

**“KHARKHORIN NATIONAL GARDEN”
SEABUCKTHORN PROJECT**

Location	ErdeneTolgoi bag, Kharkhorinsoum, Uvurkhangai Province, Mongolia
Project implementer	“Kharkhorin” JSC
The direction and purpose of the activities	Sea buckthorn plantation Establishment of “Kharkhorin National Garden”, a sea buckthorn plantation on 3000 ha of irrigated land, with a potential to build enough resource of raw sea buckthorn berries meeting international standards to be delivered to domestic and international sea buckthorn product manufacturers.
Production and capacity	Sea buckthorn raw berries, half processed products. Capacity: 19,600 tons of raw sea buckthorn berries yearly.
Market analysis, target market	<ul style="list-style-type: none"> • Domestic entities processing sea buckthorn and producing sea buckthorn juices, beverages and other products, • Foreign entities producing various sea buckthorn products, especially from sea buckthorn oil.
Period of implementation	5 years, beginning 2015-2019.
Project progress	Currently “Kharkhorin” JSC have planted sea buckthorn on more than 500 he of land. The productivity of the sea buckthorn bushes rises every year. Further, from 2015 to 2017, totally 12 plantations each with 200 hectares of irrigated land will be established.
Business strategy and implementation plan	The project will be implemented in 2 steps: 1 st step (2015 – 2017): Together with national and international investors 2,400 hectares of sea buckthorn plantation (12 micro plantations each with 200 he of land) with modern irrigation system will be established. 2 nd step: Sea buckthorn processing plant (2018 – 2019): A modern sea buckthorn processing plant with an advanced technology and machinery will be established by cooperation with the project participants
Legal environment	<p>‘Sea buckthorn’ national program, approved by the Mongolian Government in 2010 by resolution no. 60.</p> <p>Export promoting program, approved by the Mongolian Government in 2013 by resolution no. 239.</p> <p>Export and national industry development and promotion programs approved by Mongolian Parliament and Government (resolution no.212 of the Mongolian Government from 2014 regarding the funding of “888 projects”)</p> <p>Tax reductions: according to the Legal Entities Income Tax Law the income tax from sales revenue of sea buckthorn berries will be reduced by 50%.</p> <p>Tax exemption: According to the VAT Law of Mongolia the sales of berries planted and harvested in the territory of Mongolia are VAT free.</p>

**Requested
investments**

Investment amount - 33.68 billions of MNT (2.807 billions of MNT x 12 micro plantations)
Payback period - 5.8 years
Return on Investment - 834% (in 10 years beginning from the investment and planting of sea buckthorn seedlings)

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