Mongolia's Digital Trade Week
Session 3B: Mongolia's Digital Trade Policy Environment
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Benchmarking Mongolia Regulatory Environment

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I. Regional Digital Trade Integration Index (RDTII) framework

What is RDTII 2.0

RDTII is a proxy for digital economy integration in terms of the openness and harmonization of the regulatory environment for digital trade in the region.

12 policy areas "Pillars" → 50+ "indicators"

The indicator degree is intended to flag compliance costs created by digital trade regulations, which often go beyond trade barriers.

The framework does not capture the full range of social, economic, security and environmental concerns that may need to be considered when engaging in the regulatory reform.

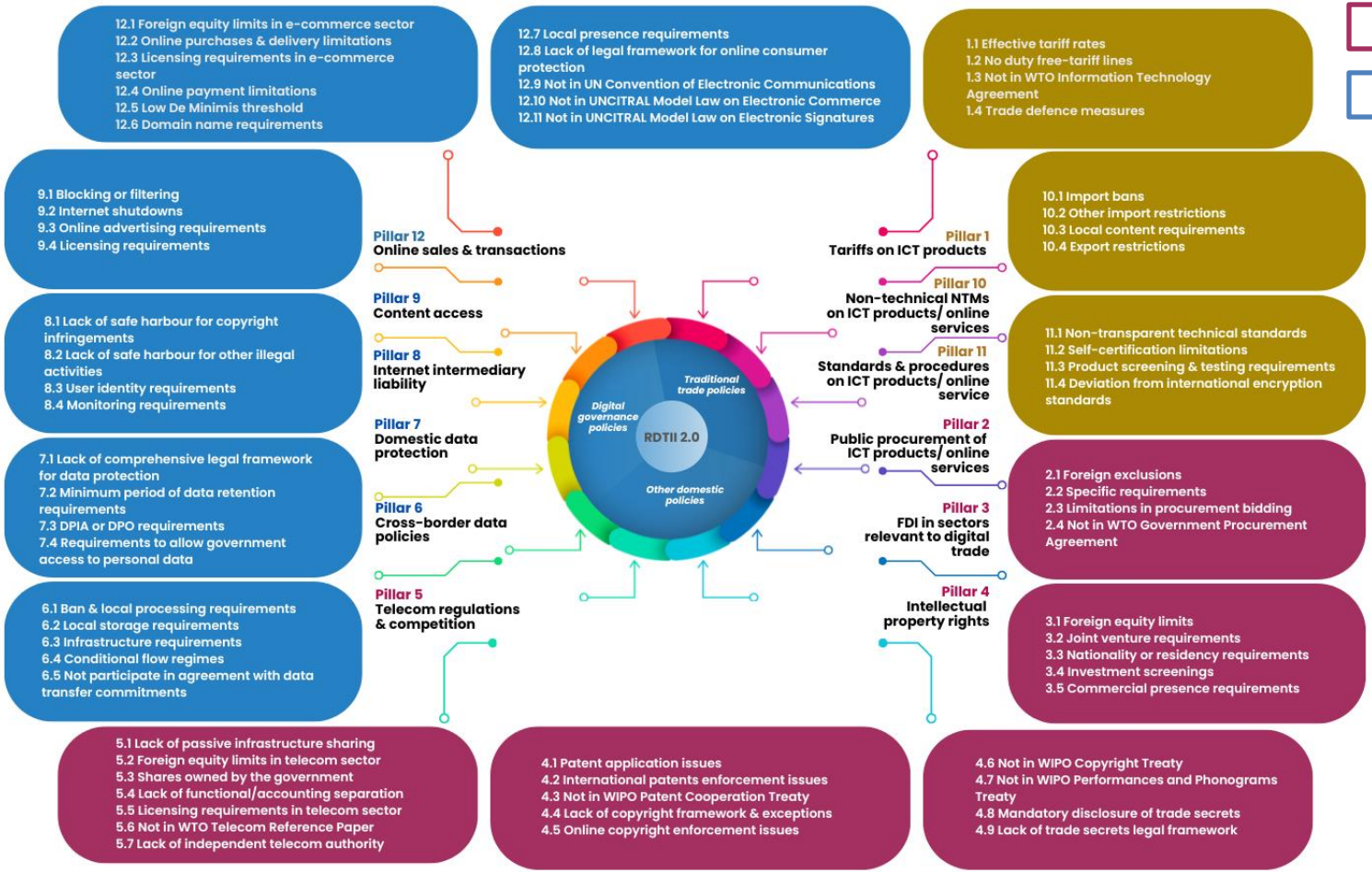
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Coverage: 12 Pillars (50+ indicators) relevant to digital trade

Traditional trade policies

Other domestic policies

Digital governance



Why: Objective

- Promote **regional regulatory harmonization** for the digital-economy integration to bring inclusive and sustainable development benefits to Asia and the Pacific.

- Provide evidence to **support policymakers** who need to make an informed decisions on digital-trade policy while **balancing between economic and other policy objectives.**

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Where: Asia and the Pacific

As of March 2025, the database track 48 economies that are member States of ESCAP in Asia-Pacific Region. The list of coverage could grow overtime.

Armenia, Australia, Azerbaijan, Bangladesh, Bhutan, Brunei Darussalam, Cambodia, China, Cook Islands, Fiji, French Polynesia, Georgia, India, Indonesia, Japan, Kazakhstan, Kiribati, Kyrgyzstan, Lao PDR, Malaysia, Maldives, Marshall Islands, Micronesia (Fed. States of), Mongolia, Myanmar, Nauru, Nepal, New Caledonia, New Zealand, Niue, Pakistan, Palau, Papua New Guinea, Philippines, Republic of Korea, Russian Federation, Singapore, Solomon Islands, Sri Lanka, Tajikistan, Thailand, Türkiye, Turkmenistan, Tuvalu, Uzbekistan, Vanuatu, Viet Nam, and Hong Kong (China).

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Scoring RDTII indicators

The score runs from ‘0’ (low compliance cost) to ‘1’ (high compliance cost)

A score which is greater than ‘0’ indicates one of the following

1. A measure implies a **differential treatment** between domestic and foreign providers of ICT goods, online services, digitally-delivered products despite being in the same or similar circumstances.
2. A measure aims to achieve a non-economic objective but ends up **blocks or discourages foreign and local businesses** from participating in digital trade in the regulating economy.
3. An economy **fails to adopt a certain international agreement**, legislation, or legal mechanism considered of significant importance for the development of digital trade.

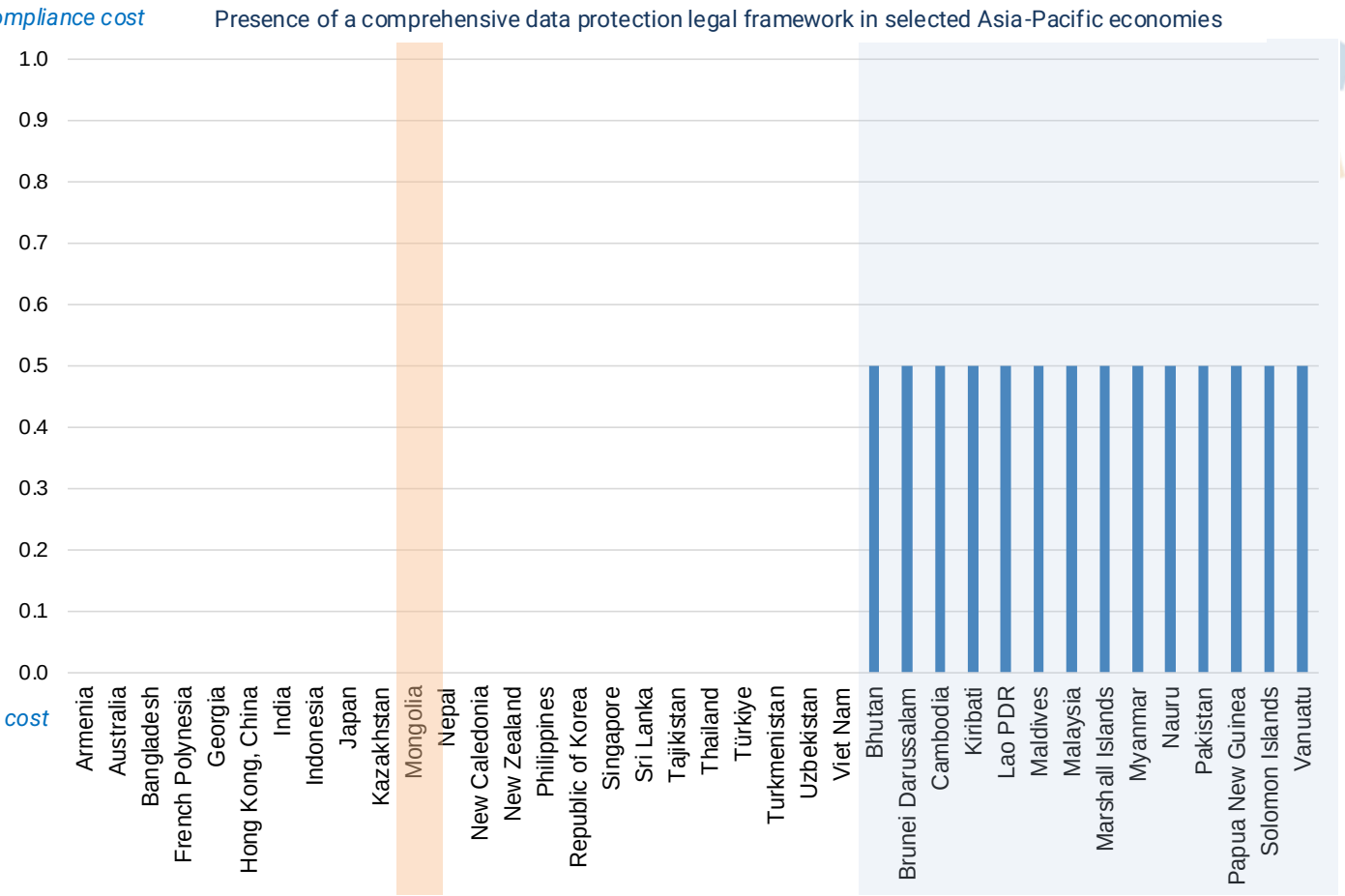
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Example: Indicator 7.1 Comprehensive data protection legal framework

Not data protection legal framework → score = 1.00

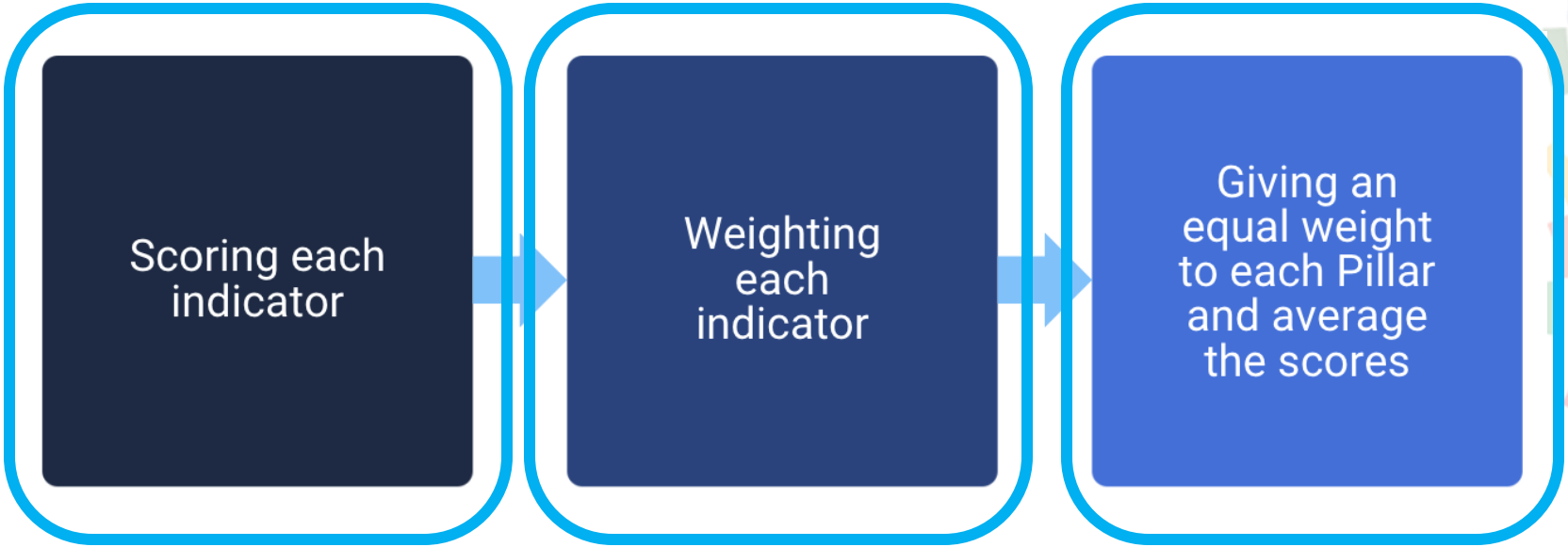
Data protection legal framework only to specific sectors → score = 0.50

Comprehensive data protection framework → score = 0.00



Source: Regional Digital Trade Integration Index (RDTII), https://www.unescap.org/projects/rcdtra

Methodology



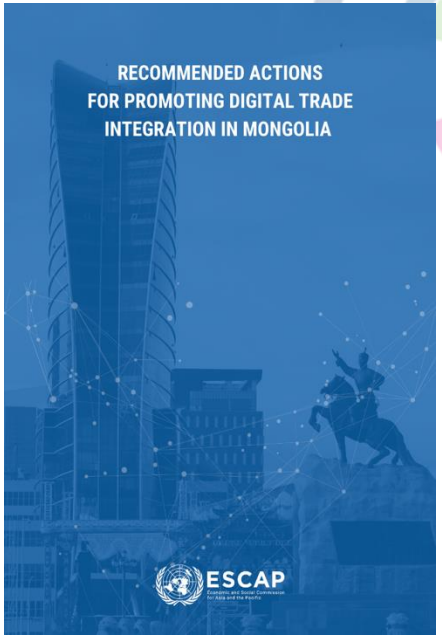
RDTII uses a simple average method.

Each RDTII Pillar is a weighted average of scores at the indicator level.

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How: Process of the RDTII

Step 1	Step 2	Step 3	Step 4	Step 5
Desk research	Internal review	Country verification	Calculate score	Publish data, feed into tools and knowledge products

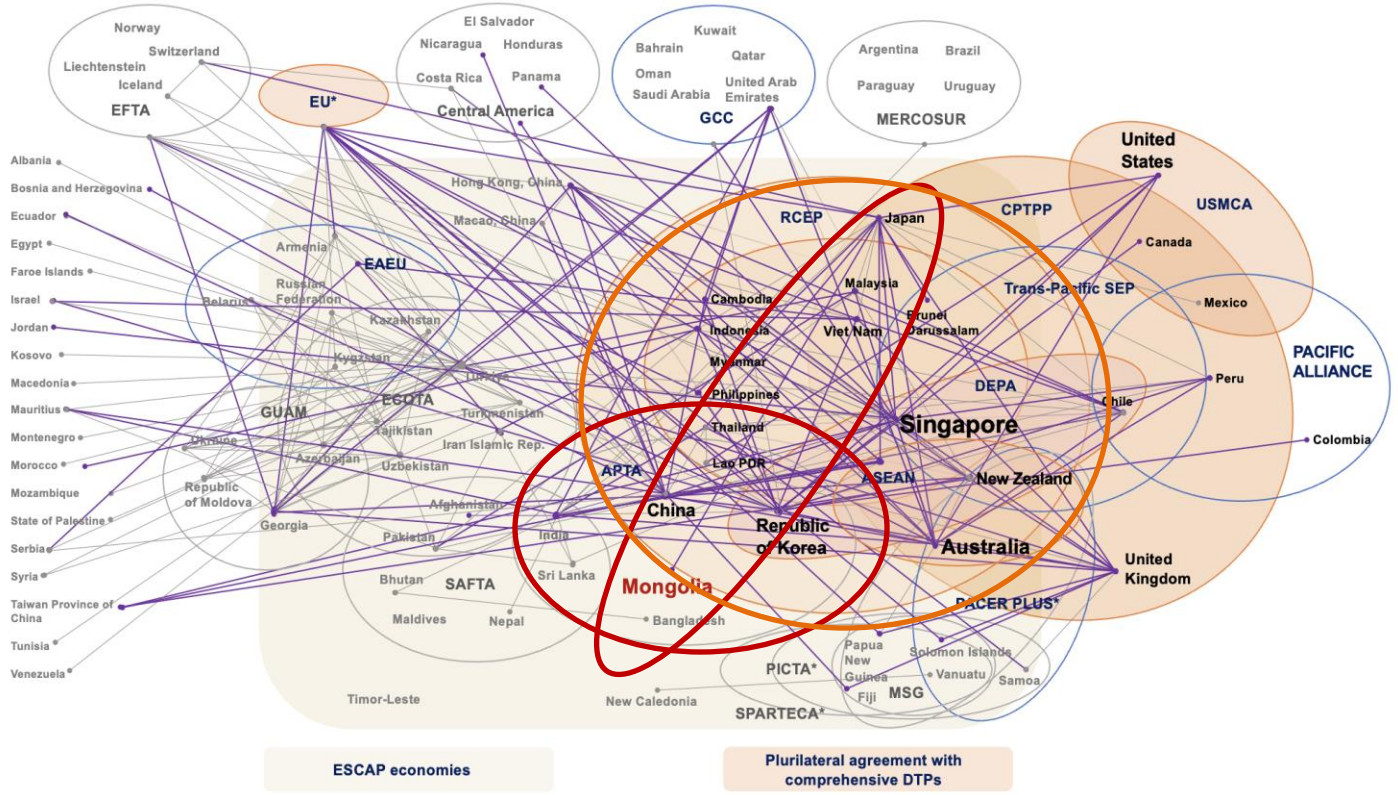


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II. Comparative analysis between Mongolia & RCEP members

Mongolia's regional trade agreements snapshot

PTAs with and without e-commerce (digital) provisions signed by Asia-Pacific economies



*Not all members shown. Plurilateral PTAs are not represented, i.e., D-8 PTA, GSTP, PTN and TPS/ OIC.

Signed and enforced agreements with DTPs

Signed and enforced agreements without DTPs

Blue circle: plurilateral agreement with DTPs; Grey circle: plurilateral agreement without DTPs.

Economy that have signed larger number trade agreements with DTPs is presented in a bigger font.

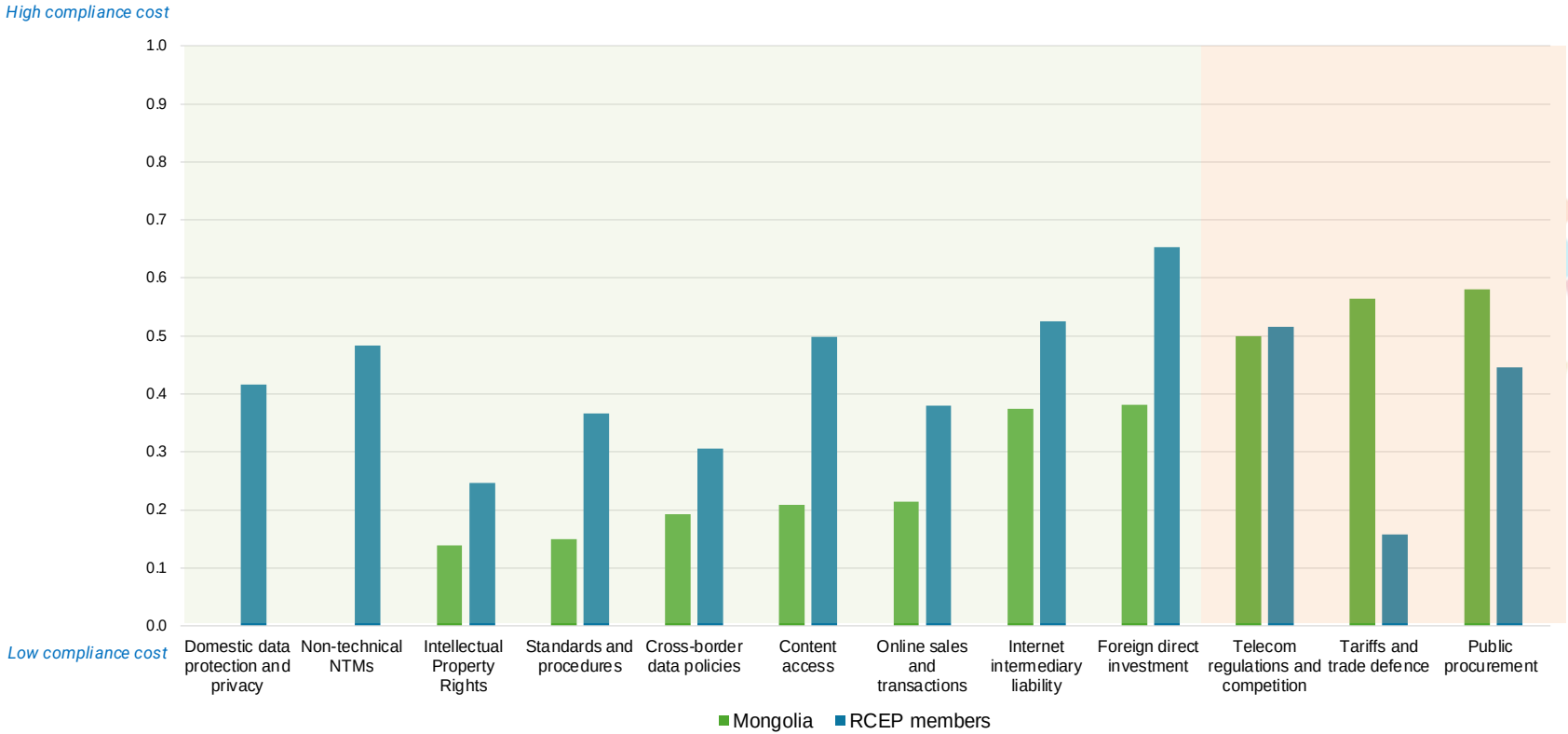
Why RCEP as a benchmark?

- **World's Largest Trading Bloc**, representing 2.3 billion people and approx. 30% of world GDP.
- **Major trading partners**. As of 2023, RCEP members accounted for 57% of Mongolia total imports, 93% of exports, and 79% of total trade turn over.
- **Digital Trade & Investment Potential**. Mongolia can attract FDI in fintech, IT, and digital services from strategic partners: China, Japan, and the Republic of Korea.
- **Regional Integration & Supply Chains**. Paperless trading and cumulative origin rules support Mongolia's integration into regional supply chains.
- **Built-in Flexibility**, permitting phrase in commitments. Mongolia can benefit from transition periods and technical assistance.

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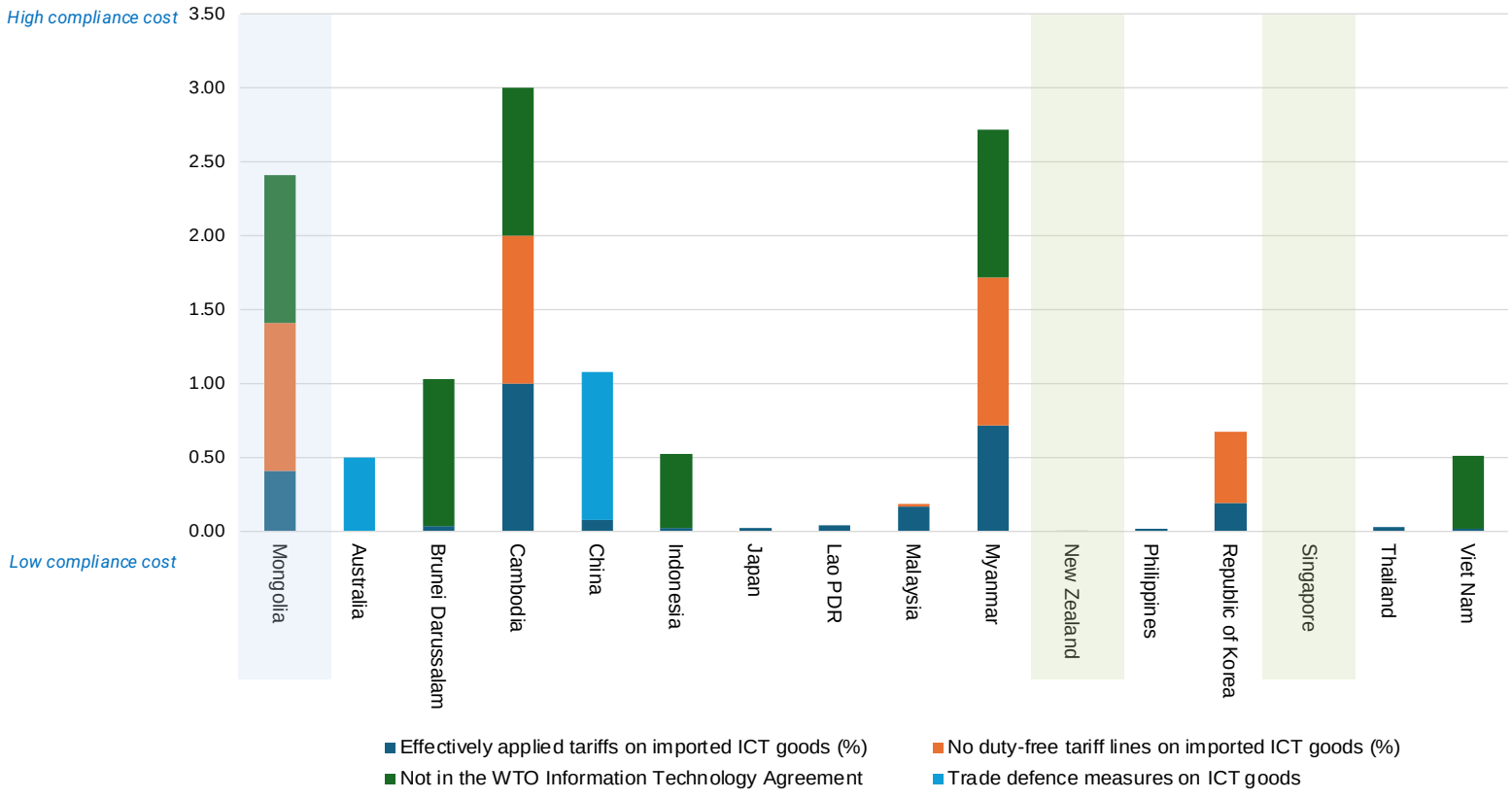
Comparative Analysis: Mongolia and RCEP members

Mongolia has a simpler regulatory environment than RCEP average in most areas.



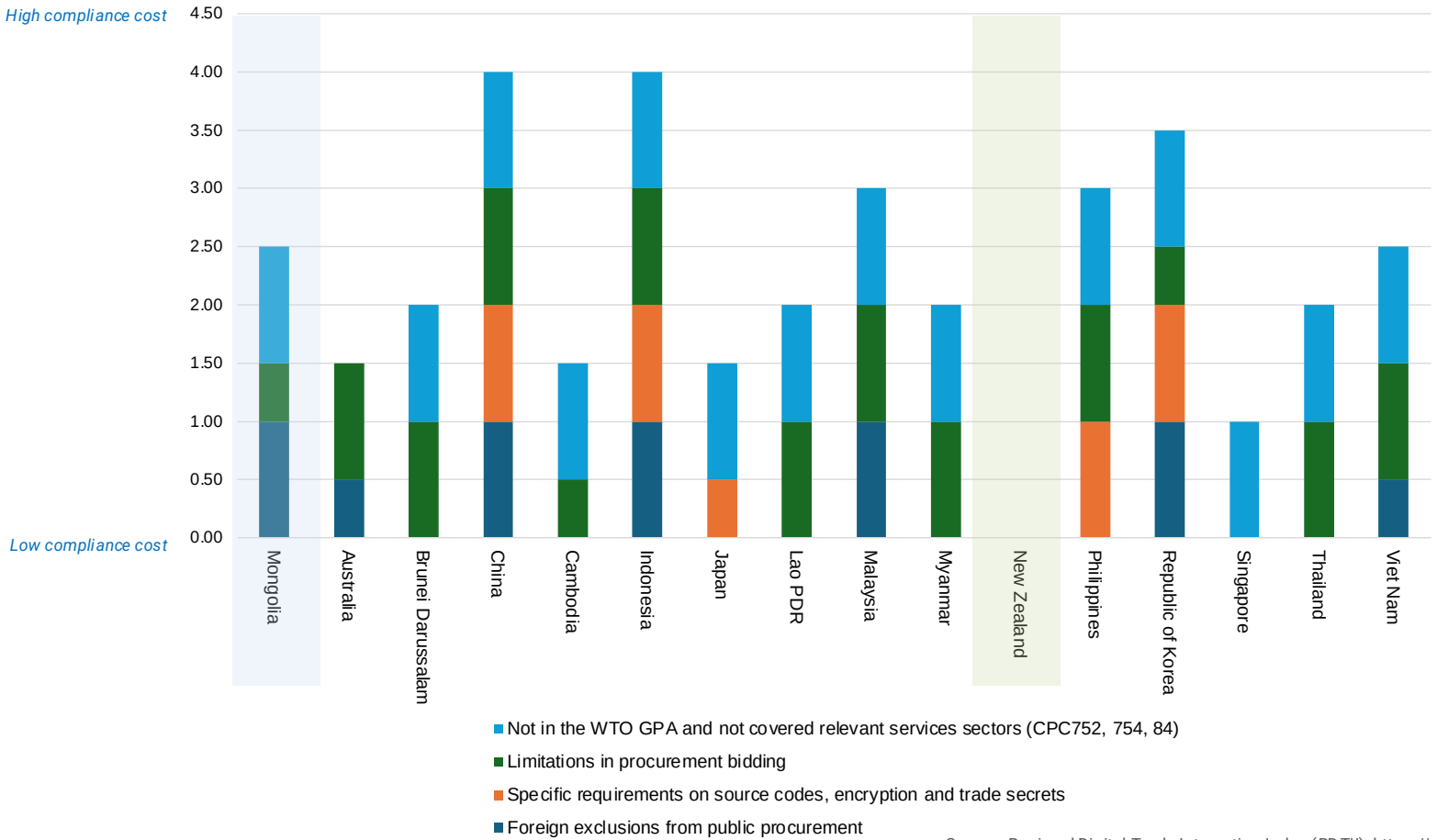
Source: Regional Digital Trade Integration Index (RDTII), https://www.unescap.org/projects/rcdtra

1. Tariffs and trade defense measures applied to intraregional imports of ICT products



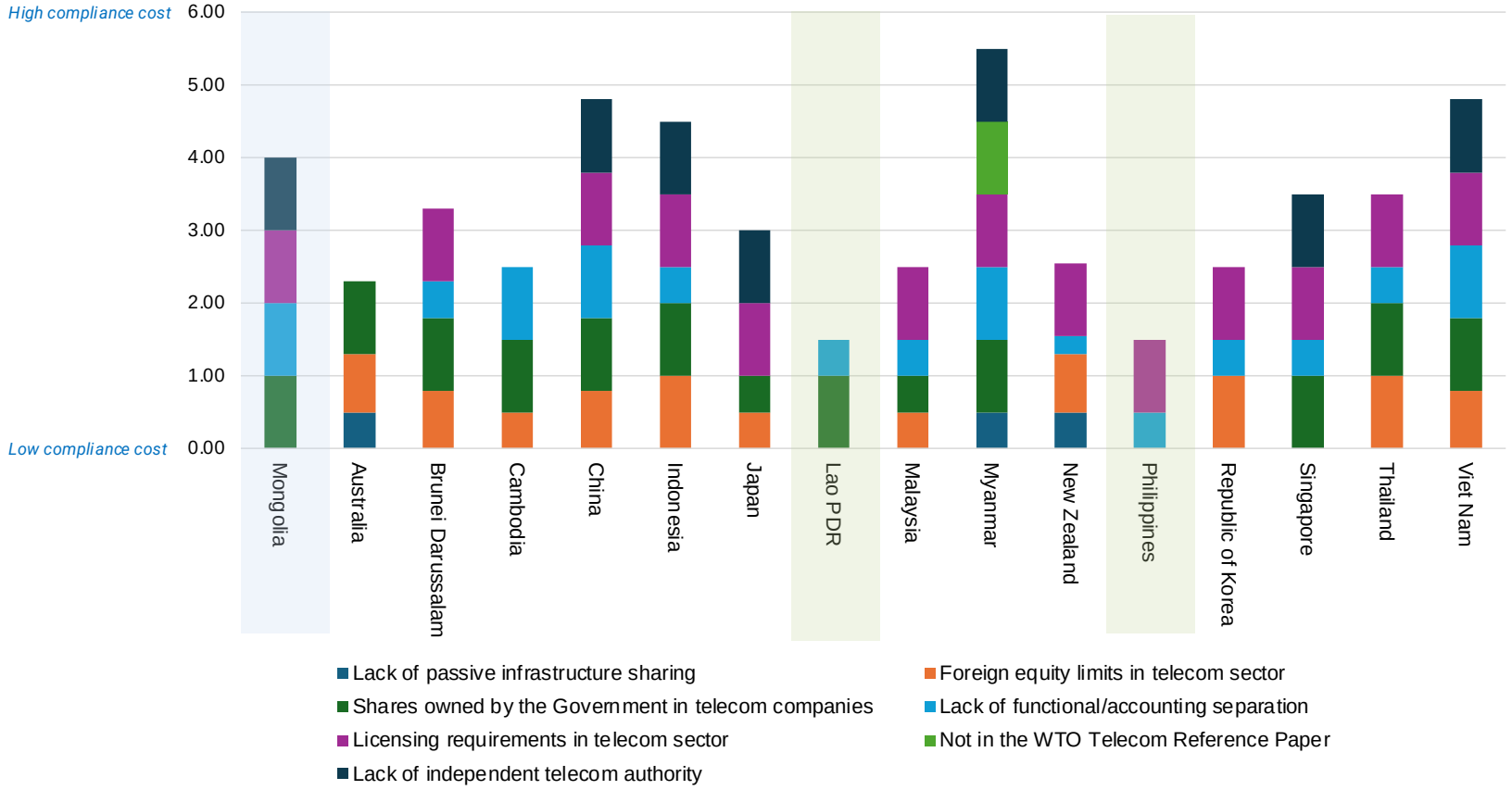
Source: Regional Digital Trade Integration Index (RDTII), https://www.unescap.org/projects/rcdtra

2.Public procurement



Source: Regional Digital Trade Integration Index (RDTII), https://www.unescap.org/projects/rcdtra

3. Telecom regulations and competition



Source: Regional Digital Trade Integration Index (RDTII), https://www.unescap.org/projects/rcdtra

Conclusion

- From ESCAP's RDTII, Mongolia already maintains a **relatively open digital trade environmen**t, providing a strong foundation for digital trade integration. However, regulatory challenges remain in tariffs applied on ICT products, public procurement policies, and competition policies in telecom sector.

- RCEP's **flexible approach allows Mongolia to phase in commitments**, benefiting from transition periods and technical assistance. To fully leverage the agreement, Mongolia must prioritize regulatory reforms, institutional coordination, and targeted capacity-building.

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THANK YOU!



Comparable regulatory data

12 Policy areas in 100+ economies in Asia-Pacific, Africa, LAC



Economy profiles

Overviews of regulatory environments in various economies



Regional Digital Trade Integration Index (RDTII) 2.0 dashboard

Visualization summarizing RDTII main findings

ESCAP-ECA-ECLAC Portal

ESCAP Initiative on Regional Digital Trade Integration

RDTII Dashboard