



The Ministry of Economic Development of Mongolia



Foreign Investment Development in Mongolia

by JAVKHLANBAATAR SEREETER

Director, Foreign Investment Regulations & Registration Department

29 November 2012, Bangkok



CONTENT

1

Foreign Direct Investment Performance

2

Foreign Investment Legal Framework

3

Key Drivers Attracting FDI and Challenges

4

Expectations from FDI's



How Does the Mongolian Economy Perform?

Indicators	2006	2007	2008	2009	2010	2011
GDP, billion MNT	4,027.6	4,956.6	6,555.6	6,590.6	8,414.5	10,829.7
Real economic growth by %	8.6	10.2	8.9	-1.3	6.4	17.3
Growth of mineral sector by %	5.3	1.1	-1.6	5.8	3.6	8.7
Growth of non mineral sector by %	9.4	12.6	11.3	-2.7	7.0	19.1
GDP per capita, USD	1,324.2	1,619.5	208.3	1,688.1	2,664.4	3,073.0

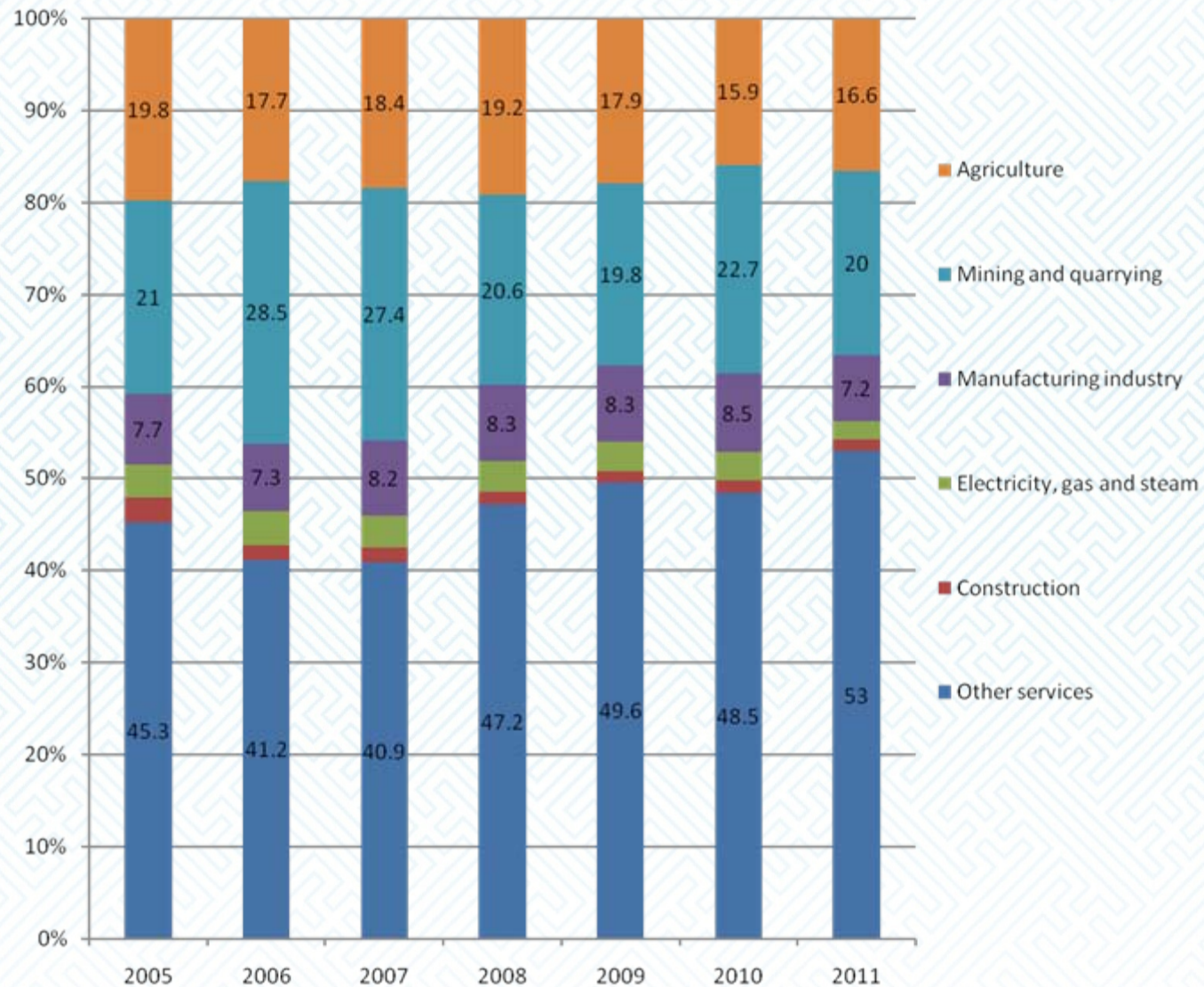
There is a lot of potential in non-mining sectors.

Source: National Statistic Office: Economic Report

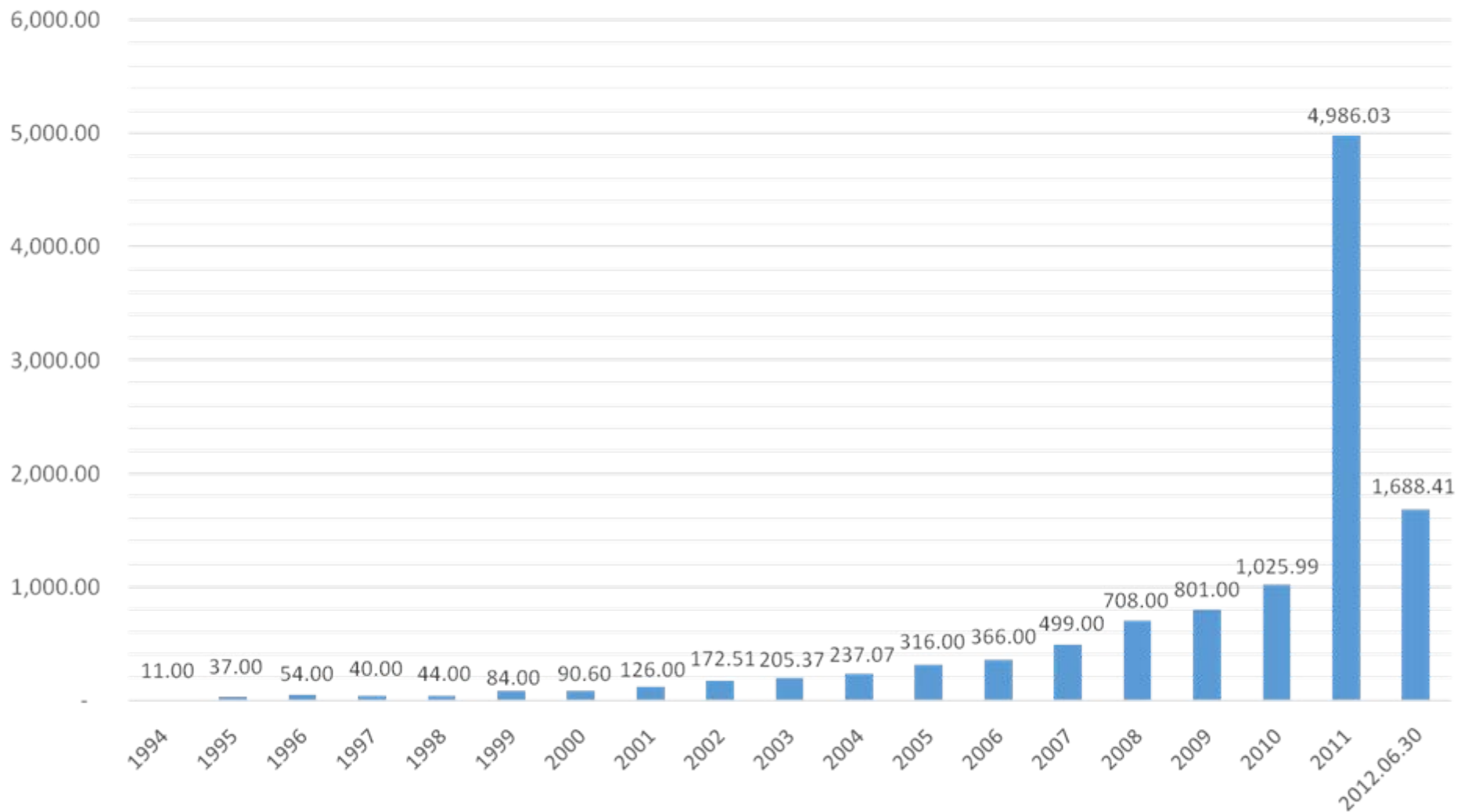


How Does the Mongolian Economy Perform?

GDP BY SECTORS

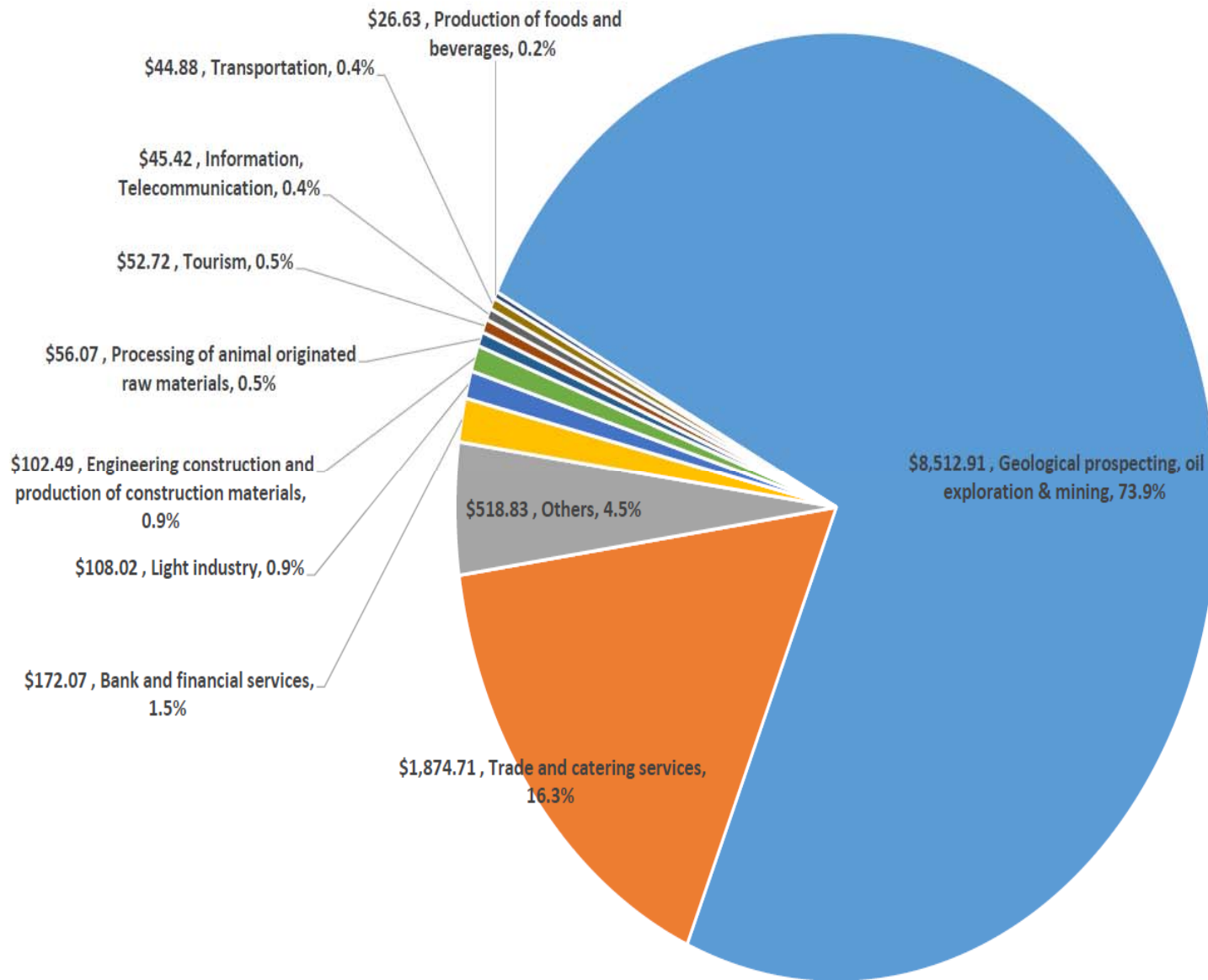


FDI INFLOWS TO MONGOLIA, by year (million US\$)



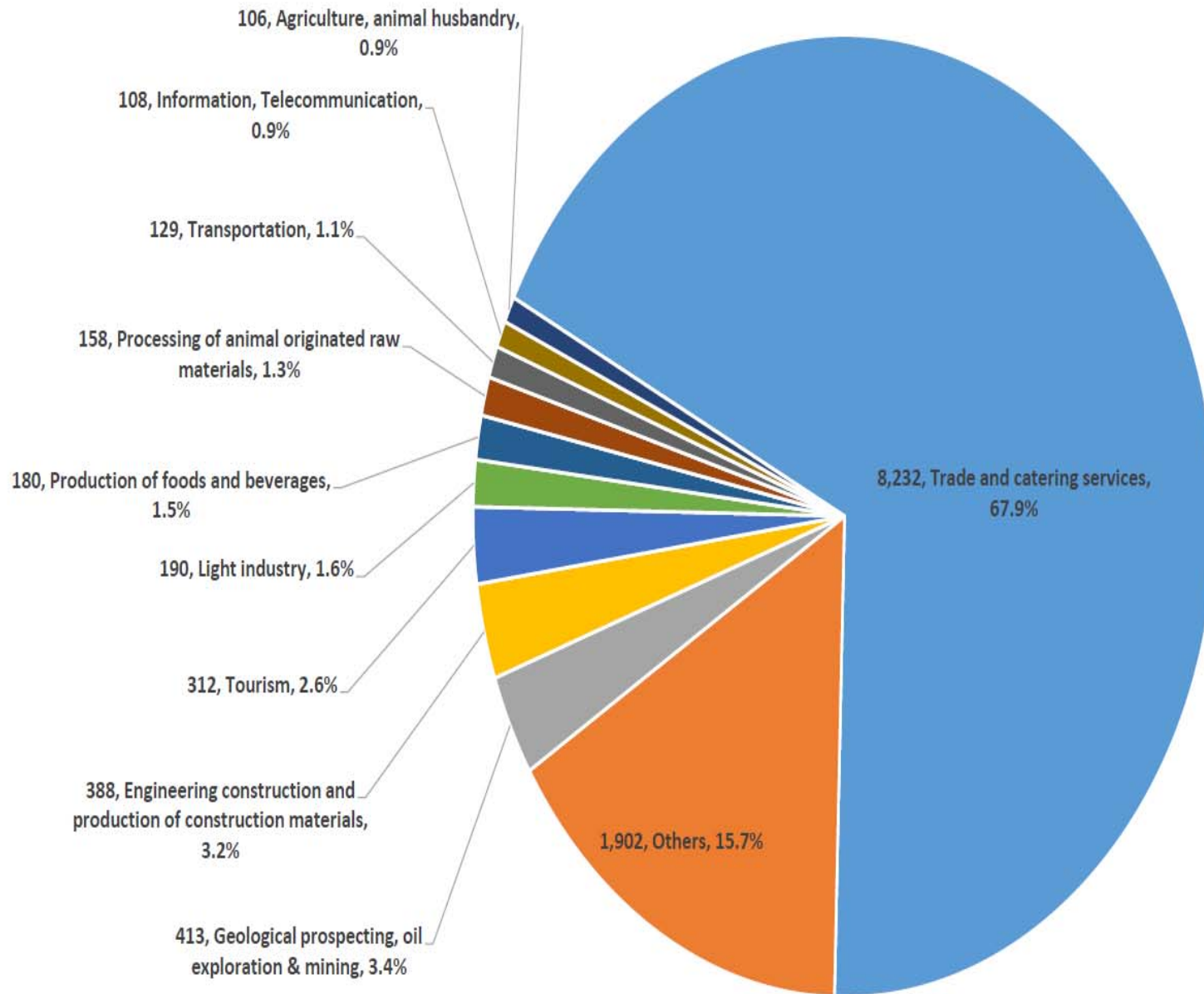
Source: Foreign Investment Regulation &
Registration Department, MED

REGISTERED FOREIGN DIRECT INVESTMENT IN MONGOLIA BY SECTORS (million USD)
(1990-2012.06.30)



Source: Foreign Investment Regulation &
Registration Department, MED

REGISTERED FOREIGN INVESTMENT COMPANIES IN MONGOLIA BY SECTORS (1990-2012.06.30)



Source: Foreign Investment Regulation & Registration Department, MED



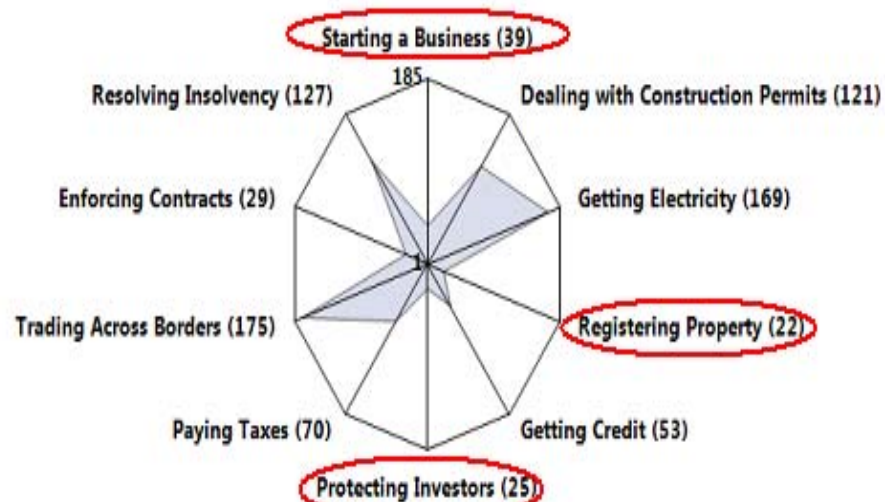
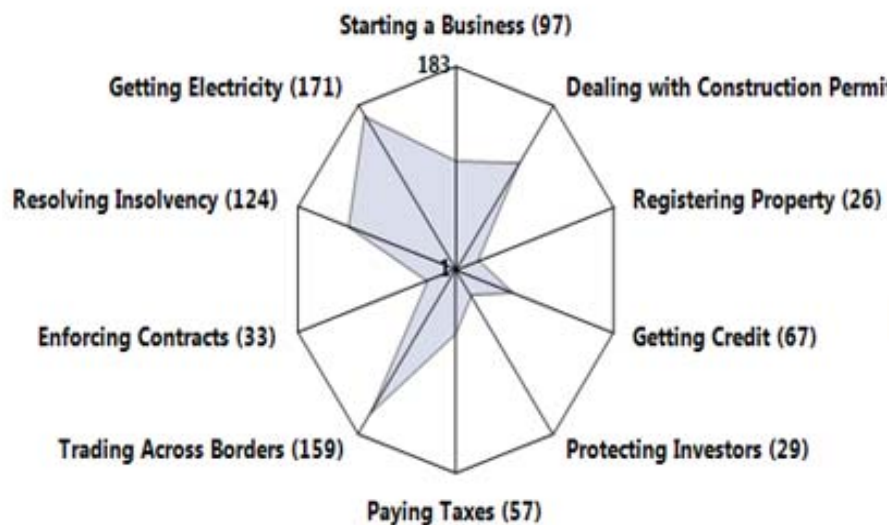
FDI by Country of Origin

Top Investing Countries 1990-2011		%	Total /USD/
1	China	35.4	3.45 bln
2	Netherlands	21.5	2.11 bln
3	British Virgin Islands	8.48	0.83 bln
4	Luxembourg	5.20	0.51 bln
5	Singapore	4.99	0.49 bln
6	Canada	4.81	0.47 bln
7	Republic of Korea	3.16	0.31 bln
8	USA	2.47	0.24 bln
9	Hong Kong /China/	1.85	0.18 bln
10	Russia	1.69	0.17 bln
11	Japan	1.63	0.16 bln
	Sub-Total	91.18	8.92 bln
	Net Investment Position (As 2012.06.30)		10.08 bln



Foreign Direct Investment Performance

How Mongolia Ranks on Doing Business Topics

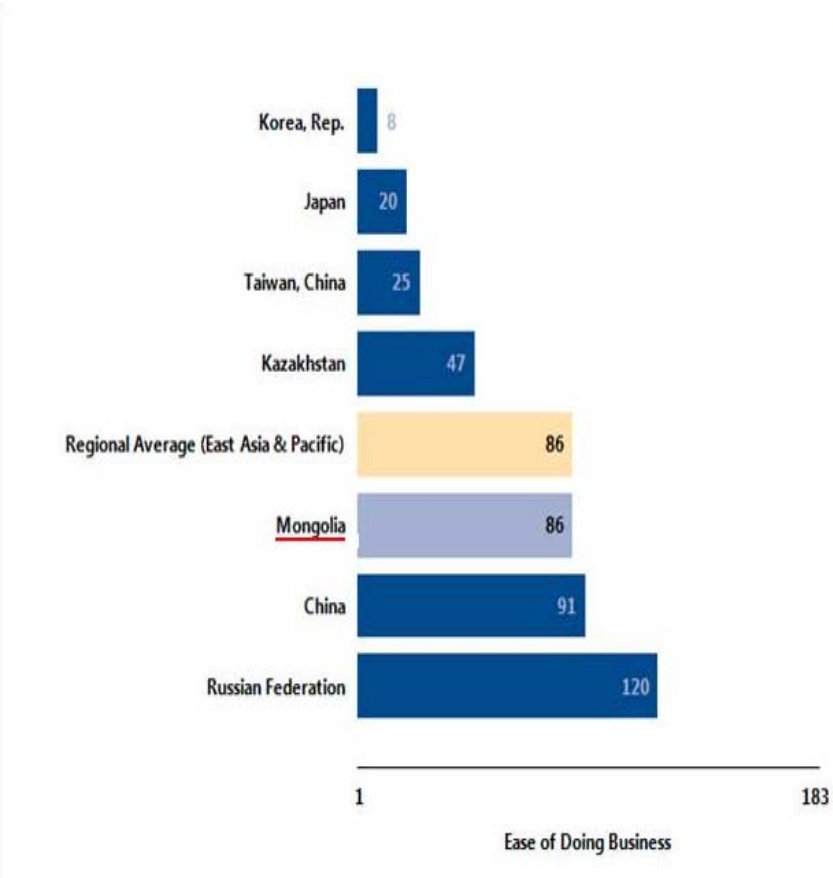


Source: WB Doing Business Report 2012 & 2013

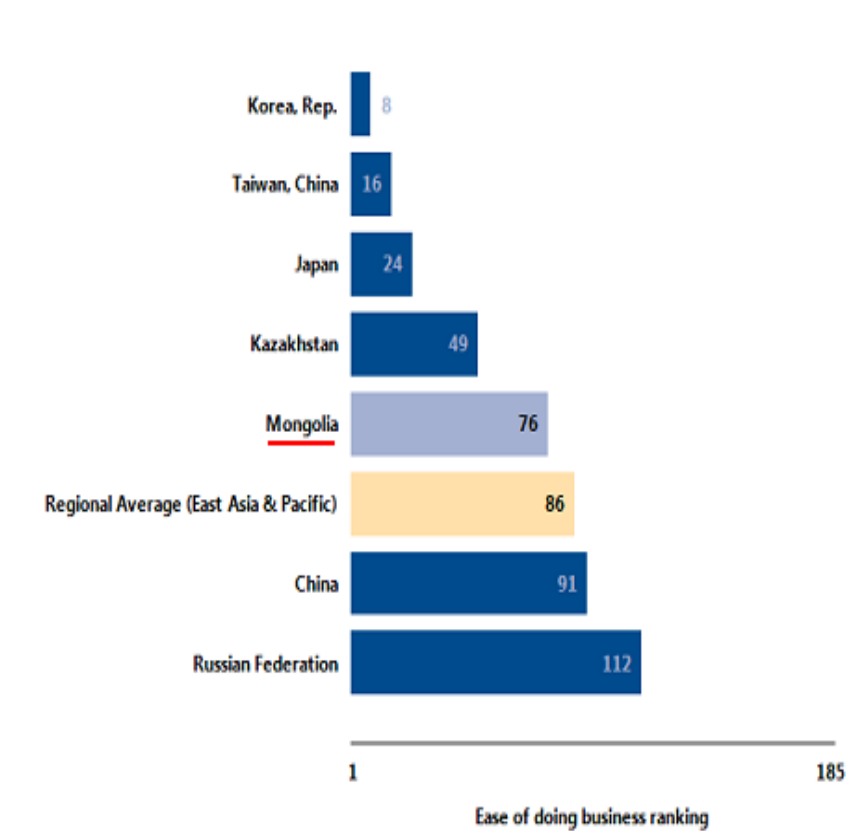


Foreign Direct Investment Performance

How Mongolia ranks on Doing Business topics

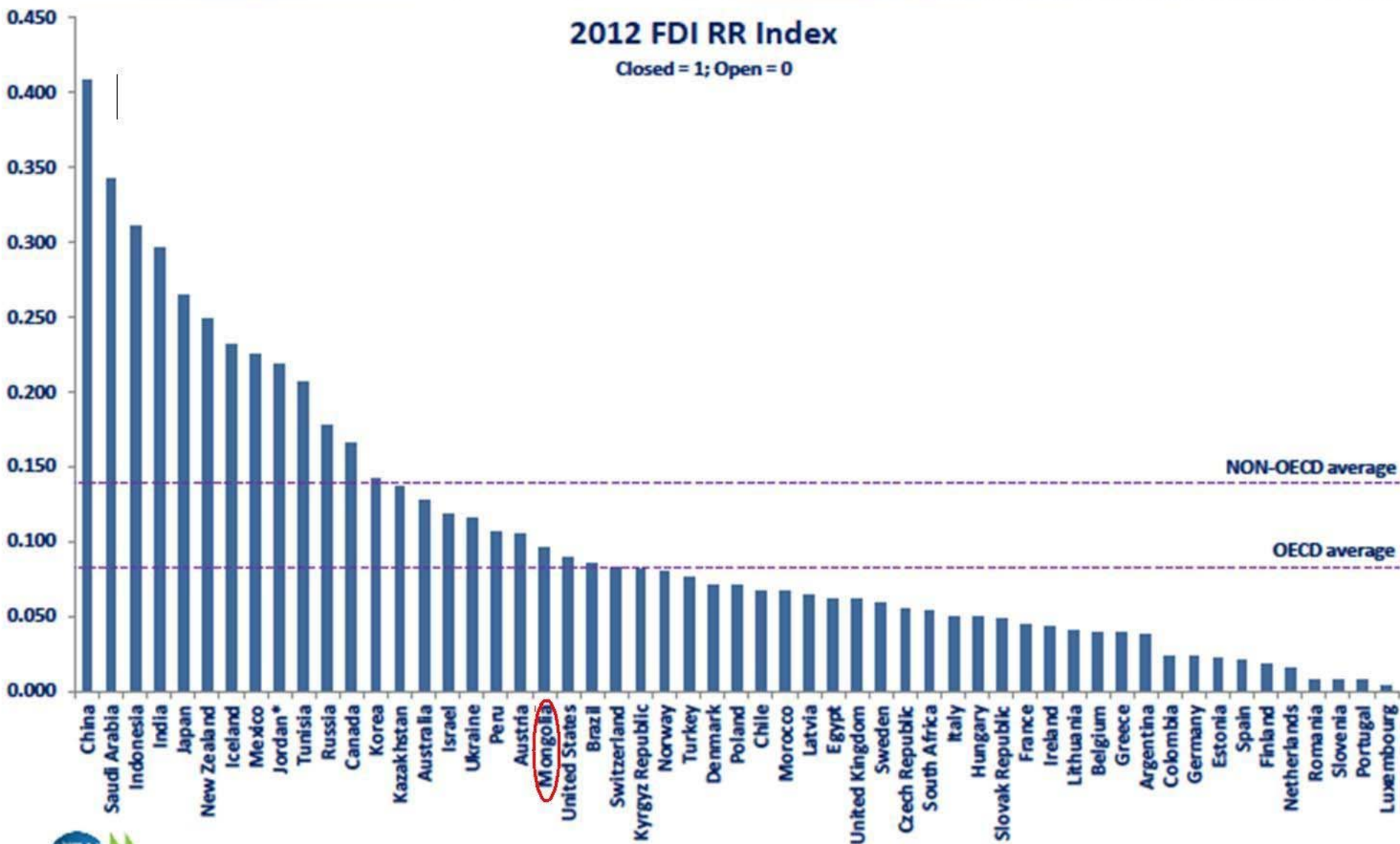


WB Doing Business Report 2012



WB Doing Business Report 2013

FDI regulatory restrictiveness index, 2012





Foreign Investment Legal Framework

International
Agreements

Bilateral Investment
Protection
Agreements

National Laws on
Foreign Investment

- **Mongolia has a Bilateral Investment Protection Agreement with 43 countries.**



Foreign Investment Legal Framework

International
Agreements

Bilateral Investment
Agreements

National Laws on
Foreign Investment

- **The Foreign Investment Law of Mongolia (1993)**
- **The Law Regulating Foreign Investment in Entities in the Strategic Sectors (2012)**



Foreign Investment Legal Framework

The Foreign Investment Law of Mongolia

National Treatment

No-Expropriation

Free Repatriation

Registration Procedure

No Reviewing



Foreign Investment Legal Framework

The Law Regulating Foreign Investment in Entities in the Strategic Sectors (2012)

1. Mining
2. Banking & Financing
3. Media & Telecommunication
s

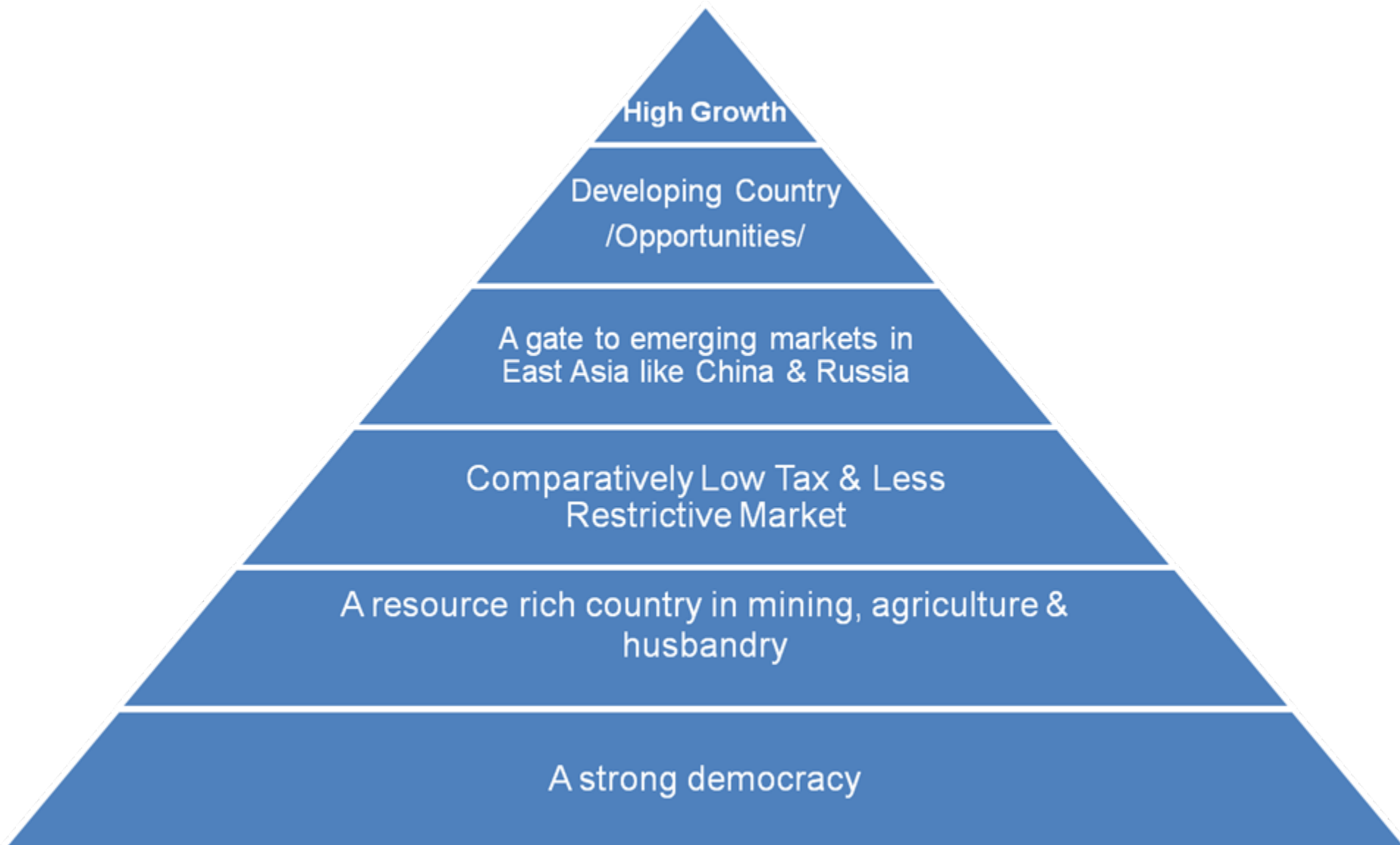
Acquisitions & Transactions

Certain Thresholds

Approval from the Govt. & Parliament



Key Factors Attracting FDI





Challenges & Weaknesses

Securing Stability

Economical

Political

More
Diversification

Increasing Competitiveness

Invest more in
Infrastructure
(road, energy e.g.)

Educate people

Innovation

Institutional Efficiency

No Corruption

Transparency

Less Bureaucracy



Expectations from FDI's



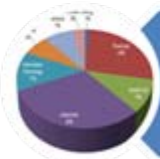
Job creation



Technology transfer



Value addition



Different Sectors



Environment Friendly



Thank You for Attention

Q&A

javkhlan@investmongolia.com