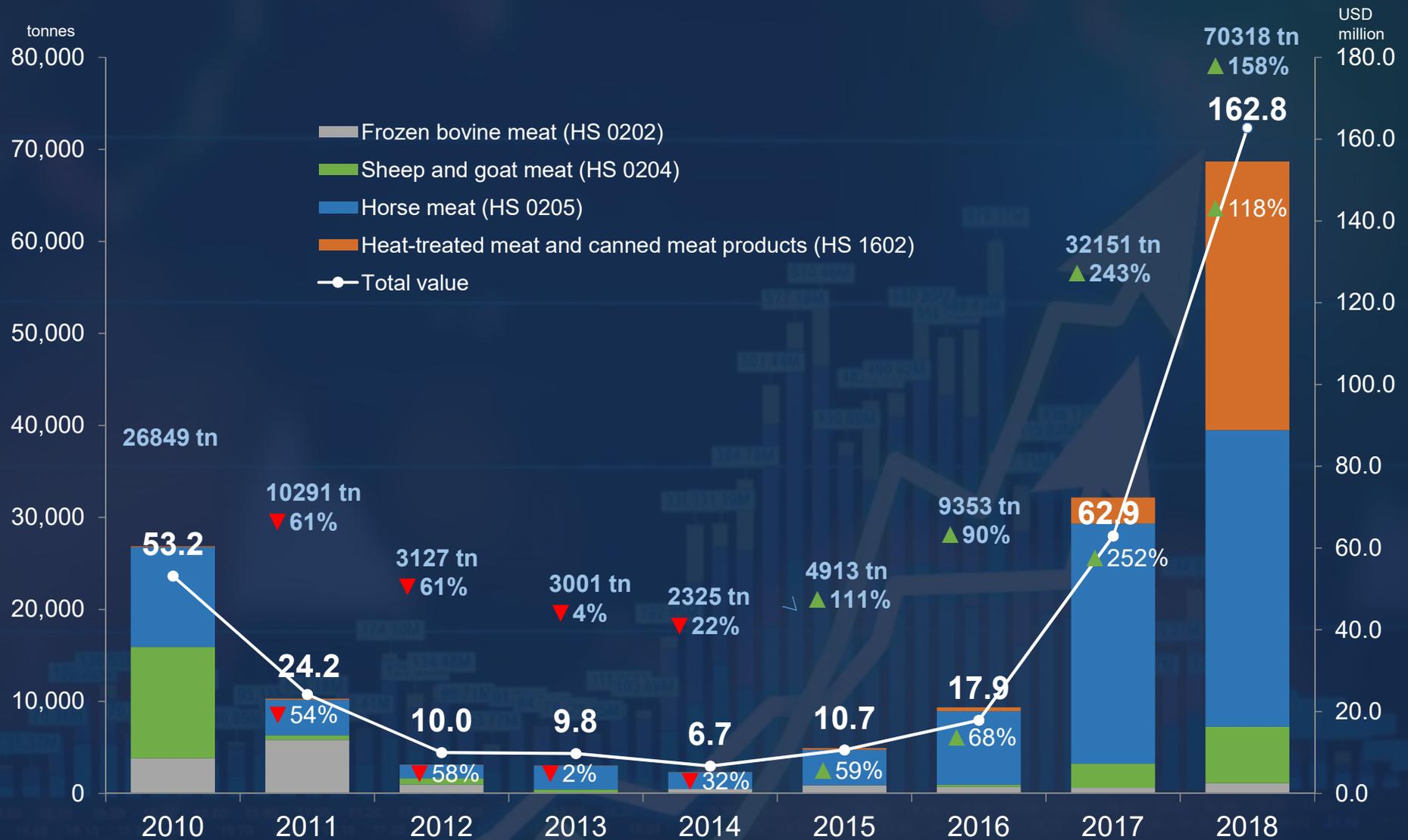
- ▣ Cashmere, wool and textile products
- ▣ Raw and processed hides and skins
- ▣ Food products
- ▣ Plant and vegetable products
- ▣ Live animals and animal products





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EXPORT OF MEAT AND MEAT PRODUCTS (2010-2018, tonnes, USD million, growth rate)

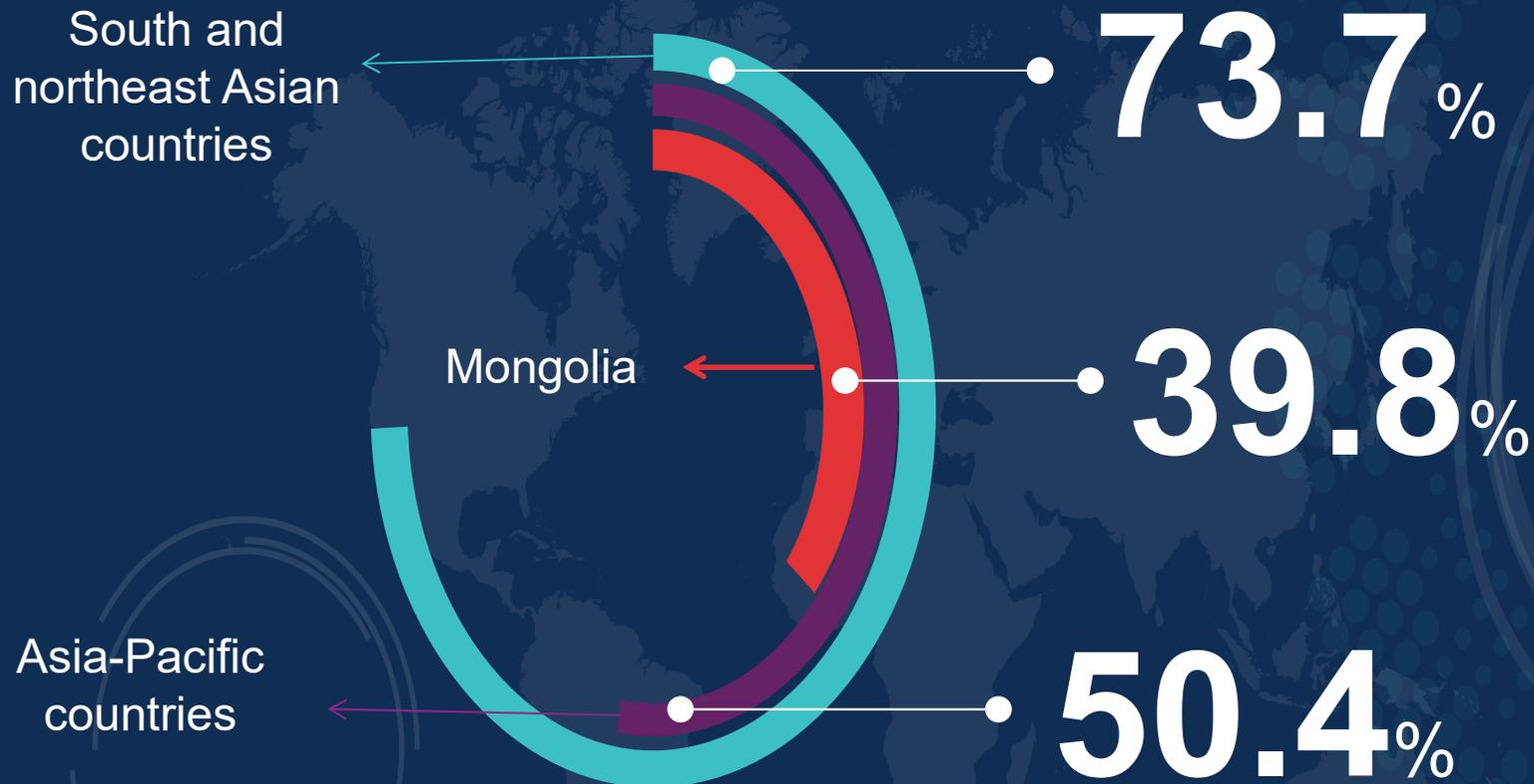


Source: General Customs Authority



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IV. TRADE FACILITATION MEASURES (High trade cost, 2017)



Source: ADB and ESCAP 2017. Trade Facilitation and Better Connectivity for an Inclusive Asia and Pacific



▲
FURTHER
OBJECTIVES



TRADE FACILITATION OBJECTIVES

- ✓ Reduction of trade cost for Mongolian businesses
 - As a land locked country, Mongolian trade cost is double than average of Asia Pacific countries (WB study)
- ✓ Trade facilitation
 - (National Trade Facilitation Committee was set up in 2017 by PM's decree)*
 - e-Single window
 - Transit facilitation
 - Simplified treatment at seaports
 - Harmonization of export-import procedures with neighboring countries
 - Coordination among government agencies
- ✓ Cooperation with international development partners
 - WB, ADB, EU and etc.



EXPORT MARKET DIVERSIFICATION

- ✓ FTA negotiations
 - Signed an EPA with Japan (2016) - in effect
 - Joint feasibility study for EPA with South Korea - completed
 - Joint feasibility study for a FTA with China - underway
 - Joint feasibility study for a FTA with Eurasian Economic Union - proposed

- ✓ Regional trade agreements
 - Accession to APTA – finalizing internal procedures

- ✓ Transit transport agreement
 - Russia – signed in 2017
 - China – signed in 2013, but needs approval from the Chinese parliament

- ✓ Promotion of other types of trade
 - Air transport (cargo) service – UB new international airport (mid-2019)
 - E-commerce
 - Trade in services (Banking, outsourcing, insurance, tourism)

THANK YOU!