



INVESTMENT AND
TRADE AGENCY



MONGOLIA'S INVESTMENT AND TRADE ENVIRONMENT



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Economic overview

Why Mongolia?



Vibrant democracy

84/100
FREE

Source: Freedom House

Young, educated population

59%
young people under 30
99%
literacy rate

Source: NSO

Expanding digitalization

83%
Internet penetration
139%
mobile phone

Source: NSO

Government is rapidly digitalizing its services.

74/184
Economic Freedom Index ranking

Source: Heritage Foundation

46/193
E-governance Index ranking

Source: UN

67/133
Global Innovation Index ranking

Source: GII



Diplomatic relations with all 192 UN member countries

Traded with 163 countries in 2025

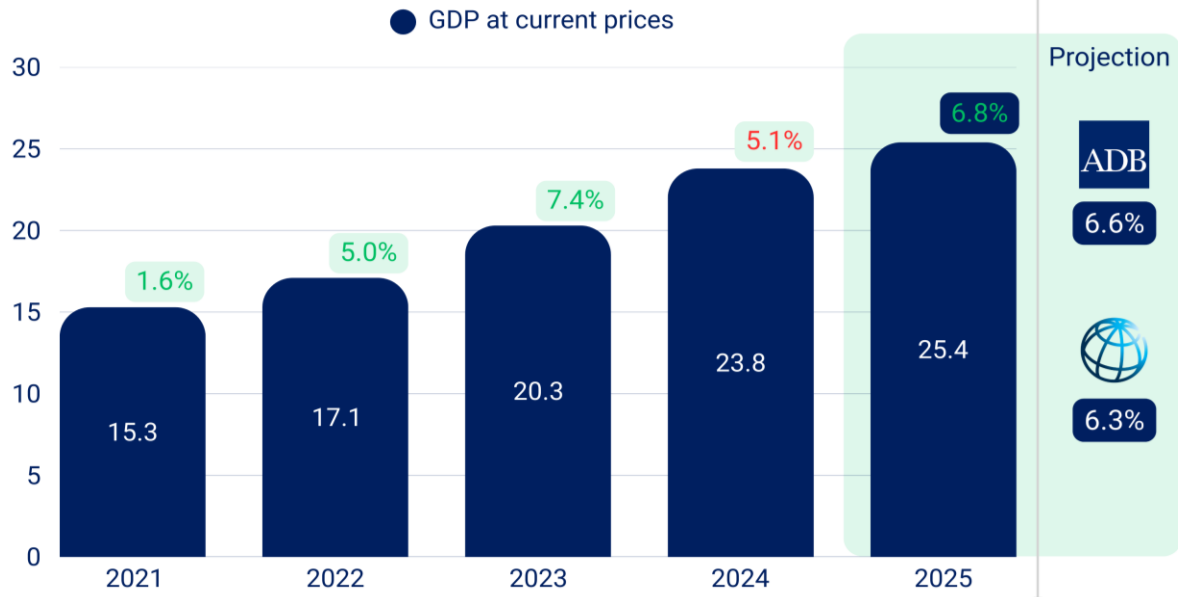
Source: NSO

Economic Overview

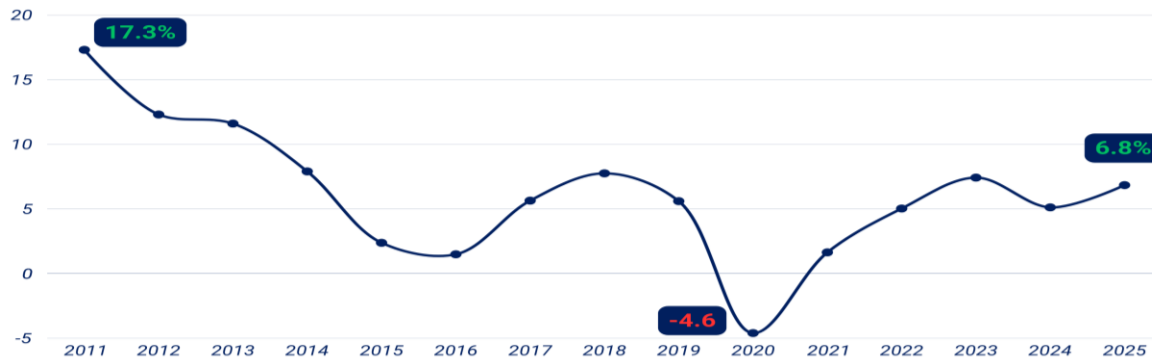


GDP at current prices

(USD Billion)

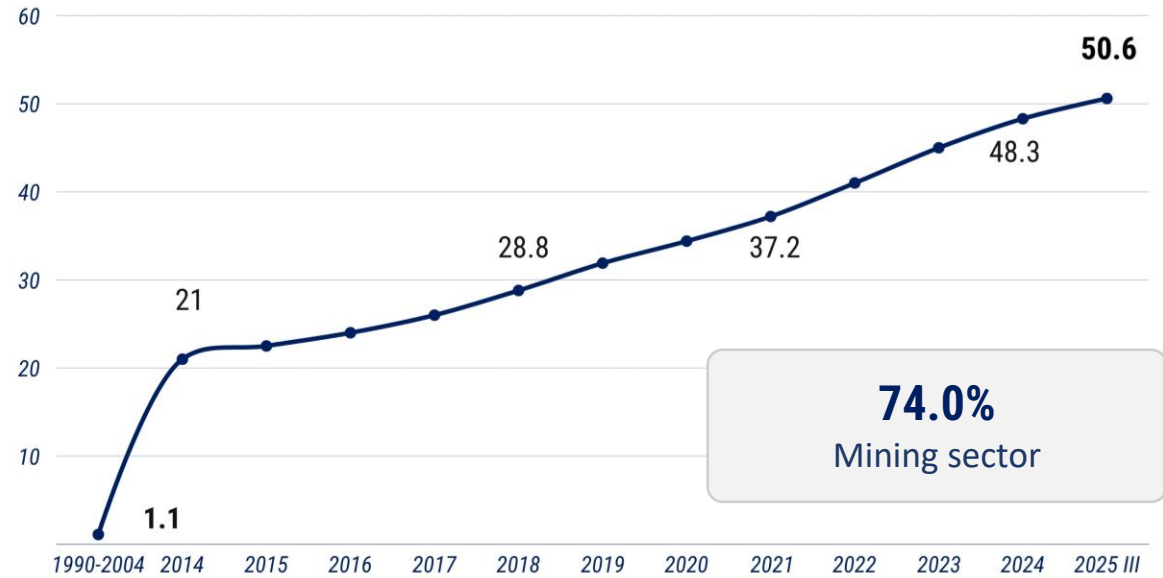


GDP growth rate



FDI

(USD Billion)



Sovereign credit ratings

S&P Global	MOODY'S	FitchRatings
(BB-) stable	(B1) stable	(B+) stable
2025.10	2025.10	2025.9
(B+) 2024.10 ↗	(B2) 2024.11 ↗	(B) 2024.9 ↗



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Investment climate





INTERNATIONAL CONVENTIONS

- Washington Convention on Investment Disputes
- Seoul Convention on Investment Guarantees
- New York Convention "On the Recognition and Enforcement of Foreign Arbitral Awards"



INTERNATIONAL AGREEMENTS

26

countries

Double taxation agreements

"Agreement on the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income and on Capital" signed in 1992.

44

countries

Foreign Investment Protection and Promotion Agreements

"Agreement between the Government of the Republic of Korea and the Government of the Mongolia on the mutual promotion and protection of investments" signed in 1991.



Tax incentives:

- Tax exemption
- Tax discounts and relief measures
- Accelerated depreciation to reduce taxable income
- Loss carryforward – deduct losses over future tax periods
- Employee training costs deductible from taxable income



Non-tax incentives:

- Land use rights – up to 60 years + 40-year extension
- Special regime for investment in free zones & industrial/technology parks
- Simplified permits & procedures for infrastructure, industry, science, and education projects
- Facilitated employment of foreign experts – fee exemptions & fast-track permits
- Support for innovation projects – financing & export-oriented production
- Multiple-entry visas & residence permits for foreign investors and families
- Other incentives under applicable laws

Favourable tax environment

According to World Bank's "Doing Business" report, Mongolia is considered a country **below the average in corporate tax rate**.



VALUE ADDED TAX (VAT)

10%-2%*= 8%

*Return

Among the 16 countries with lowest **VAT**



Corporate income tax

1%, 10%, 25%

Among 6 countries with lowest **corporate income tax**

Tax stabilisation certificate

/Mining, Heavy Industry, and Infrastructure Sectors/

30-500

billion MNT

5-13

years

500<

billion MNT

15-18

years

/Other sectors/

10-200

billion MNT

5-10

years

200<

billion MNT

15

years

Incentives

Customs and VAT Exemptions:

- ✓ Construction materials, petroleum, agricultural processing and exporting factories
- ✓ Nanotech, biotech, innovation manufacturing
- ✓ Creative industry zones, parks, infrastructure

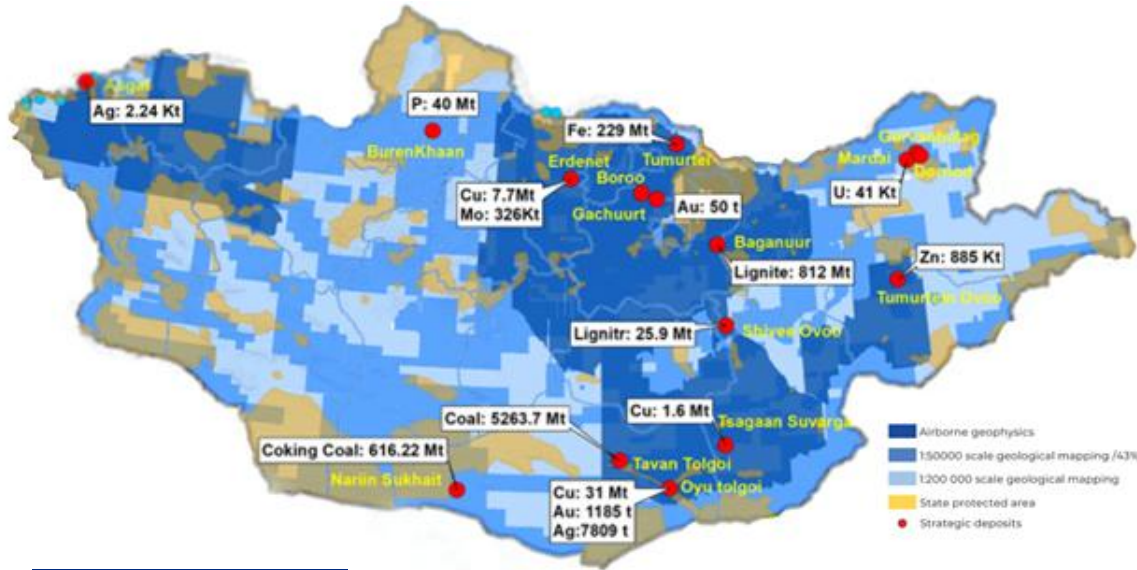
Industrial & technology parks:

- ✓ 4 years customs exemption
- ✓ 10 years land fee exemption
- ✓ Labor quota fee waived for foreign workers
- ✓ Postponed VAT payments
- ✓ Property tax: 0% first 5 years, 50% next 5 years

Other incentives:

- ✓ Investment fund income tax exemption
- ✓ IT companies: international transfer withholding tax reduced 4x
- ✓ Startups: CIT exempt for first 5 years

Minerals potential of Mongolia



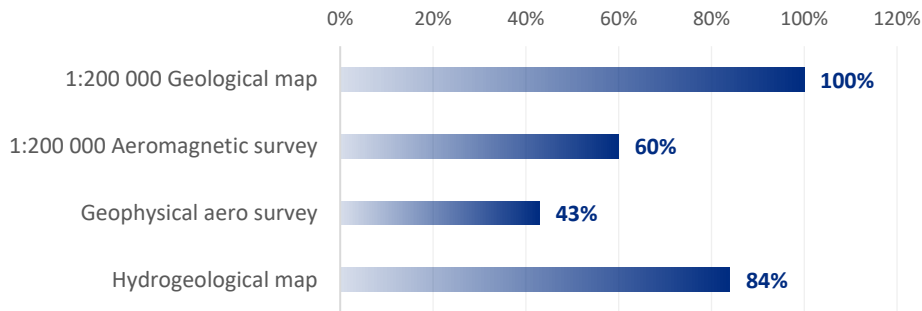
Copper
5th
12th
largest in reserves

Coal
3rd
7th
largest exporter
largest in reserves

Gold
36th
largest gold exporter

Significant potential in rare earth elements, iron ore, zinc, tungsten, and fluorspar

Geological Survey



1,686
ACTIVE LICENSES

ONLY 3.7% OF THE TERRITORY

519
Exploration licenses

Exploration licenses cover only 1.1% of the territory

1167
Mining licenses

Mining licenses cover only 2.6% of the territory

Source: EBRD 2018, National Geological Survey of Mongolia

PROVEN RESERVES

Copper
61.4 mln.tn

Coal
34.6 bln.tn

Iron ore
1.84 bln.tn

Gold
448.1 tn

Zinc
4.7 mln.tn

Fluorspar
34.2 mln.tn

Uranium
192.2 thou.tn

Crude oil
332.6 mln.tn

Energy sector investment opportunities



Mongolia's total renewable energy estimated potential

3,300 GW

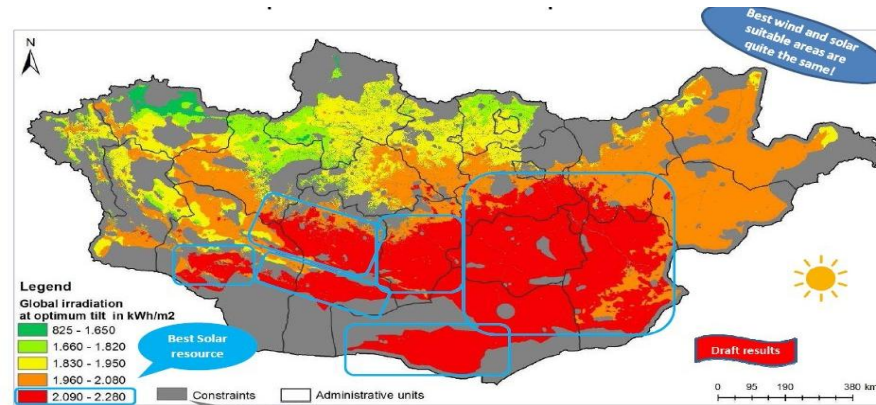
Mongolia Renewable Readiness Assessment 2016
International Renewable Energy Agency

SOLAR ENERGY RESOURCES

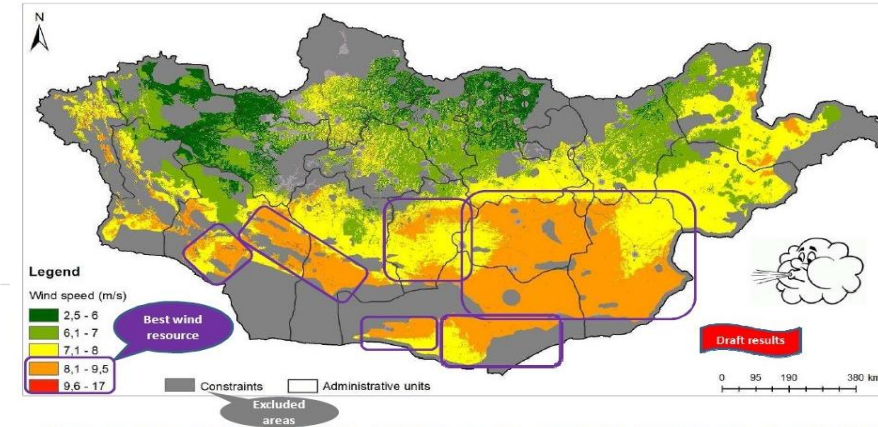
2200 GW
4.7 TWh/year

WIND ENERGY RESOURCES

1100 GW
2.5 TWh/year



Based on Solargis solar data (Global Horizontal Irradiation -GHI). Optimization of PV panels tilt so as to increase performance: long term yearly average of daily totals of global irradiation at optimum tilt (GT)⁵².



Interim results based on IRENA wind data. Update with new Vaisala wind data expected end of November 2017

Investment Opportunities



Growing Domestic Market demand
(worth of \$150 million)



Renewable Energy Potential export to China



Development of Grid Infrastructure

Mongolia has 270-300 clear days per year and an average of 2,250-3,300 hours of sunshine. It can produce 4.7 trillion kilowatt hours (kWh) of electricity per year.

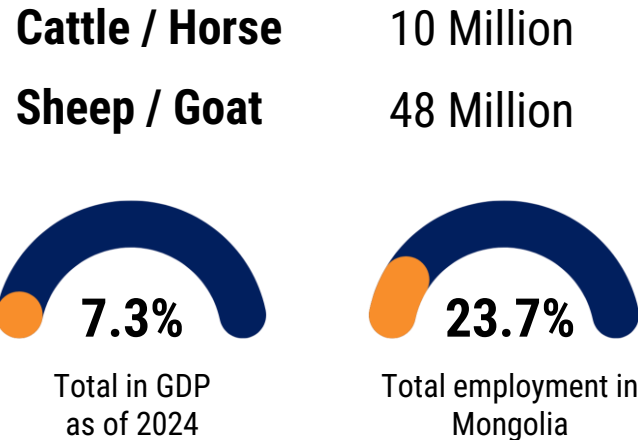
Areas with good wind energy resources can produce at least 7 megawatts (MW) of energy per square kilometer. The installed capacity of wind farms is 1,100 GW, or 2.5 trillion kilowatt hours (kWh) of electricity per year.

Agribusiness investment opportunities



- Livestock farming, Meat processing
- Production of dairy products
- High tech greenhouse farming
- Cashmere processing

58 Million Livestock



Livestock Production resource

Cashmere	9,500 tonnes
Meat	344,000 tonnes
Milk	892 million liters
Hide / Skin	14,000 pieces
Wool	29,000 tonnes

Land resources

260,000 hectares of Arable Land
 110,000 hectares of Hay Land
 1,700 hecrates of Fodder Area

Global Agribusiness

Mongolia produces **50%** of the world's cashmere wool
 The world's leading exporter of horsemeat