



ECONOMY

AFFLUENT MONGOLIA

PRIORITY ECONOMIC SECTOR

SMART FINANCIAL MARKET

REGIONAL COOPERATION

COMPETITIVE BRAND PRODUCTS

NATIONAL WEALTH FUND

GOAL 4. Become a nation with sustainable economic growth beneficial to all, a predominant middle class substantially reduced poverty, a solid economic development policy base and self-sufficiency in meeting domestic needs, increased exports, enhanced capacity in investment and savings, and a multi-pillared economy.



AFFLUENT MONGOLIA

OBJECTIVE 4.1. Promote macroeconomic stability and transform the middle class into a predominant group.

THE OBJECTIVE'S STAGES OF IMPLEMENTATION AND EXPECTED RESULTS

STAGE I (2021-2030)

The period to resolve overdue external debt of the Government without compromising macroeconomic stability, increase efficiency, ensure macro-economic stability and enhance risk tolerance.

1. Improve the public debt management of the Government, reduce the debt burden and create an enabling environment for foreign investment.
2. Set up an efficient and accountable fiscal system that targets the budget resources to economic and social development.
3. Increase official foreign exchange reserves to become risk resilient.
4. Ensure sustained annual economic growth and a steady increase in employment.
5. Create a favorable business environment and increase the public's purchasing power.
6. Create a favorable environment for investment and promote public-private partnership.

STAGE II (2031-2040)

The period to create an enabling environment for macroeconomic savings.

1. Increase national savings and improve credit ratings.

STAGE III (2041-2050)

The period to ensure external and internal balance in macroeconomy, create an economic environment with full employment and low inflation, and make the middle class the predominant group.

1. The middle class shall become the predominant group.

ACTIVITIES TO BE IMPLEMENTED IN 2021-2030 OF THE OBJECTIVE

- 4.1.1. Carry out a feasibility study of projects and programs to be implemented by foreign loans and promote a funding system designed to finance solely efficient projects.
- 4.1.2. Accumulate revenues in the "Future Heritage Fund" and promote a risk-resilient economy through optimal management of the wealth fund.
- 4.1.3. Assess possible impacts of debt payment on the budget and develop a prevention scheme from potential risks.
- 4.1.4. Carry out payments the Government's foreign bonds take measures to prior to the maturity date, and carry out refinancing.
- 4.1.5. Attract foreign investment through transparency and cooperation and pursue a policy of promoting cooperation between foreign and national investors.
- 4.1.6. Enforce state budget discipline and improve the coordination and management of fiscal, monetary and credit policies.
- 4.1.7. Gradually reduce the budget's balance of payment deficit and ensure the budget's stability by maintaining a positive balance and promoting savings.
- 4.1.8. Set up and put into operation a research institute for making a feasibility study on development policies and projects.
- 4.1.9. Pursue countercyclical fiscal policies.
- 4.1.10. Implement a new tax law and expand the budget revenue base.
- 4.1.11. Implement effective import tax coordination of luxury goods and products within the framework of relevant international agreements and treaties.
- 4.1.12. Keep the inflation rate at a target level and pursue a monetary policy supporting the accumulation of foreign currency reserves sufficient to overcome risks.
- 4.1.13. Settle the debt payment arising from the swap deal concluded with the People's Bank of the People's Republic of China without impairing macroeconomic stability in order to reduce the foreign debt of the Central Bank.
- 4.1.14. Pursue coordinated budgetary and monetary policies in line with the macroeconomic goals.
- 4.1.15. Take measures to reduce the vulnerability of the financial system and protect it from potential risks.
- 4.1.16. Ensure dynamic economic growth by establishing transit transportation, trade and export-oriented production facilities in parallel with transport, logistics and border infrastructure.
- 4.1.17. Focus on creating exponential economic growth through attracting substantial foreign investments into gold processing and other enterprises based on technology and raw materials.

- 4.1.18. Create an enabling environment for new investment sources for business people. Implement policies on changing economic structure in support of fair business competition.
- 4.1.19. Train skilled workers able to use modern technology and pay performance-based salaries.
- 4.1.20. Render support for research and marketing of goods and products of leading export branches.
- 4.1.21. Implement the coordinated policies on budget, money, loans, foreign trade and investments and preserve the achievement gained in economic growth and structural change.
- 4.1.22. Foster the practice of increasing savings and accumulations.
- 4.1.23. Raise the competitiveness of national producers through increasing accumulation sources and reducing loan interest rates.
- 4.1.24. Preserve the macroeconomic balance and keep unemployment at a low level.
- 4.1.25. Bring the loan interest rate to that of developed countries and ensure its sustained preservation.
- 4.1.26. Pursue a policy to create an environmentally-friendly, efficient, thrifty economic structure with low waste.
- 4.1.27. Elaborate and implement national policies and programs to increase foreign direct investments, create an enabling environment, and promote supplies.
- 4.1.28. Classify the foreign investment demand and needs per branch and location and revise the investment policy according to the specific features of the location and the branch.
- 4.1.29. Improve the environment for training, re-organization and cooperation for the purpose of establishing a link between foreign investment and national economic entities.
- 4.1.30. Draft and get approved a law on supporting private sector investment initiatives.
- 4.1.31. Renew and implement the policy on the partnership between the state and private sector in line with international standards.



PRIORITY ECONOMIC SECTORS

OBJECTIVE 4.2. Create an export-oriented economy through promoting the development of priority sectors.

THE OBJECTIVE'S STAGES OF IMPLEMENTATION AND EXPECTED RESULTS

STAGE I (2021-2030)

The period to launch an economic structure reform, enhance competitive capacity, and develop import substitution and export-oriented heavy and light industry.

1. Develop responsible mining and increase the level of processing.
2. Increase the level of processing of agricultural products and boost the export of livestock products.
3. Develop tourism with national specifics and increase its competitiveness on the international tourism market.
4. Lay the grounds for a development policy creative industry (culture, arts, movies, music, design and architecture)
5. Support the information technology sector and increase its contribution to the economy.
6. Increase the export volume of processed goods.
7. Develop energy and engineering infrastructure to support economic development.
8. Expand power plants, construct electricity transmission lines, sub-stations and new energy sources and become self-sufficient in electricity production.
9. Develop a national transportation and logistics system.
10. Develop civil aviation infrastructure and general aviation.

STAGE II (2031-2040)

The period to become fully self-sufficient in meeting heavy, light industry, energy and construction production needs and make a transition towards the prevalent development of export-oriented industries.

1. Build a processing sector-dominated economic structure, and ensure food security.
2. Develop creative industry as an independent economic sector.
3. Construct overhead power transmission lines, sub-stations and new sources of energy for main horizontal and regional vertical axes, expand some thermal power plants and build an integrated energy system.

4. Increase export-oriented sources and become an energy exporter.
5. Build a mixed transportation network in line with international standards.

STAGE III (2041-2050)

The period to develop the priority economic sectors, and become a multi-pillar, stable economy.

1. Enhance the position of the priority economic sectors on the world market.

ACTIVITIES TO BE IMPLEMENTED IN 2021-2030 OF THE OBJECTIVE

- 4.2.1. Promote strategic mining megaprojects with value-added cost, processing industry, agriculture, energy, transport, logistics, diversified tourism and accompanying services, small and medium enterprises, and knowledge-based creative production as priority branches of the economy
- 4.2.2. Develop agriculture, transport logistics and diversified tourism by encouraging belt and local development.
- 4.2.3. Establish optimal judicial, legal and investment coordination to facilitate economic diversification, industrialization and regional development.
- 4.2.4. Approve the Law on trade coordination to support domestic production through regulation of import duties.
- 4.2.5. Ensure the state policy's implementation on creating an enabling environment for the production and export of ecologically clean goods that are less affected by international market prices.

- 4.2.6. Elaborate a specific policy on raw materials for advanced technologies that undergo a dynamic development and attract foreign high-technology investments.
- 4.2.7. Create a legal environment for processing construction materials and raw materials of animal origin and manufacturing final output as well as encouraging foreign investment.
- 4.2.8. Ensure water supply to the industrial sector through the accumulation of surface, floods and rain water and river flow regulation.
- 4.2.9. Ensure water supply needs in the agricultural sector by collecting rainwater and introducing thrifty and efficient technology.
- 4.2.10. Foster economical and effective use of water, ensure water safety and implement requirements for the cleaning facilities of mining and agricultural production.
- 4.2.11. Evolve the mining sector as a responsible branch of the economy with minimum damage to nature.
- 4.2.12. Follow international standards and norms strictly when putting big mining deposits into economic circulation.
- 4.2.13. Develop environment-friendly and sustainable heavy industry with value-added cost production on the basis of processing mining raw materials and render support to advanced forms of investment.
- 4.2.14. Build up the following complexes of high-technology heavy industry through use of the following mining deposits:

PRIORITY ECONOMIC SECTORS



Figure 4.1 Priority economic sectors

Mining deposits:

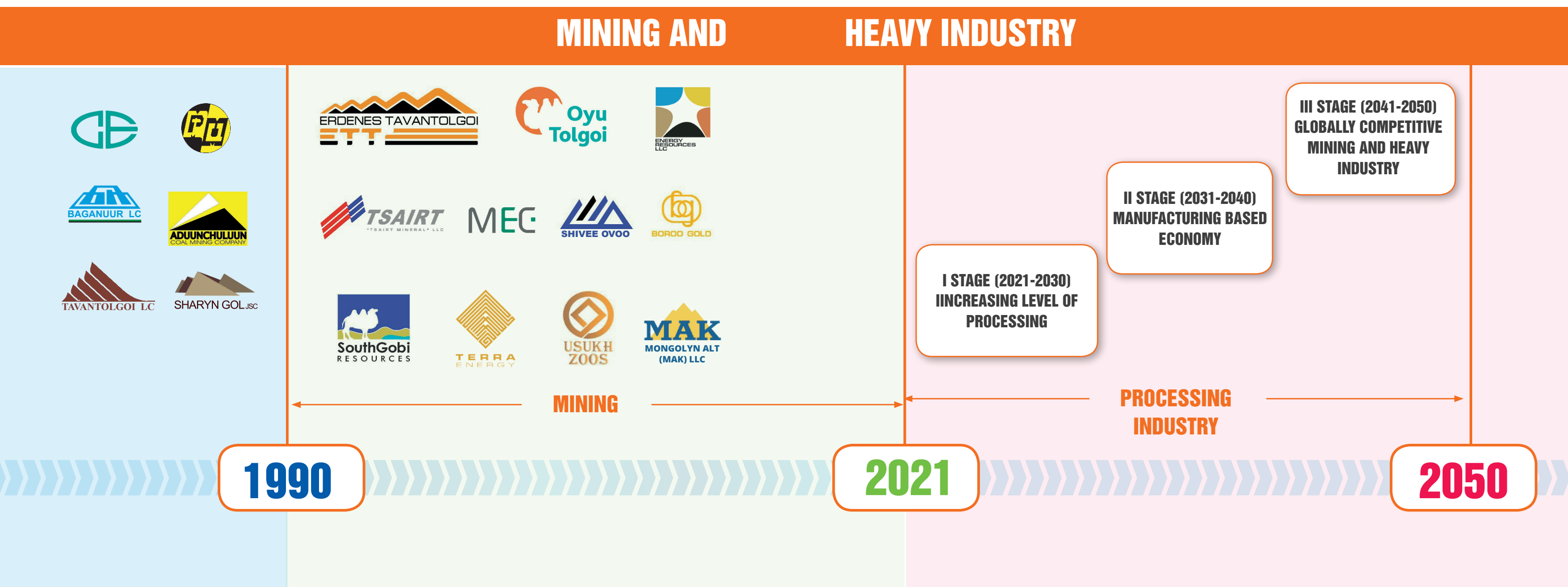
- Tavan Tolgoi coal deposit;
- Oyutolgoi underground mine;
- Dornogovi silicon deposit;
- Tsagaan suvarga deposit;
- Kharmagtain deposit;
- Lithium deposit;
- Step up exploration and survey work on rare earth elements.

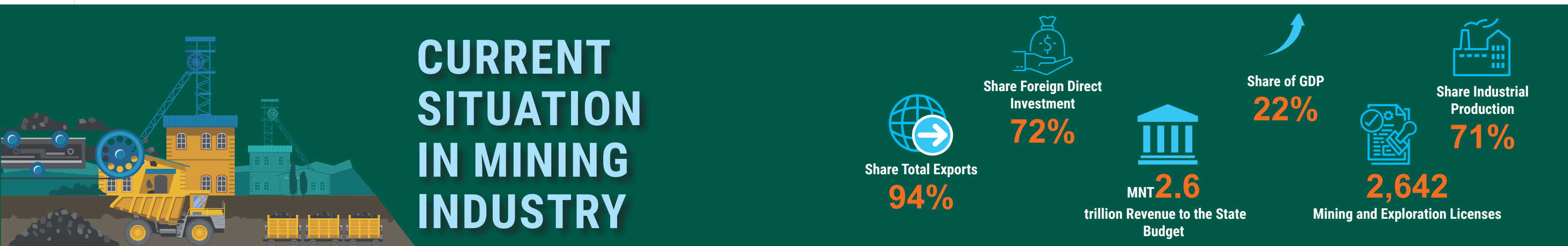
Heavy industry:

- Copper concentrate processing plant;
- Oil-chemical, Coke-chemical, metallurgical enterprise;
- Coal-washing plant;
- Coal-chemical, coal-energy, methane gas production and technological park;
- Steel factory;
- Fluorspar enrichment plant;
- Gold-cleaning factory.

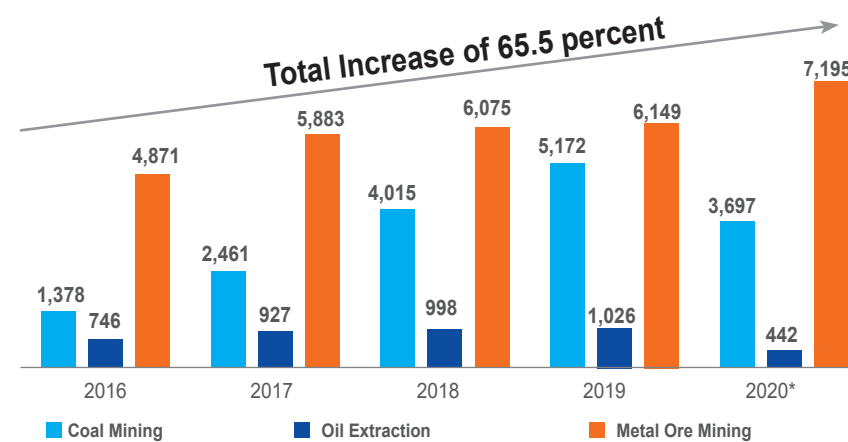
- 4.2.15. Lay down the water pipeline to the Gobi area.
- 4.2.16. Build up an oil refinery plant, its infrastructure network and an oil-chemical enterprise
- 4.2.17. Increase heavy and light industries based on deep processing technology and oriented towards foreign and domestic markets.
- 4.2.18. Develop processed goods production at the level of world brands.
- 4.2.19. Render support for the production of import-replacing construction materials.
- 4.2.20. Promote the development of the agricultural sector as a priority branch of environment-friendly, responsible and sustainable economy.
- 4.2.21. Ensure food security of the population and increase export of food products by protecting livestock and animal health, intensifying the work on improving livestock quality and productiveness.

Figure 4.2 Mining and Heavy Industry

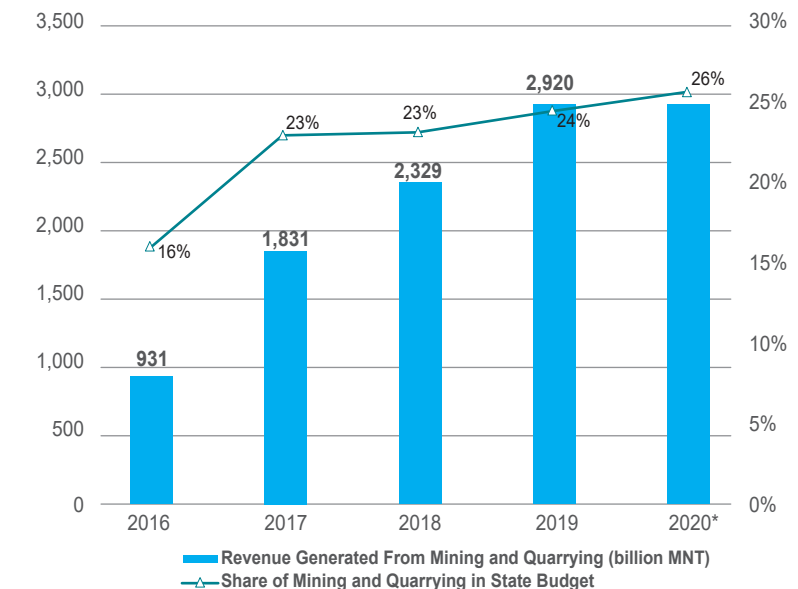




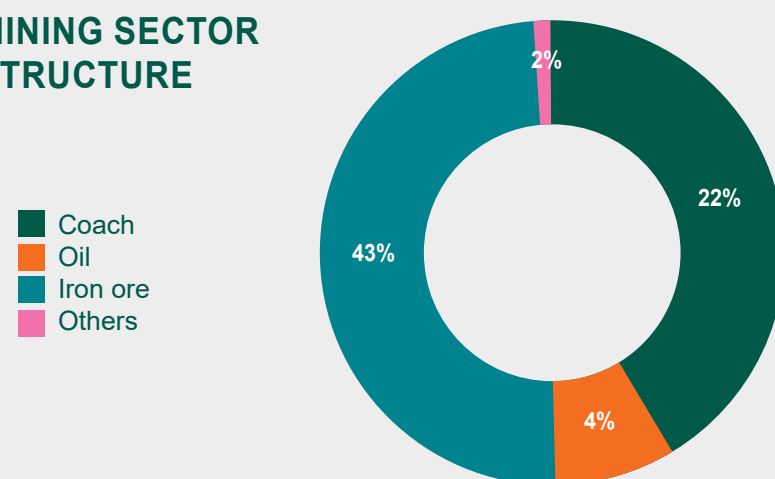
PROCESSING INDUSTRY IN MINING SECTOR (2016-2020)



SHARE IN STATE BUDGET (2016-2020)



MINING SECTOR STRUCTURE



44.3 thousand are employed in the mining sector

SHARE IN REVENUE OF STATE BUDGET

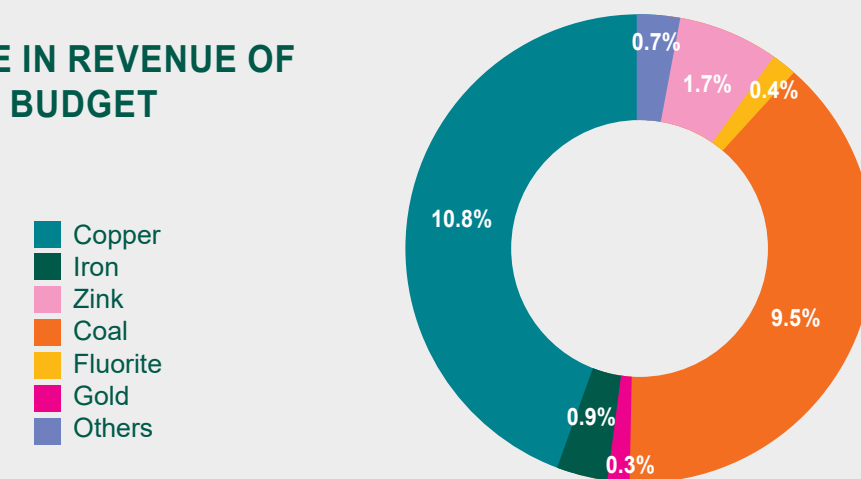
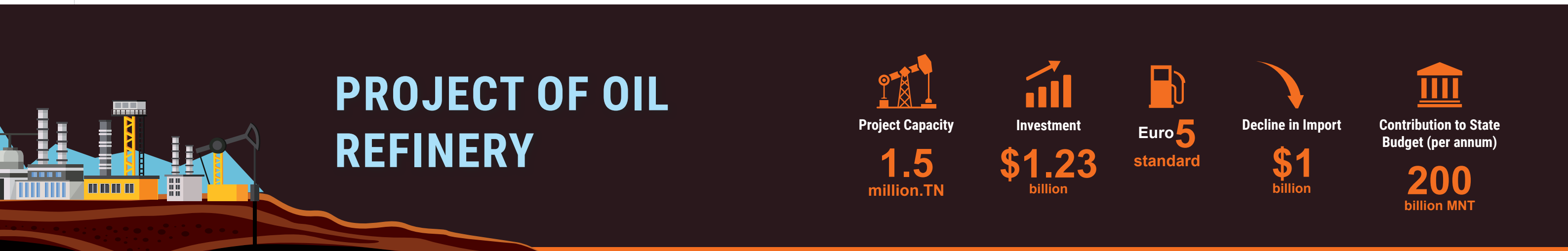


Figure 4.3 Status of Mining Industry



2020
STARTING
CONSTRUCTION

2024
PRODUCING GASOLINE, DIESEL, JET
FUEL AND LIQUEFIED GAS

2026
PRODUCING OILS AND
LUBRICANTS

2030
PETROCHEMICAL
INDUSTRIAL COMPLEX

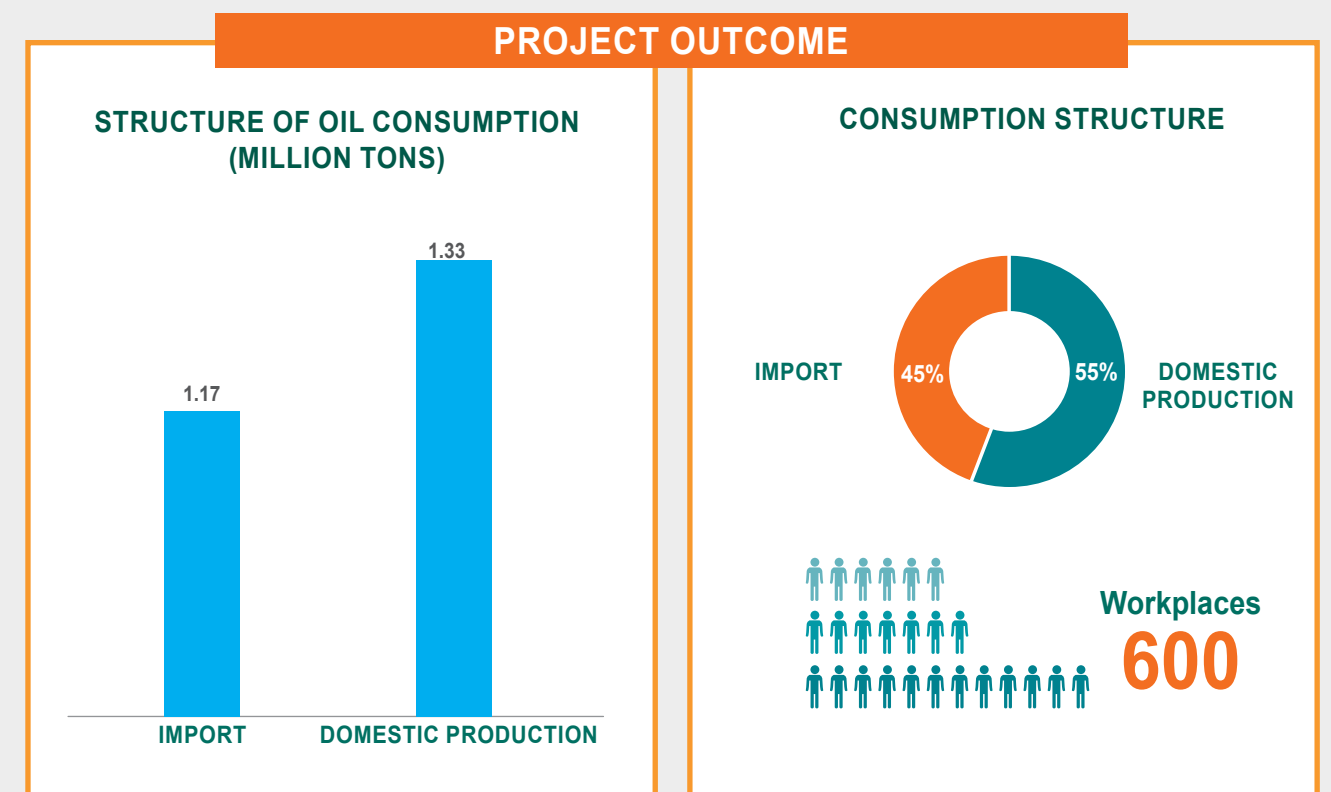
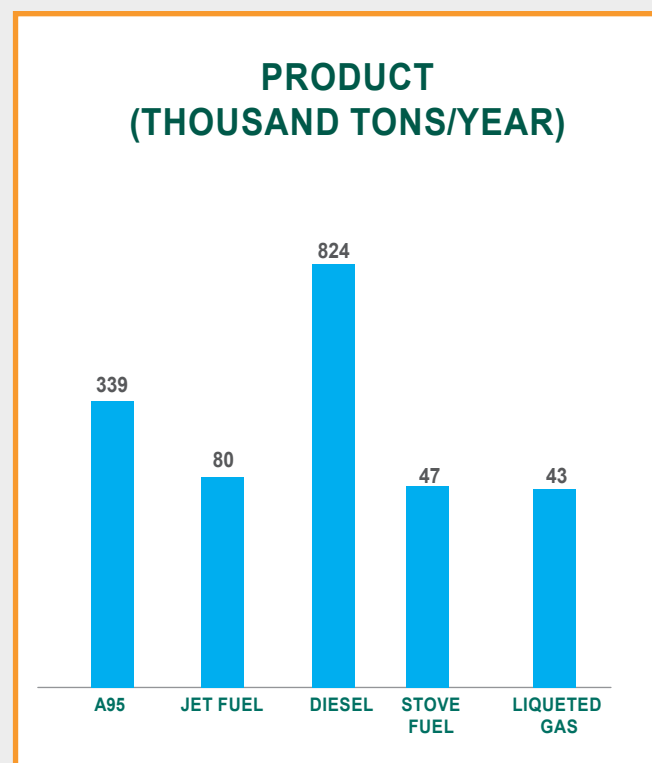
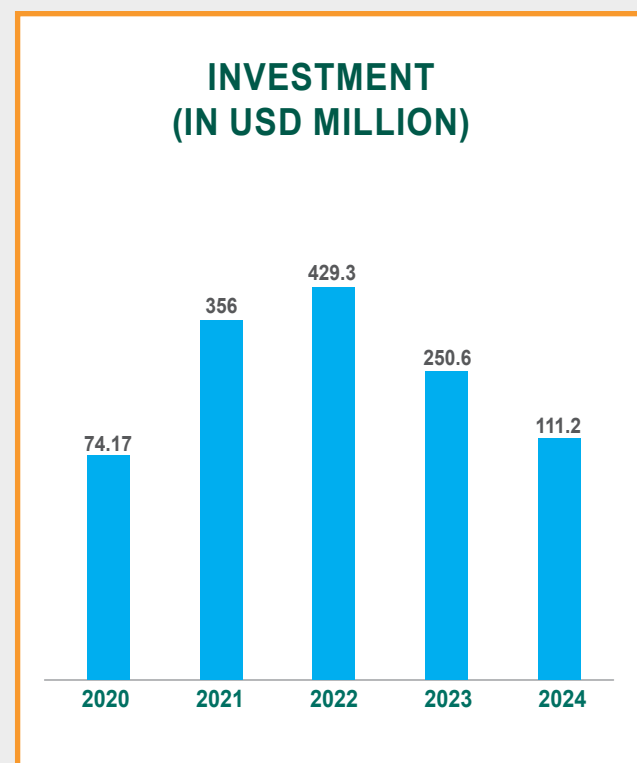


Figure 4.4 Project of Oil Refinery

GLOBAL COPPER MARKET

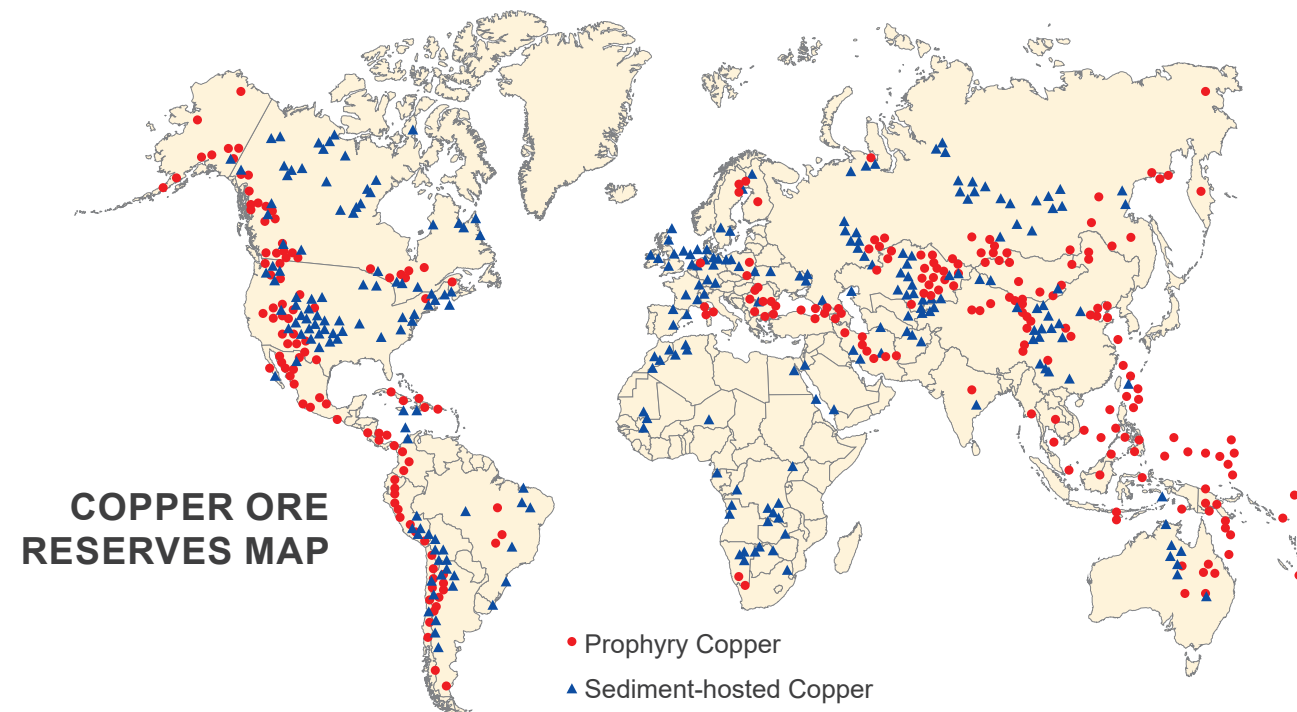
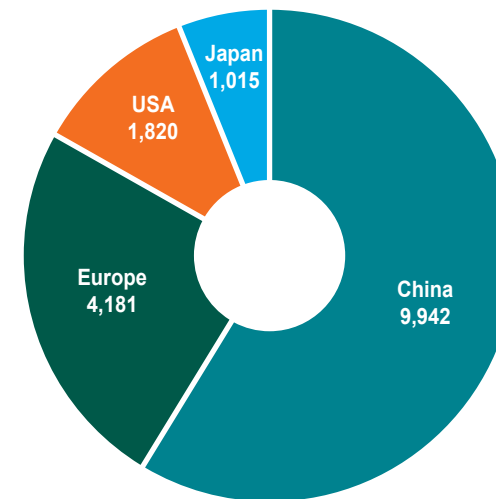
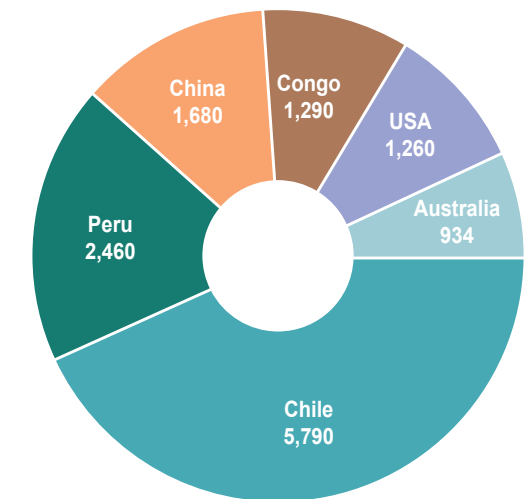


Figure 4.5 Global Copper Market

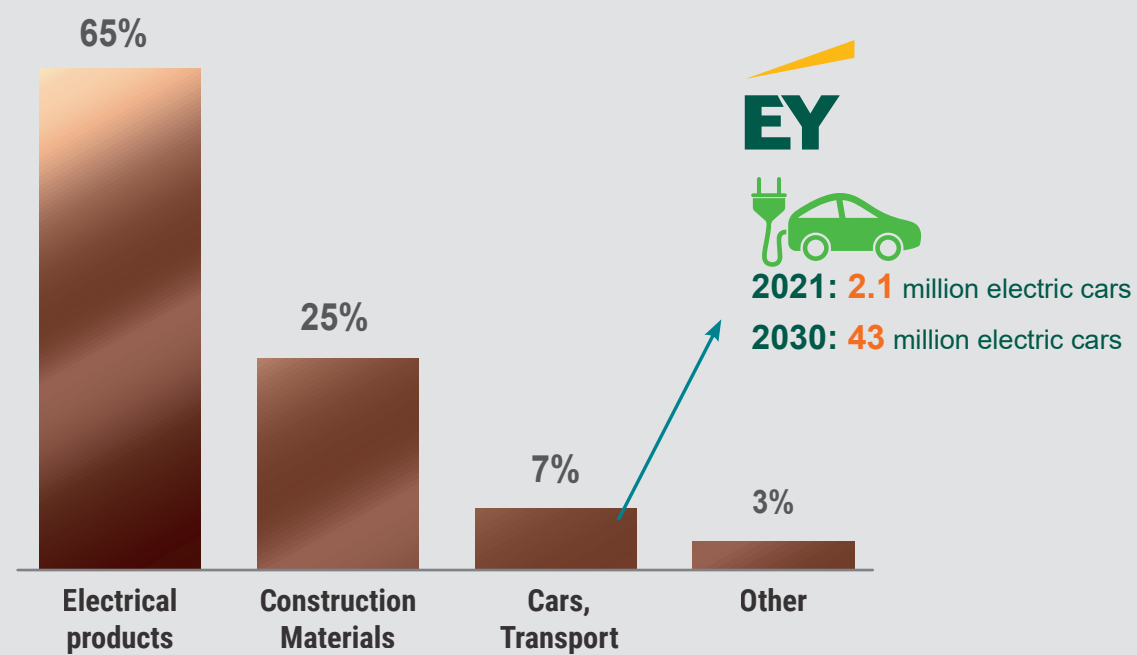
COPPER CONSUMPTION
/thousand tons/



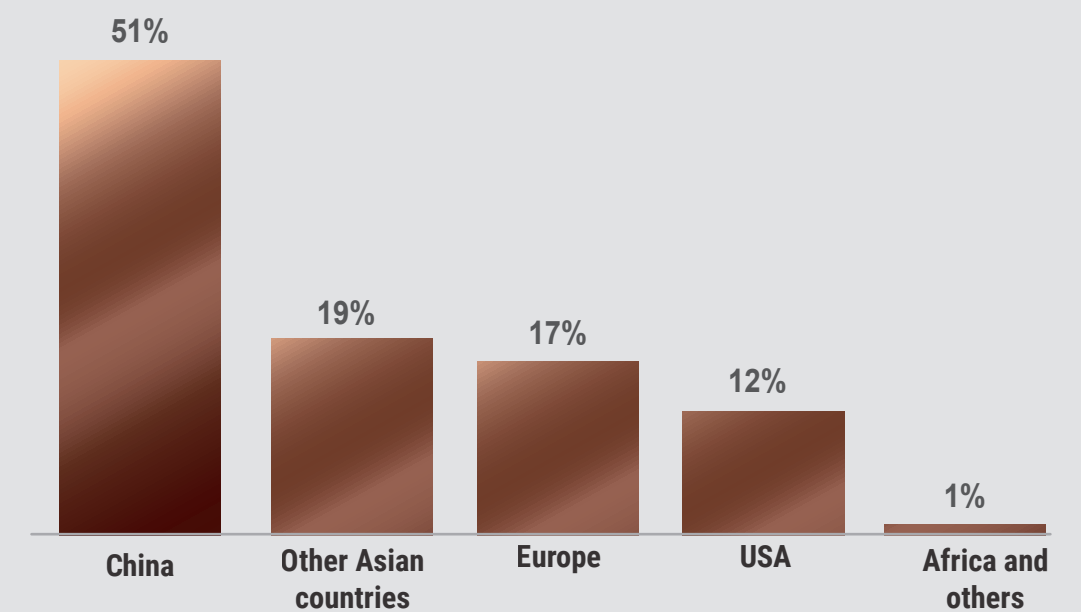
COPPER PRODUCTION
/thousand tons/



STRUCTURE OF COPPER CONSUMPTION



STRUCTURE OF COPPER CONSUMPTION (BY AREA)



EXTERNAL TRENDS IN INFORMATION TECHNOLOGY - 2019

Information Technology
Market - Growth Rate
(by region 2020-2025)

High
Average
Low

ADVANTAGES OF INDIA

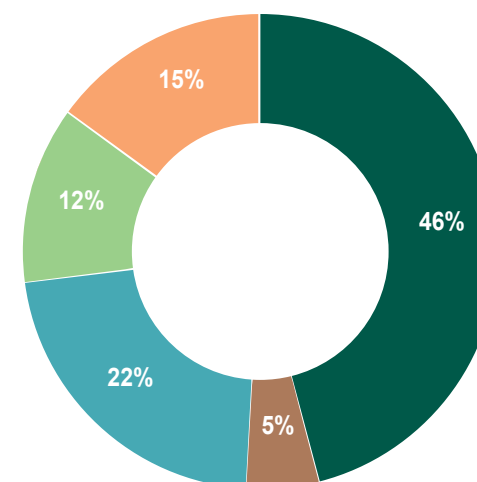
- English language
- Legal Environment
- 4 Million developers
- Low Cost - USD15/hour

INFORMATION TECHNOLOGY SERVICE IN INDIA

- Web Development
- Development of Mobile Apps
- Enterprise Solutions
- Development of Production
- Digital Marketing Solutions

TOTAL DEMAND

USA Western Europe Japan
Asia and the Pacific Other



TOTAL SUPPLY

India China Brasil South Africa Eastern Europe

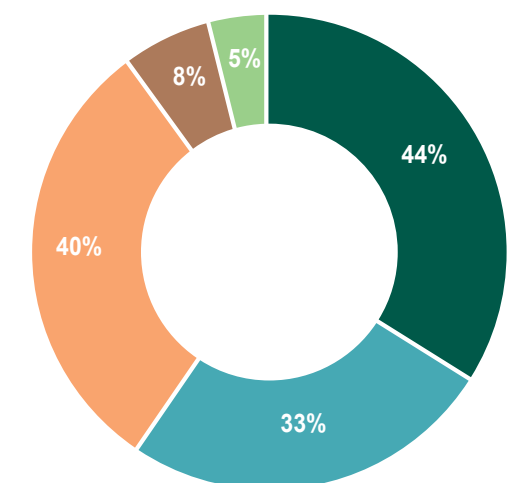


Figure 4.6 External Trends in Information Technology

STATUS OF ENERGY SECTOR

921 billion MNT
Total Budget

1,353 MW

8,719.1 million KWh
Total Consumption

6.9%
Share in Industry

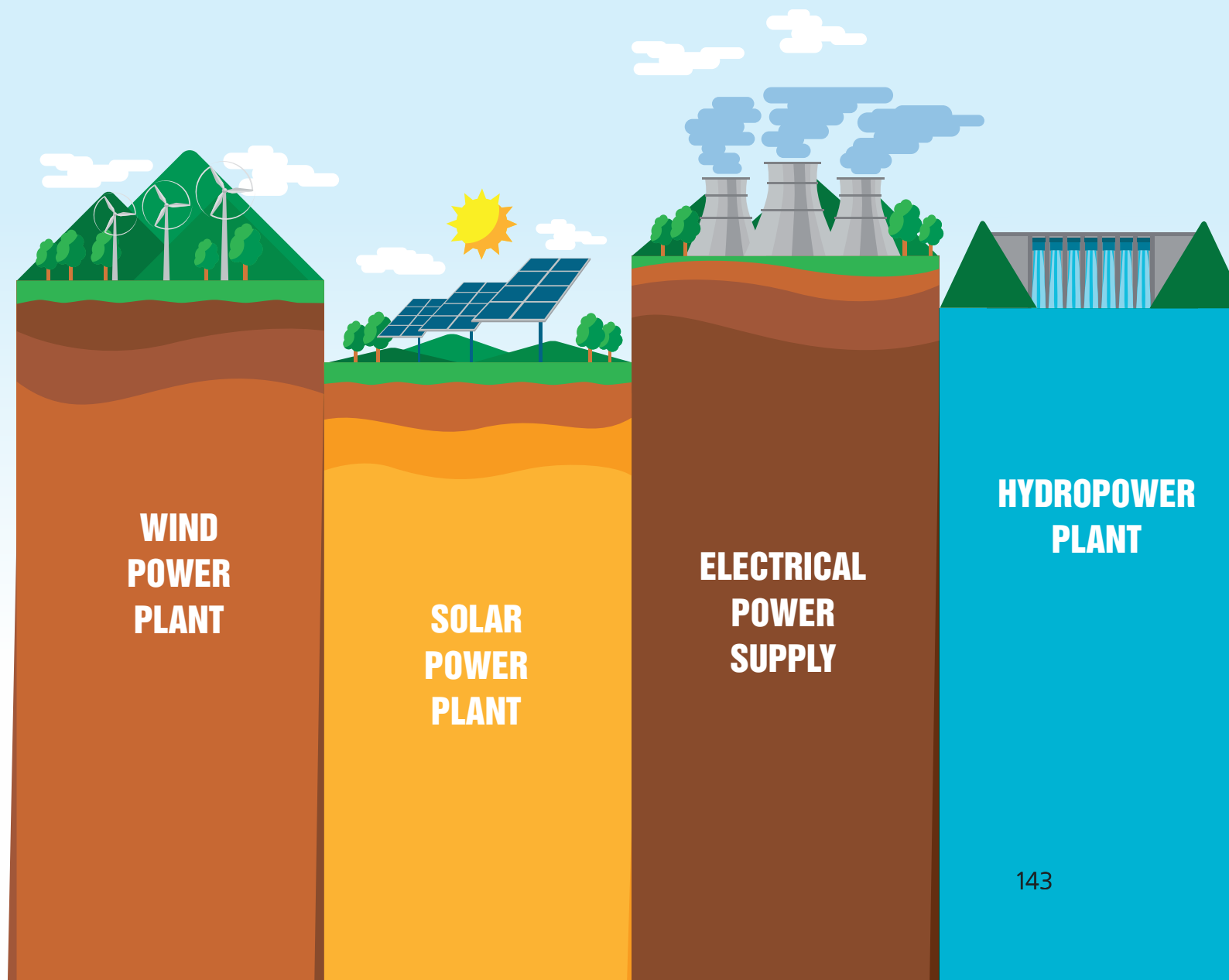
12 thousand
Total Jobs

Figure 4.7 Status of Energy Sector

ELECTRICAL POWER SUPPLY



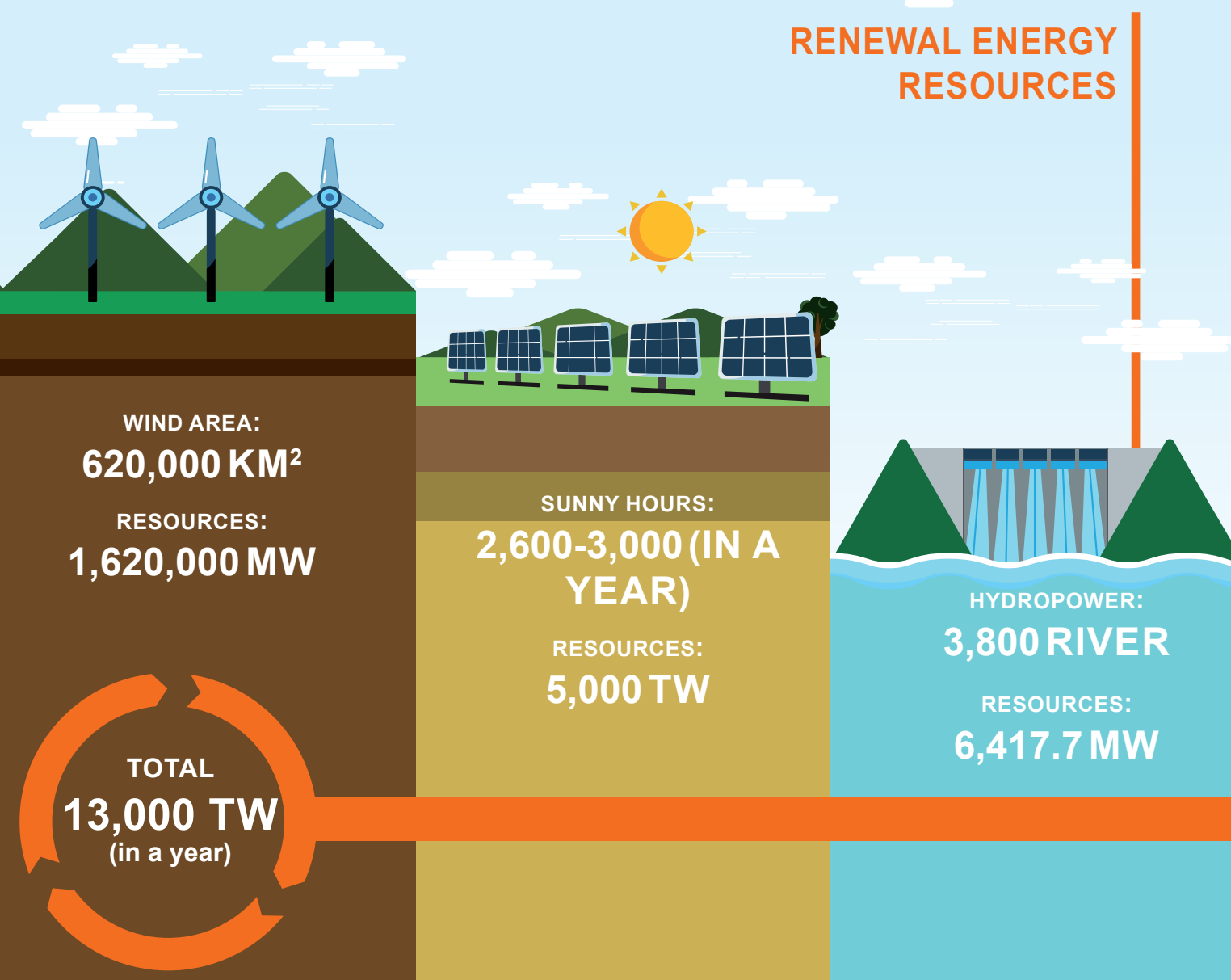
TYPES OF ELECTRICAL POWER PLANTS





BECOMING ACTIVE PLAYER ENERGY SECTOR

RENEWAL ENERGY RESOURCES



JOINING ASIAN SUPER NETWORK AND INCREASING EXPORTS



ENERGY CONSUMPTION

CHINA 6,011 TWH

RUSSIA 760 TWH

JAPAN 946 TWH

KOREA 531 TWH

THE RESULTS



880,000
POTENTIAL
WORKPLACES



9.2
BILLION
TOTAL RETURN
(MONGOLIA)



187
BILLION TN
REDUCING CO₂

Figure 4.8 Renewal Energy Resources

- 4.2.22. Render support for the cashmere branch and increase exports of brushed goat hair and outcome products.
- 4.2.23. Carry out full processing of animal skins, fur and wool and increase export of sewed and textile products.
- 4.2.24. Step up geological survey work and increase mineral resources reserves for ensuring mid-term and long-term economic growth.
- 4.2.25. Develop creative industries and the information technology industry as sustainable development branches of the economic structure.
- 4.2.26. Establish and strengthen the relevant institutions and the legal environment in support of the creative industry.
- 4.2.27. Organize trainings in developed countries of human resources required to develop the creative industry and promote and encourage cooperation with foreign and domestic partners to this effect.
- 4.2.28. Create brands with established positions in foreign markets based on the policy to ensure the creative industry's domestic diversification.
- 4.2.29. Set up an institutional structure for the export-oriented development of the information technology branch.
- 4.2.30. Expand information technology research and study work, and develop knowledge-based new innovative services, soft and hard infrastructure.
- 4.2.31. Develop the information technology cluster and provide support for entering the foreign market.
- 4.2.32. Ensure prevailing participation of national software companies in digitalizing state activities.
- 4.2.33. Improve the investment environment in information technology and electronic trade sectors and support investors' initiatives.
- 4.2.34. Expand the capacity of thermal power stations engaged in ensuring energy reliability, safety and sustainability, build new power stations, ensure full supply of domestic energy needs and export electric power.
- 4.2.35. Construct aerial electricity transmission lines of Mongolia's integrated energy system's vertical and horizontal axles and establish a smart unified system based on advanced infrastructure.
- 4.2.36. Build up a regime regulation facility of the integrated energy system and reduce dependency on imported energy.
- 4.2.37. Bring the existing renewable energy capacity to 30 percent and use 10 percent of outgoing river flows for power production and other purposes.
- 4.2.38. Utilize modern sources of renewable energy in the local heating supply.

- 4.2.39. Carry out enlargement and renovation of heating sources and the heating network to improve the quality and availability of heat supply in cities, soums and settlements.
- 4.2.40. Implement the Asian integrated power network initiative in cooperation with the countries of Northeast Asia.
- 4.2.41. Introduce innovation, advanced and smart technology in the energy sector and pursue policy of financial independence, efficiency and saving.
- 4.2.42. Use solar, wind, water, biomass, liquid and gas fuel, earth depth heat, fuel element and other new energy sources in adjustment with source strength balance.
- 4.2.43. Evolve tourism as a sustainable development branch of the economy.
- 4.2.44. Intensify tourism advocacy and marketing abroad and join the international tourist network.
- 4.2.45. Bring the tourism sector services in line with international standards and ensure their pursuit.
- 4.2.46. Carry out planning and utilization of some specially protected areas for nature-friendly eco-travel and tourism.
- 4.2.47. Establish Mongolian cultural and tourist centers in target countries to improve tourism advocacy abroad, create big tourist centers and parks, promote religious, cultural, sports and adventurous tourism that little depend on seasonality.
- 4.2.48. Implement "the Greater Tumen Initiative" program, Silk Road and Tea Road programs designed to promote tourism and trade.
- 4.2.49. Introduce innovation, advanced techniques and technology as well as digital transition into mixed transportation branches and ensure its safety and reliability.
- 4.2.50. Implement the liberalization of air transport, increase the number of flights and directions, and encourage air companies' competition.



SMART FINANCIAL MARKET

OBJECTIVE 4.3. Develop a multi-pillar and inclusive financial system connected to the international financial markets.

THE OBJECTIVE'S STAGES OF IMPLEMENTATION AND EXPECTED RESULTS

STAGE I (2021-2030)

The period to develop flexible, digital-based, multi-faceted financial services that stimulate the economy.

1. Increase the stock market capitalization, raise the volume of over-the counter and derivative trading.
2. Create a legal environment to ensure the sustainability of the insurance sector and increase its coverage.
3. Enhance the capacity of micro-finance institutions, improve their risk management and expand the scope of activities.
4. Streamline the efforts to combat money laundering and terrorism financing.
5. Ensure the risk resilience and reliability of the banking and financial markets.

STAGE II (2031-2040)

The period to develop an e-financial system that allows domestic financial instruments to trade freely with major stock exchanges, attract professional players and investment, and participate in the global stock market.

1. Freely trade domestic products on major stock markets.
2. Deepening of the insurance sector shall be up to international standards.
3. Bring the micro-finance market up to international standards and increase its share in the financial sector.

STAGE III (2041-2050)

The period to develop all financial services based on technological advances and artificial intelligence up to the world level.

1. Develop an internationally competitive stock market and increase market capitalization.
2. Using technological advances create a market where every consumer chooses an insurance product that suits his/her needs.
3. Develop a micro-finance market based on technological advances

ACTIVITIES TO BE IMPLEMENTED IN 2021-2030 OF THE OBJECTIVE

- 4.3.1. Pursue a policy of establishing requirements and criteria in line with international standards, promoting and enlarging infrastructure, and raising intermediaries' capacity.
- 4.3.2. Ensure investors' cybersecurity, carry out renovation of infrastructure for the creation of technology-based capital market and improve the relevant legal environment.
- 4.3.3. Support market demand and supply of goods and services, increase the types and participation of investors and develop separate markets adjusted to quality of products.
- 4.3.4. Create start-up capital funds and train professional investors for the financing a start-up businesses.
- 4.3.5. Pursue basic principles for ensuring the sustainability of the insurance market and preventing systemic risks.
- 4.3.6. Improve the risk management regulation system and fully introduce the paying capacity standards with a view to ensure the sustainability of the insurance market and prevent it from systemic risks.
- 4.3.7. Render support to foreign-invested long-term insurance companies and increase competition.
- 4.3.8. Improve the legal environment for long-term insurance activities and increase their availability.
- 4.3.9. Improve the double insurance system.
- 4.3.10. Refine the legal environment for new products and services of technology-based insurance.
- 4.3.11. Build capacity of microfinance organizations and encourage their merger activities.
- 4.3.12. Increase foreign investments and improve the relevant regulatory environment. Promote an integrated payment system of microfinance organizations and its monitoring scheme.
- 4.3.13. Introduce a risk management system for microfinance organizations.
- 4.3.14. Increase technology-based microfinance products and services, create an enabling legal environment for their regulation and introduce financial technology standards into the market.
- 4.3.15. Introduce nature-friendly green loans, financial products and services into the microfinance market and put in place environmental and social risk management systems in financial organizations.
- 4.3.16. Improve coordination on fighting money-laundering and terrorism financing with relevant international organizations and ensure full compliance with mutual assessment requirements to be produced by the Asia-Pacific Regional Group on Money-Laundering.
- 4.3.17. Introduce internationally pursued bank control and regulation principles.

- 4.3.18. Establish a legal regulation on transforming banks with systemic impact into share-holding companies and on trading their stocks on a stock exchange.
- 4.3.19. Reduce loan interest and render support for business activities and investments.
- 4.3.20. Take necessary measures for the establishment of an organization in charge of defining loan rating.
- 4.3.21. Promote sustained technological progress by introducing trading platforms based on numerous data source with algorithms and high regularity.
- 4.3.22. Introduce control and monitoring fully into regulation activities and regulate technology based on technological progress and numerous data.
- 4.3.23. Introduce consulting services based on artificial intelligence.
- 4.3.24. Set up an insurance agreement standard, simplify the registration proceedings and develop cyber insurance.
- 4.3.25. Fully introduce a risk warning system into the insurance market.
- 4.3.26. Create a legal environment to ensure cybersecurity of insured persons and protect the interests of customers.
- 4.3.27. Activate investments at markets of registered and reserve capital.
- 4.3.28. Create an enabling environment for investing capital of pension funds and private pension insurance on the capital market.
- 4.3.29. Introduce member-centered regulation for cooperatives and proper legal environment for micro banks.
- 4.3.30. Start an infusion of domestic microfinance services into foreign markets.
- 4.3.31. Bring development to a level of transforming the country into an internationally competitive arena for professional investors.
- 4.3.32. Attain the level of developed countries in terms of technological solutions used in capital market relations.
- 4.3.33. Carry out the full transition of insurance operations to a digital system and set up fees depending on personal data history.
- 4.3.34. Intensify the capital-raising activities of insurance companies at capital markets.
- 4.3.35. Attain the level of developed countries in terms of technological solutions used at insurance markets.
- 4.3.36. Introduce and improve legal regulation related to biometric data, its confidentiality, use and protection.
- 4.3.37. Introduce to the full extent a control and monitoring system of biometric data.
- 4.3.38. Ensure confidentiality of information in very large databases and promote cybersecurity.
- 4.3.39. Bring technological solutions used at microfinance markets to the level of developed countries.

Figure 4.9 Structure of Financial Sector

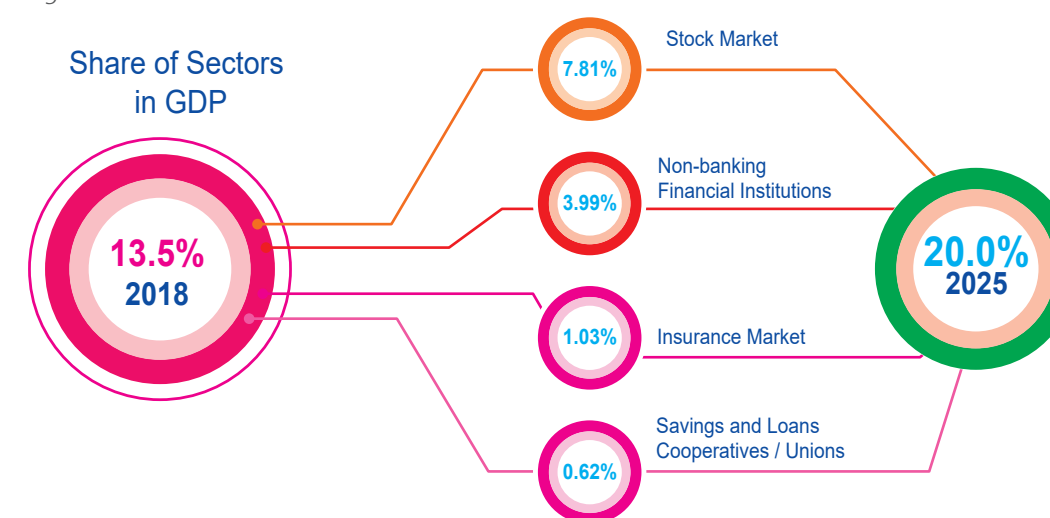


Figure 4.10 Multi-pillar Financial Market

MULTI-PILLAR FINANCIAL MARKET 2021-2030

Target: Developing Flexible, Digital, Multi-faceted Financial Services to Stimulate the Economy

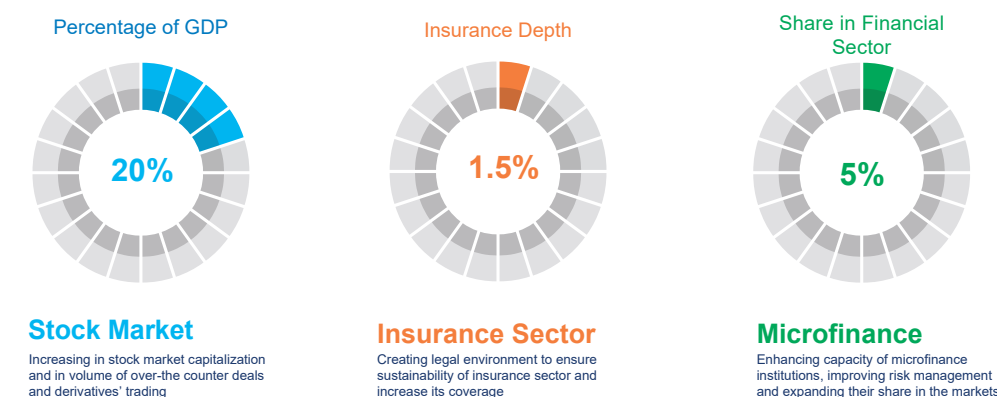
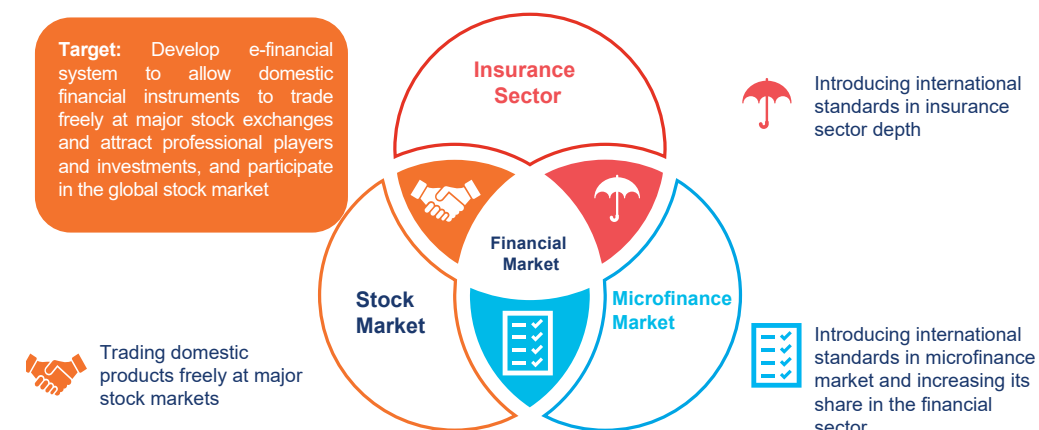


Figure 4.11 Internationally Competitive Financial Market

2031-2040 YEAR INTERNATIONALLY COMPETITIVE FINANCIAL MARKETS





REGIONAL COOPERATION

OBJECTIVE 4.4. JOIN THE ECONOMIC AND TRADE INTEGRATION IN THE REGION AND FACILITATE TRADE.

THE OBJECTIVE'S STAGES OF IMPLEMENTATION AND EXPECTED RESULTS

STAGE I (2021-2030)

The period to develop an economic corridor through the neighboring countries, conclude free trade agreements with the People's Republic of China and the Russian Federation (RF), and substantially increase external economic relations by joining the regional economic and trade integration.

1. Develop an economic corridor between Mongolia, the Russian Federation, the People's Republic of China and ensure the balance of foreign relations.
2. Create an economy reaching third-neighbor countries.
3. Mongolia shall join the economic and trade integration in the region and facilitate trade.

STAGE II (2031-2040)

The period to ensure a balanced development of foreign relations with the neighboring countries and the third neighbors.

1. Become a world recognized and competitive investment hub in the Northeast Asia.

STAGE III (2041-2050)

The period to increase trade by actively participating in the economic and trade integration in the Asia-Pacific region and expanding economic cooperation.

1. Become an active participant in regional economic cooperation.

ACTIVITIES TO BE IMPLEMENTED IN 2021-2030 OF THE OBJECTIVE

- 4.4.1. Select the region in proximity of markets and mineral resources, with sufficient workforce potential and a favorable environment for industrial development to promote free zones.
- 4.4.2. Make transparent the conditions for trade and transportation of goods and services, their monitoring, investment and penetration into the market, establish an integrated registration and data system, introduce paperless technology and create risk-based management and control.

- 4.4.3. Implement the "Steppe Road" program within the framework of the economic corridor and resolve the issue of laying down the transit natural gas pipeline through the territory of Mongolia by conducting trilateral talks.
- 4.4.4. Improve the trilateral agreement on creating an economic corridor and implement projects on transportation, logistics, urban construction, transborder trade and tourism infrastructure.
- 4.4.5. Establish an economic free zone based on Hushigt valley airport and develop small-size high-cost products and services there.
- 4.4.6. Set up an international air cargo transportation logistics center and create a cargo hub.
- 4.4.7. Build numerous trade centers related to the airport and develop trade tourism.
- 4.4.8. Conclude a free trade agreement with countries and reduce tariff and non-tariff barriers.
- 4.4.9. Pursue the policy of developing a diversified economy with emphasis on a few sectors with long-term competitiveness through joining the regional economic and trade integration and facilitating trade.
- 4.4.10. Reduce transportation expenses and create value-added products to eliminate dependency on a few countries and markets, and in pursuit of this, promote mutually beneficial cooperation on industrialization megaprojects with countries with investment capabilities.
- 4.4.11. Develop an integrated transportation logistics network to connect with foreign and domestic markets and improve transit transport agreements to ensure infrastructure cost-effectiveness.
- 4.4.12. Take and implement policy regulation measures to protect domestically processed products from foreign competition.
- 4.4.13. Carry out a legal regulation to acquire preferential trade treatment from the USA and European Union and increase the volume of ready-made export goods and output of animal origin.
- 4.4.14. Ensure Mongolia's active participation in the economic and trade integration of the Northeast Asian countries and in the implementation of the "Tumen River" project.
- 4.4.15. Expand trade cooperation with the USA within the strategic partnership agreement and enable spillovers into investment and technology spheres.
- 4.4.16. Increase trade through active participation in the economic and trade integration in the Asia-Pacific region and expansion of economic cooperation.
- 4.4.17. Accede to the ASEAN agreement to start participation in trade, investment and production integration process.
- 4.4.18. Expand the scope of trade cooperation with the industrialized countries of Northeast Asia, Japan and the Republic of Korea (ROK), to include technological collaboration.



COMPETITIVE BRAND PRODUCTS

OBJECTIVE 4.5. Develop internationally competitive micro, small and medium enterprises and increase employment.

THE OBJECTIVE'S STAGES OF IMPLEMENTATION AND EXPECTED RESULTS

STAGE I (2021-2030)

The period to develop micro, small and medium enterprises through innovation and increase their productivity.

1. Develop production based on research, analysis, new ideas, intellectual work and brands and oriented for export.
2. Create an environment for the cluster development of a supply-and-sales chain for micro, small and medium enterprises

STAGE II (2031-2040)

The period to connect to the regional value chain by introducing regional and international quality and standards requirements and developing e-commerce.

1. Ensure export diversification to promote regional economy.

STAGE III (2041-2050)

The period to produce and supply globally competitive and innovative brand products based on technological advances, skilled human resources and e-commerce.

1. Increase production and export of innovation-based products.

ACTIVITIES TO BE IMPLEMENTED IN 2021-2030 OF THE OBJECTIVE

- 4.5.1. Establish business incubator centers and render support for their activities on the capacity-building of human resources.
- 4.5.2. Improve the legal regulation of activities within the state-private sector partnership on the introduction of innovation and technology and sharing knowledge.
- 4.5.3. Elaborate and put into action policies and programs on developing digital branches in the economy.
- 4.5.4. Introduce automation, technology and information technology achievements into production.

- 4.5.5. Support and create a favorable investment environment for nature-friendly organic goods production based on nano, bio and green technologies and human intelligence.
- 4.5.6. Create an institutional system for the development of small and medium producers and improve the relevant legal environment.
- 4.5.7. Upgrade the capacity of the managers and workforce of small and medium producers to meet the world network requirements, introduce technological progress and innovations, and improve the output's quality and standards.
- 4.5.8. Acquire information on technological innovations required for small and medium producers through diplomatic missions in foreign countries and expand investment partnerships by organizing international exhibitions, fairs and business meetings.
- 4.5.9. Ensure the efficiency of loan and assistance funding provided by the state and international organizations to small and medium production and improve all stakeholders' coordination.
- 4.5.10. Promote understanding and use of alternative sources of funding, leasing and factoring and introduce guarantees and insurance for export goods producers.
- 4.5.11. Promote cluster development through encouraging and supporting proposals and initiatives on promoting small and medium production within the social responsibility of big economic entities and enterprises.
- 4.5.12. Ensure the realization of policies and programs of digital branches.
- 4.5.13. Build up infrastructure and industrial complex to support regional economic development and promote the development of a new branch.
- 4.5.14. Develop free zones and establish a permanent transborder trade network.
- 4.5.15. Increase through technological progress and skillful human resources the production of innovation-based goods capable to compete in the world.
- 4.5.16. Promote the development of small and medium production sector to compete in the world.



NATIONAL WEALTH FUND

OBJECTIVE 4.6. Establish an internationally recognized wealth fund to support the objectives of economic diversification, innovation, human development, new technology and green growth.

THE OBJECTIVE'S STAGES OF IMPLEMENTATION AND EXPECTED RESULTS

STAGE I (2021-2030)

The period to set up a wealth fund to invest in financially efficient projects and programs.

1. Set up and develop a system for implementing asset management through an integrated policy, financing and supporting efficient projects and programs to ensure capital accumulation.

STAGE II (2031-2040)

The period to support the economy and increase the wealth fund by investing in foreign financial instruments as well as in mega and other projects to promote socio-economic development.

1. Support socially important projects and programs by investing in mega projects and build the capacity of citizens to raise their living standards.

STAGE III (2041-2050)

The period to foster an internationally recognized wealth fund to support the objectives of economic diversification, innovation, new technology and green growth.

1. Have in place an internationally recognized wealth fund to ensure macroeconomic stability.

ACTIVITIES TO BE IMPLEMENTED IN 2021-2030 OF THE OBJECTIVE

- 4.6.1. Improve the legal environment for the national wealth fund and renew its organizational structure.
- 4.6.2. Define sound governing principles of the wealth fund and get relevant rules and regulations approved.
- 4.6.3. Accumulate capital in the fund from revenue sources stipulated in the Law on Wealth Fund and increase its capital by means and forms fixed in the Law.

- 4.6.4. Start investment of some proportion of the overall fund capital for the given year into financial instruments with "AA" credit rating at the international finance market or with similar evaluation and secured result.
- 4.6.5. Start investment of the fund capital into mega projects or projects designed to promote economic diversification, to safeguard the security of citizens and create conditions for their comfortable life.
- 4.6.6. Render support to the branches in dire need of investments like road transport, energy, water management, communications, and make domestic investments to mining-related infrastructure projects. Use the fund resources for financing infrastructure projects that require substantial investment.
- 4.6.7. Channel investments into social development projects aimed at ensuring citizens' security and comfortable living conditions.
- 4.6.8. Develop at world level all types of financial services based on technological progress and artificial intelligence, channel investments into the promotion of digital financial services.
- 4.6.9. Make investments into the "Silk Road" and "Tea Road" projects on the development of tourist and trade services. Introduce new forms of investment designed to support a knowledge-based economy.
- 4.6.10. Introduce new forms of investment designed to support a knowledge-based economy.
- 4.6.11. Provide citizens of Mongolia with preferential right to be eligible to shares dividends.