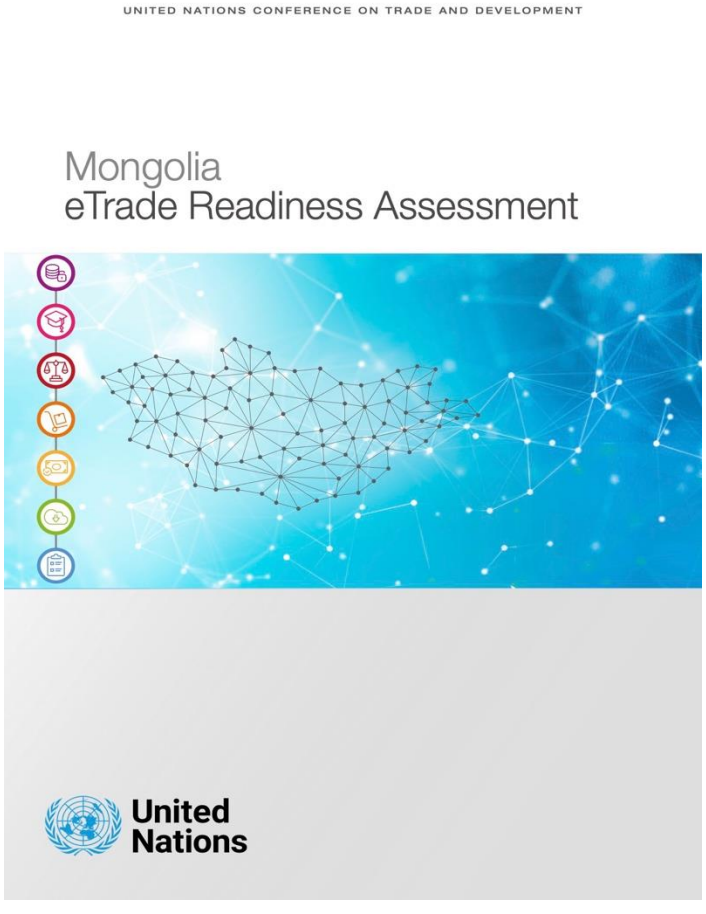
MINISTRY OF FOREIGN AFFAIRS
OF MONGOLIA

MONGOLIA'S E-TRADE POLICIES

Capacity Building Workshop to Promote Mongolia's digital trade

Ms.Ariunaa Adiya, Counsellor, Department of International Trade and Economic Affairs,
Ministry of Foreign Affairs, Mongolia

Ulaanbaatar, 27 March 2025



MINISTRY OF FOREIGN AFFAIRS OF MONGOLIA

UNITED NATIONS UNCTAD

The eTrade Readiness Assessment of Mongolia

Mongolia eyes e-commerce to diversify its economy

https://unctad.org/news/mountainous-mongolia-eyes-e-commerce-diversify-its-economy

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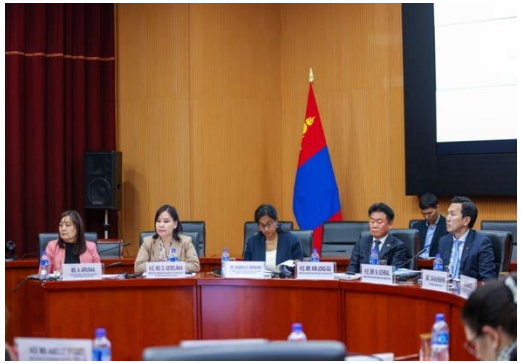
UNITED NATIONS
UNCTAD

eT Ready Assessment:
Main findings and policy recommendations

Launch of the eTrade Readiness Assessment of Mongolia on June 8, 2023
Development Partners' Roundtable in Ulaanbaatar on June 7, 2023.
Launch at the UN, December, December 4-8, 2023







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eT Ready Assessment report and recommendations

Pillar 1: E-commerce Strategy Formulation

Pillar 2: ICT Infrastructure and Services

Pillar 3: Trade Logistics and Facilitation

Pillar 4: Payment solutions

Pillar 5: Legal and Regulatory Frameworks

Pillar 6: E-commerce skills development

Pillar 7: Access to financing

91 RECOMMENDATIONS
(High, medium, Low)

KEY CHALLENGES: lack of MSMEs awareness of opportunities in e-commerce; Lack of MSMEs awareness of available financing opportunities/fundraising; incubator and accelerator programmes are limited and selective. lack of regulation on alternative financing options and high interest rates of regular loans; lack of statistics/other reliable information about the national startup ecosystem.

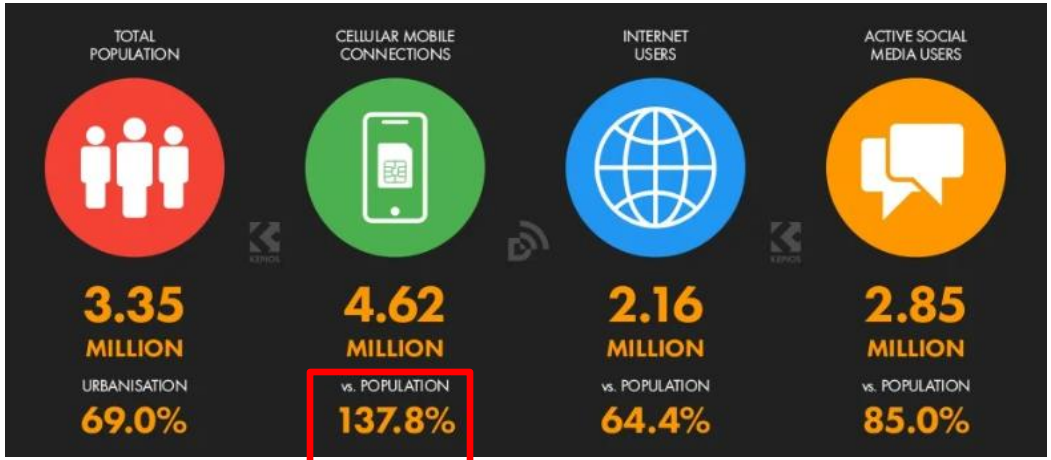
UNCTAD Source: Public (96), private (31) sector, and consumers' (151) stakeholder survey results

WEF Global Competitiveness Report – Selected Relevant Indicators

Subst. area	Pillar / Pertinent indicator	Rank / 141
	1st Pillar - Institutions	**90**
	Public Sector Performance	**95**
Strategy	1.10 Burden of Government Regulation	117
Strategy	1.12 E-participation	62
	Property rights	**113**
Legal Framework	1.15 Intellectual Property Protection	131
	Future Orientation of Government	**127**
Strategy	1.20 Government ensuring policy stability	121
Strategy	1.21 Government's responsiveness to change	129
Strategy	1.22 Legal framework's adaptability to digital business models	117
Strategy	1.23 Government long-term vision	132
	2nd pillar: Infrastructure	**101**
Trade Logistics / TF	2.01 Road connectivity	112
Trade Logistics / TF	2.02 Quality of road infrastructure	112
Trade Logistics / TF	2.03 Railroad density	96
Trade Logistics / TF	2.04 Efficiency of train services	55
Trade Logistics / TF	2.05 Airport connectivity	97
Trade Logistics / TF	2.06 Efficiency of air transport services	117
	Utility infrastructure	**91**
Trade Logistics / TF	2.09 Electricity access	99
Trade Logistics / TF	2.10 Electricity supply quality	73
	3rd pillar: ICT adoption	**96**
ICT Infrastructure	3.01 Mobile-cellular telephone subscriptions	36
ICT Infrastructure	3.02 Mobile-broadband subscriptions	55
ICT Infrastructure	3.03 Fixed-broadband Internet subscriptions	76
ICT Infrastructure	3.04 Fibre internet subscriptions	71
ICT Infrastructure	3.05 Internet users	119

Subst. area	Pillar / Pertinent indicator	Rank / 141
	6th pillar: Skills	**95**
	Skills of current workforce	**119**
Skills development	6.04 Skillset of graduates	119
Skills development	6.05 Digital skills among active population	96
Skills development	6.06 Ease of finding skilled employees	140
	7th pillar: Product market	**106**
	Domestic competition	**133**
ICT Infrastructure	7.03 Competition in services	104
	Trade openness	**48**
Trade Logistics / TF	7.07 Border clearance efficiency	120
	9th pillar: Financial system	**108**
	Depth	**114**
Access to Financing	9.01 Domestic credit to private sector	63
Access to Financing	9.02 Financing of SMEs	124
Access to Financing	9.03 Venture capital availability	124
	Stability	**104**
Payments	9.06 Soundness of banks	120
Access to Financing	9.07 Non-performing loans	98
	11th pillar: Business dynamism	**108**
	Administrative requirements	**101**
Startups / Incubators	11.01 Cost of starting a business	34
Startups / Incubators	11.02 Time to start a business	65
	Entrepreneurial culture	**105**
Startups / Incubators	11.05 Attitudes towards entrepreneurial risk	101
Startups / Incubators	11.07 Growth of innovative companies	73
Startups / Incubators	11.08 Companies embracing disruptive ideas	84

Basic internet statistics: Mongolia v. world



Compared to word data:



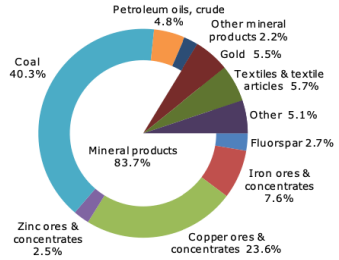
And still progressing:



Source: Kepios, Digital Mongolia 2022

Why E-commerce for Mongolia?

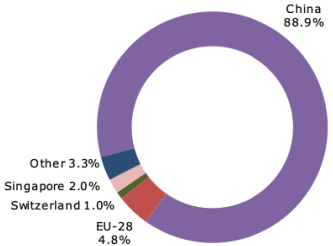
Diversify economy*



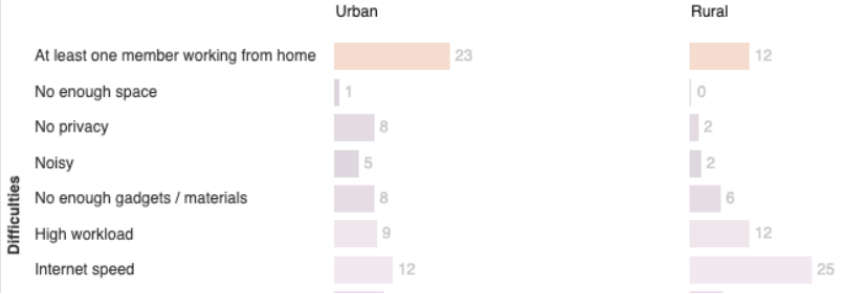
Enhance productivity



Expand market reach*



Narrow the social gaps / digital



* WTO, TPR of Mongolia, 2021 (data from 2019)

** Mongolian office of statistics – Survey – 2020

National Strategies of relevance to e-commerce

General strategies	Sectoral strategies	Digitalization / digital transformation specific strategies
Vision 2050 (long term); 5-year development guidelines (mid-term);	State Policy on the Development of the ICT 2017-2025	Digital Nation Initiative
Mongolia **Sustainable Development** Vision 2030	National Trade Facilitation Roadmap 2018-22	E-Mongolia, E-business

The above strategies:

- **"Normalize"** digitalization
- Have awareness raising / capacity building elements
- Foster innovation

HOWEVER, a separate strategy dedicated to E-commerce is still absent / useful

E-commerce in Mongolia
supportive factors and challenges

Key supportive factors

- Strong political will
- Positive [sectoral] investment outlook
- High private sector engagement
- Considerable consumer interest
- Support from the IO and development partners
- The COVID "*boost*"

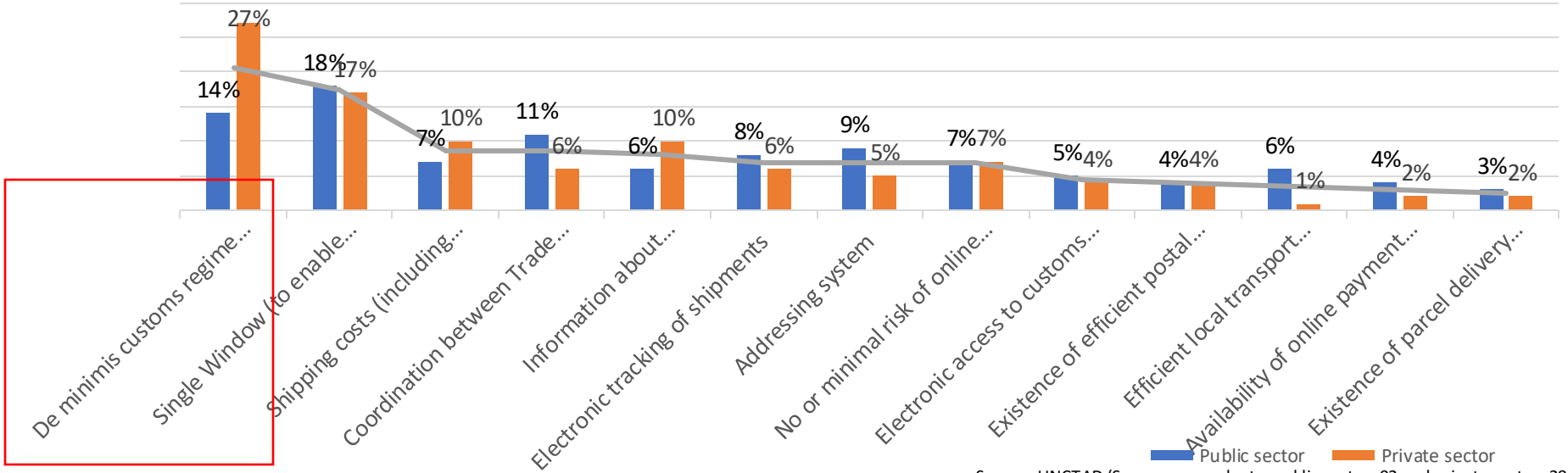
Key challenges

- Important stakeholder capacity gaps
- General and ICT ifrastructure needing improvement
- Limited access to the ICT devices
- Partial decicated and accessory legal framework, which is not fully implemented
- Limited access to startup financing, including for the disadvantage groups
- Trust and data protection issues
- Lack of demografically disaggregated statistics
- Quickly changing sectoral policies and institutions

Main findings

- Trade facilitation and paperless trade are among national priorities and supported by many DPs;
- Goods traded via e-commerce are subject to regular [lengthy] customs clearance (*consumers value speedy deliveries*);
- Logistics is mostly ensured via road and rail. Implementation of dry ports is high on the agenda;
- Large share of international and last mile rural deliveries are not competitive.

KEY CHALLENGES: Territorial and borderline vastness make implementations of the TF and logistic solutions more challenging /costlier; customs clearance and domestic deliveries' timeframes are lengthy; addressing systems are multiple and non-unified; border measures of neighboring China and Russia.



Source: UNCTAD (Survey respondents: public sector, 92 and private sector, 28)

Main findings

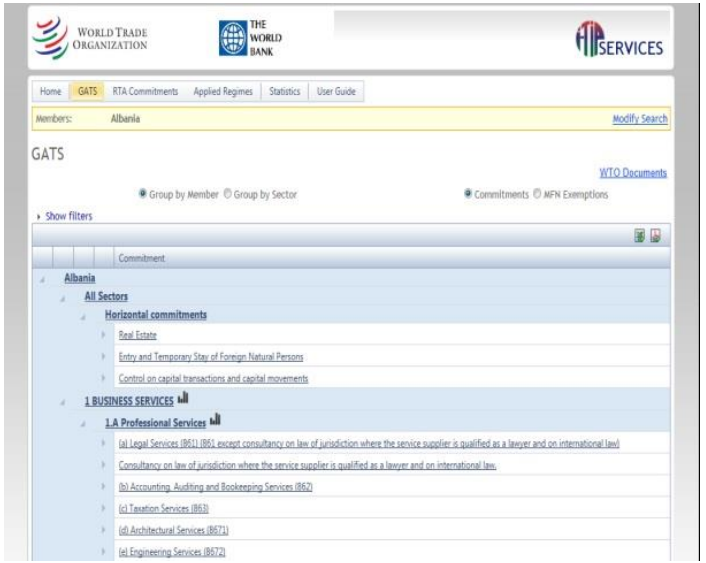
- Mongolia's trade deficit in services - **US$2 billion in 2019 -** increasing annually. This deficit includes cross-border foreign currency payments for professional workers, international and transit transport, tourism, cultural and sporting events, healthcare services, franchising and securities, as well as engineering, business, and consultancy services.
- The growing deficit is negatively impacting the balance of payments and must be addressed. Key measures include:
    - 1) **Enhancing data collection** on trade in services, particularly in e-commerce and the digital economy and
    - 2) **Ensuring transparency and predictability** in e-commerce policies to support informed, evidence-based decision-making.
- UNESCAP – Paperless trade assessment , CPTA, Digital Trade integration

I-TIP Services is a joint initiative of the World Trade Organization and the World Bank:

MONGOLIA JOINS THE WORLD TRADE ORGANIZATION AND WORLD BANK'S SERVICE TRADE POLICY DATABASE

https://www.gov.mn/en/news/all/c9d44130-9661-42e8-8f1b-6220a7577f46





I-TIP Services (Mongolia)

Figure 1: Sector search criteria available in I-TIP Services

- All sectors
  - Horizontal commitments
  - 1 - BUSINESS SERVICES
    - 1.A - Professional Services
    - 1.B - Computer and Related Services
    - 1.C - Research and Development Services
    - 1.D - Real Estate Services
    - 1.E - Rental/Leasing Services without Operators
    - 1.F - Other Business Services
  - 2 - COMMUNICATION SERVICES
    - 2.A - Postal services
    - 2.B - Courier services
    - 2.C - Telecommunication services
    - 2.D - Audiovisual services
    - 2.E - Other
  - 3 - CONSTRUCTION AND RELATED ENGINEERING SERVICES
    - 3.A - General construction work for buildings
    - 3.B - General construction work for civil engineering
    - 3.C - Installation and assembly work
    - 3.D - Building completion and finishing work
    - 3.E - Other
  - 4 - DISTRIBUTION SERVICES
    - 4.A - Commission agents' services
    - 4.B - Wholesale trade services
    - 4.C - Retailing services
    - 4.D - Franchising
    - 4.E - Other
  - 5 - EDUCATIONAL SERVICES
    - 5.A - Primary education services
    - 5.B - Secondary education services
    - 5.C - Higher education services
    - 5.D - Adult education
    - 5.E - Other education services
  - 6 - ENVIRONMENTAL SERVICES
    - 6.A - Sewage services
    - 6.B - Refuse disposal services
    - 6.C - Sanitation and similar services
    - 6.D - Other
  - 7 - FINANCIAL SERVICES
    - 7.A - All insurance and insurance-related services
    - 7.B - Banking and other financial services (excl. insurance)
    - 7.C - Other
  - 8 - HEALTH RELATED AND SOCIAL SERVICES (other than those listed under 1.A.h-j.)
    - 8.A - Hospital services
    - 8.B - Other Human Health Services
    - 8.C - Social Services
    - 8.D - Other
  - 9 - TOURISM AND TRAVEL RELATED SERVICES
    - 9.A - Hotels and restaurants (incl. catering)
    - 9.B - Travel agencies and tour operators services
    - 9.C - Tourist guides services
    - 9.D - Other
  - 10 - RECREATIONAL, CULTURAL AND SPORTING SERVICES (other than audiovisual services)
    - 10.A - Entertainment services (including theatre, live bands and circus services)
    - 10.B - News agency services
    - 10.C - Libraries, archives, museums and other cultural services
    - 10.D - Sporting and other recreational services
    - 10.E - Other
  - 11 - TRANSPORT SERVICES
    - 11.A - Maritime Transport Services
    - 11.B - Internal Waterways Transport
    - 11.C - Air Transport Services
    - 11.D - Space Transport
    - 11.E - Rail Transport Services
    - 11.F - Road Transport Services
    - 11.G - Pipeline Transport
    - 11.H - Services auxiliary to all modes of transport
    - 11.I - Other Transport Services
  - 12 - OTHER SERVICES NOT INCLUDED ELSEWHERE

https://itip-services-worldbank.wto.org/default.aspx

https://itip-services-worldbank.wto.org/SearchResultApplied.aspx

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Thank you
for your attention