



REGULATORY AGENCY OF GOVERNMENT
NATIONAL DEVELOPMENT AGENCY



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INVEST IN MONGOLIA

MONTHLY NEWSLETTER OF THE NATIONAL
DEVELOPMENT AGENCY

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A MESSAGE FROM OUR INVESTMENT DIVISION

We are pleased to publish the March issue of our monthly newsletter Invest in Mongolia.

The Government of Mongolia has approved a comprehensive 10 trillion MNT stimulated plan to protect health and revive the economy until 2023 in response to the 6 percent economic decline caused by the COVID-19 pandemic, and the loss of more than 70,000 jobs in 2020.

To reform the legal investment environment of Mongolia, a working group has been established to draft amendments to the Investment Law and conduct relevant research in developing a draft concept.

We are working to reform our investment policy in 2021 and create a more favorable legal environment and free market.

If you have any suggestions regarding the newsletter, please send an email to info@nda.gov.mn.



Deputy Chairperson in charge of Investment and Multilateral cooperation
B. BULGANCHIMEG

ACTION PLAN TO ATTRACT FOREIGN DIRECT INVESTMENT IN FOOD, AGRICULTURE, AND LIGHT INDUSTRY TO BE APPROVED

Food, agriculture, and light industry makes up around 31% of Mongolia's GDP. In a comparison of the domestic market and production resources, our country has the potential to develop export-oriented food and light industry products based on sustainable livestock and agriculture.

In cooperation with the International Financial Corporation, the National Development Agency released the report "Investment Reform Map of Mongolia", which covers the entire investment and economic environment in 2018. According to the report, Mongolia should develop and implement a foreign direct investment (FDI) attraction action plan for the identified target sectors. Since then, an action plan has been developed to attract FDI in food, agriculture, and light industry.

The action plan will be implemented from 2021-2023. The main purpose of the plan is to attract FDI to Mongolia by introducing and promoting specific products in the following target markets:

1

MEAT PRODUCTS

Japan, China, the Middle east, Vietnam, Kazakhstan and other countries

2

DAIRY PRODUCTS:

China, Turkey and other countries

3

SEA BUCKTHORN PRODUCTS:

EU, Taiwan, and other countries

4

ORGANIC COSMETICS:

EU, South Korea and other countries

5

CASHMERE PRODUCTS:

USA, EU, Japan, China, Russia and other countries

6

HONEY:

Japan, EU, and other countries

7

YAK AND CAMEL WOOL PRODUCTS

EU (Germany, UK, Italy, Austria) and other countries



FOREIGN DIRECT INVESTMENT STATISTICS REGISTERED IN MONGOLIA

From 1990 to the end of the third quarter of 2020, 123 countries invested a total of 28.8 billion USD in Mongolia. 14,900 foreign-invested companies have registered from 123 countries,

The top 5 countries that invested in Mongolia since 1990 are Canada, China, Netherlands, Luxembourg and Singapore.

First, Canada leads in terms of investment, accounting for 26 percent of total investment, or 7.5 billion USD.

Second, China registered 7,536 enterprises worth 5.5 billion USD, accounting for 50 percent of the total foreign enterprises and about 19 percent of the total investment.

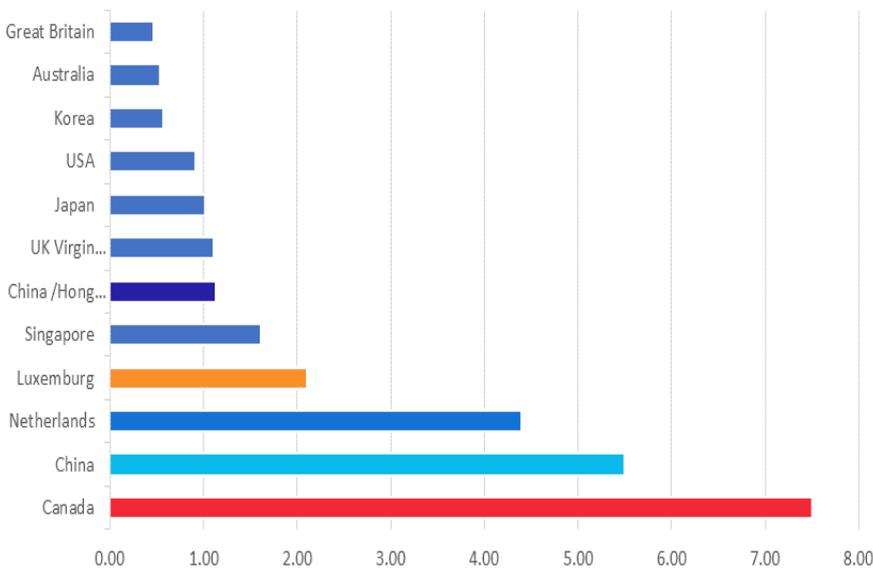
Third, Netherlands with 15 percent of total

investment, or 4.3 billion USD.

Fourth Luxembourg, with 7 percent of total investment, or 2.1 billion USD

Fifth, Singapore with 5.6 percent of total investment, or 1.6 billion USD.

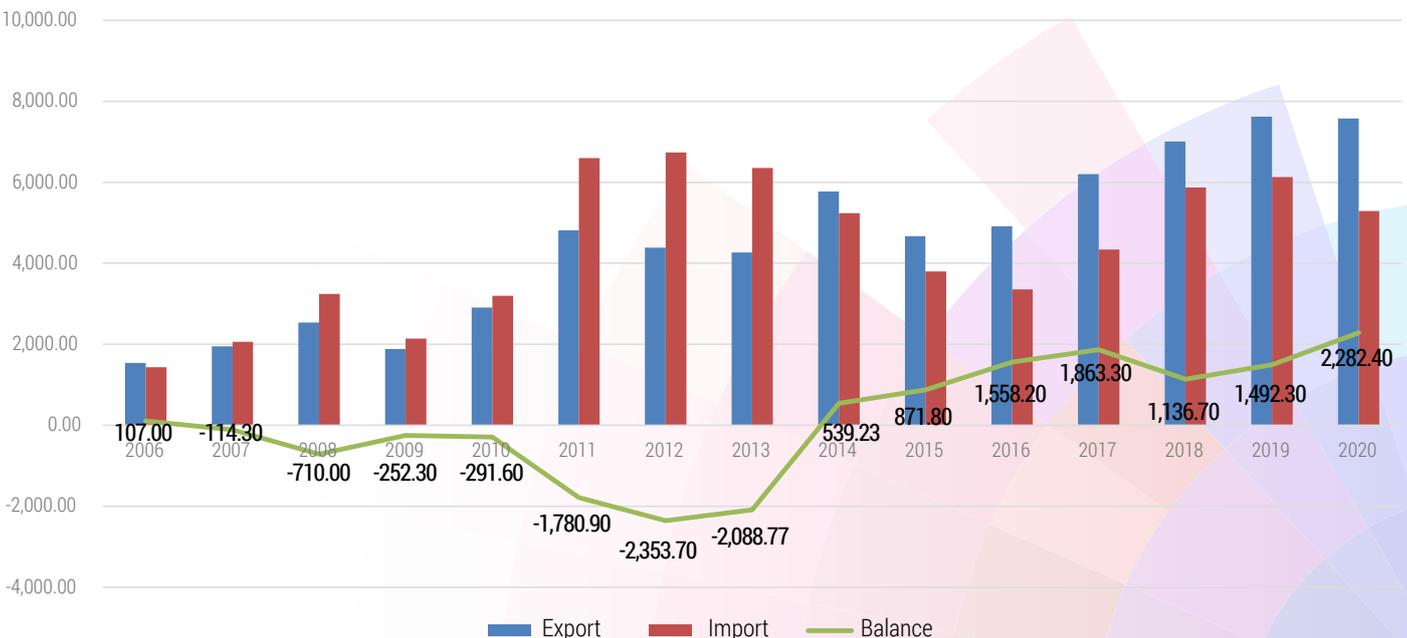
FOREIGN DIRECT INVESTMENT BY COUNTRIES 1990-2020/Q3*



TOP 5 SECTORS IN FOREIGN DIRECT INVESTMENT

-  Geology, mining prospecting and exploration, petroleum exploration and production sector accounts for **70 percent** or **20.2 billion USD** (460 enterprises)
-  Trade and food service sector accounts for **16.8 percent** or **4.8 billion USD**. /10171 enterprises/
-  Banking and financial sector accounts for **3.2 percent** or **941 million USD** /126 enterprises/
-  Transport sector accounts for **1.2 percent** or **USD 348.8 million** / 255 enterprises /
-  Engineering construction and construction materials industry accounts for **1.3 percent** or **USD 401 million** / 462 enterprises /

FOREIGN TRADE BALANCE FROM 2006 TO 2020 (IN BILLION U.S.DOLLARS)





GOVERNMENT POLICY

FOREIGN DIRECT INVESTMENT PROMOTION COUNCIL TO BE ESTABLISHED

Mongolia's 32nd Prime Minister, L.Oyun-Erdene, has announced that the economic recovery plan includes establishing a foreign direct investment promotion council under the Prime Minister's Office.

While he was serving as the Chief of the Cabinet Secretariat, he also served as Chairman of the Investor Protection Council. The council is responsible for receiving grievances related to the violation of investors' legitimate rights and interests, resolving them in accordance with relevant laws, and improving investment legislation.

Together, the Office of the Council, National Development Agency, and International Financial Corporation developed the Online Grievance Registration and Monitoring System and started its operations in June 2020. The system has been launched to give investors the opportunity to monitor the resolution of their grievances, simplify the exchange of information between government agencies, and protect the legitimate rights and interests of investors.

The future establishment of the Foreign Direct Investment Promotion Council is expected to expand the functions of existing system supporting investors. The council will focus on FDI attraction plans for specific sectors, improvement of investment environment, investor protection, and aftercare services.

10 TRILLION MNT INTEGRATED STIMULUS PLAN

Due to the COVID-19 pandemic, the economy, which grew 5.2 percent in 2019, decreased by about 6 percent in 2020, and the number of employees at more than 46,000 companies decreased by 70,000 in the 3rd quarter of 2020. In response, the government developed plans to protect the health of citizens and improve the economy. Through the implementation of the plan, economic indicators are expected to reach 2019's pre-pandemic levels. The Mongolian government approved a 10 trillion MNT integrated plan to protect health and improve the economy in February. The main goal of the plan is to create jobs, and it will be implemented through 2023.

The 10 trillion MNT stimulus plan includes:

- 2 trillion MNT in loans for small and medium-sized enterprises with a 3 percent annual interest rate and 3-year tenor
- 500 billion MNT for two-month scholarships of 500 thousand MNT to support young people in leading healthy, active lifestyles, and to prepare them for finding work and careers
- 3 trillion MNT for the infrastructure and land allocation of the Youth I, II, and III micro-district in Ulaanbaatar, building standardized apartments and providing soft mortgage loans for buyers
- 2 trillion MNT for the implementation of strategically important projects and programs
- 500 billion MNT for supporting agricultural production, as well as herders' incomes and livelihoods

- Raising the Bank of Mongolia's repo funding of 1 trillion MNT by 2 trillion MNT per year; and raising the 300 million MNT in funding available to small and medium-sized enterprises by 500 million MNT, and the 1 billion MNT available to non-mining exporters by 3 billion MNT. Parliament, Cabinet, and the Bank of Mongolia will work together to implement the plan, and the plan's Economic Working Group will be chaired by B. Javkhlan, Minister of Finance. The plan's Health Working Group will be chaired by S. Enkhbold, Minister of Health.

L.Oyun-Erdene, Prime Minister of Mongolia, warned Cabinet members to pay great attention to avoiding increased inflation, and to prevent rising prices for consumer goods and fuel during the implementation of the plan. He also emphasized that the government will not print more money, but will instead aim to stimulate the economy, create jobs, and provide income for its citizens by circulating the 8 trillion MNT in the Bank of Mongolia.

One of the basic conditions for the implementation of the plan was the One Door, One Test program carried out during Ulaanbaatar's lockdown, from February 11 to 23, 2021, which was followed by the start of vaccination. Capiron and Khas Bank have already started acting under the plan.

ONE DOOR - ONE TEST

The Government of Mongolia declared a state of emergency from February 11 to 23, 2021, and imposed a lockdown in Ulaanbaatar. During the lockdown, the One Door, One Test program was organized. It was **estimated that 42,000 households per day** would be tested, with one person from each household undergoing testing. Over the course of **12 days, a total of 442,303 households were tested; 287,037 tests were conducted** by mobile teams and 155,266 tests were conducted at stationary testing sites.

As a result of the implementation of the program, **a total of 126 cases were identified** and more than **500 people were quarantined**. In addition, **33 centers of infection were detected**.



The state of emergency lockdown concluded on February 23 and the city moved to a state of high alert readiness. Under high alert readiness, 95 percent of businesses could resume normal operations.

Businesses and activities that are still prohibited include competitions, tours (other than family tours), expositions and trade fairs, night clubs, digital gaming centers, and indoor playgrounds. The government plans to re-open these businesses and activities in phases.

Lockdowns will continue in high-risk districts to take control of active outbreaks.



MONGOLIA LAUNCHES NATIONWIDE COVID-19 VACCINATION

ON FEBRUARY 23, PRIME MINISTER L.OYUN-ERDENE OFFICIALLY LAUNCHED THE MONGOLIAN VACCINATION CAMPAIGN BY GETTING VACCINATED FIRST WITH THE CORONAVIRUS VACCINE, ASTRAZENECA. THE GOVERNMENT PLANS TO VACCINATE 60% OF THE POPULATION, TOTAL OF 2,015,280 PEOPLE NEED 4,030,560 VACCINES.

COVID-19 VACCINES IN MONGOLIA:

- 150 THOUSAND DOSES OF ASTRAZENEKA VACCINE FROM INDIA
- 400 thousand doses of Sinopharm vaccine were received from China (100 thousand doses were donated by the Ministry of Defense to our Ministry of Defense)
- 50 thousand doses of Sputnik V vaccines from Russia
- The Minister of Health, S.Enkhbold, stated that 25,740 doses of Pfizer vaccine are expected to be delivered under the COVAX program.

Currently, 1,700 people are vaccinated per day, but Deputy Prime Minister S. Amarsaikhan, stated that "Vaccination process will be hastened in all areas from mid-March."



BANKING REFORMS

Amendments to the Mongolian Banking Law were approved during the autumn plenary session of Parliament, on January 28, 2021.

Implementation of the amendments to the Banking Law will reduce the concentration of ownership of a bank's shares; create a balance between ownership, management, and control; centralize management; create public oversight; increase the independence of banking supervision; and have many advantages that will have a positive impact on stock market development.

THE MAIN FOUR PROVISIONS IN THE AMENDMENTS TO THE BANKING LAW ARE AS FOLLOWS:

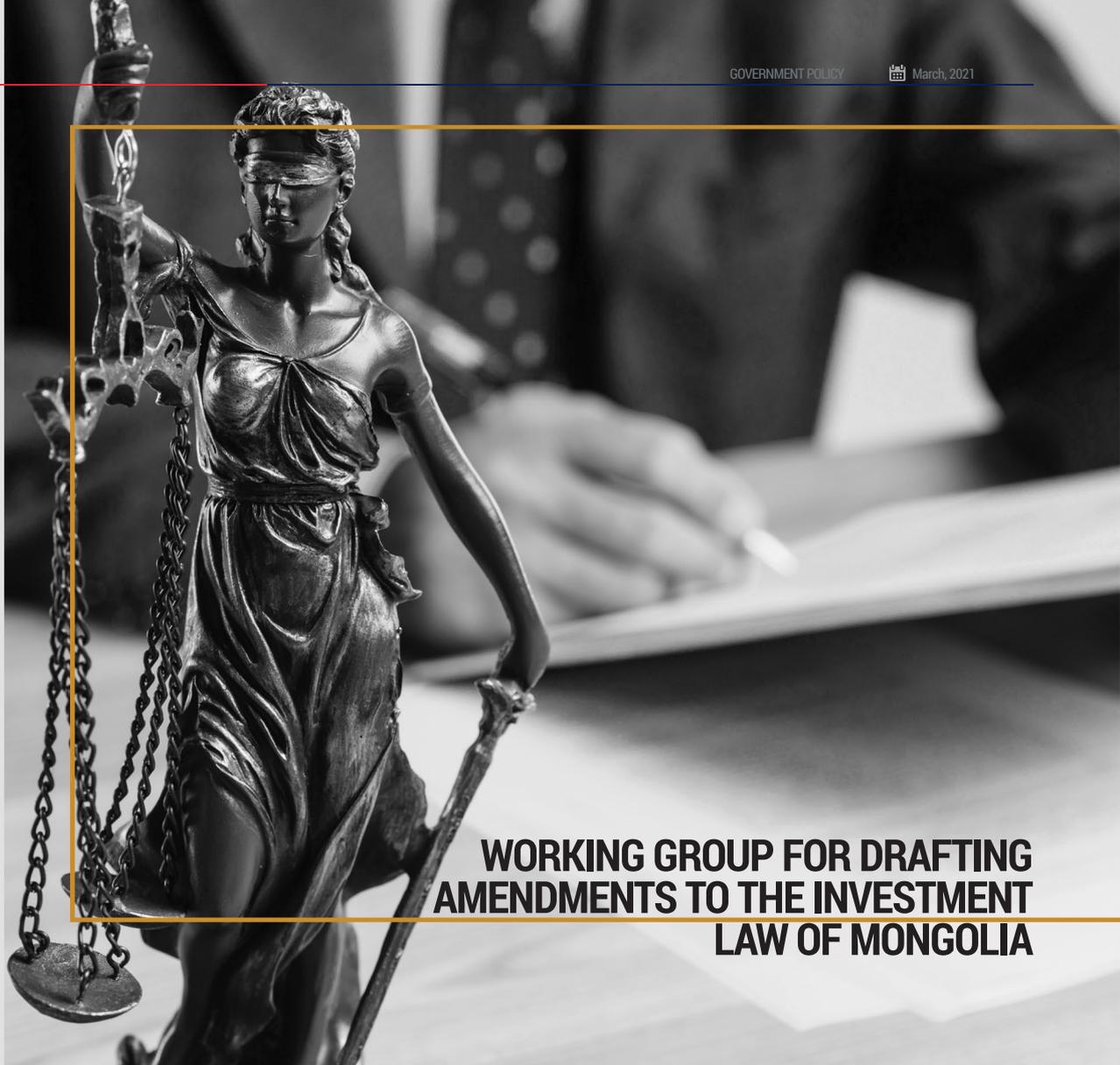
1. A bank must be joint stock company: There are 12 banks operating in the banking system, and five of the most influential banks in the system are required by law to become public companies and launch IPOs in the financial market by June 30, 2022. Other banks will be able to decide if they will become open or closed joint stock companies.

2. Shareholder limits: One shareholder, alone or with a related party, can own no more than 20 percent of a bank's total issued shares. All banks are required to meet this legal requirement by December 31, 2023.

3. Payment orders: The law provides for clarification of the order of payment in the event of a bank's liquidation to protect the legal rights of non-business customers with savings. Non-business customers shall receive all their funds in savings and current accounts before or from legal entities.

4. Influential banks: The definition of an "influential bank" in the banking system has been refined. According to the Banking Stability Law, a bank making up more than five percent of the total system is defined as a systemically influential bank. However, this regulation considers not only the bank's market share, but also its assets, the share of total transactions in the payment system, the bank's main activities, its relationship to the financial system, its number of customers, and other factors.

In the future, when banks become joint stock companies and issue securities on the stock market, there will be a wide range of requirements for transparency, adequacy of capital, profitability, and good governance.



WORKING GROUP FOR DRAFTING AMENDMENTS TO THE INVESTMENT LAW OF MONGOLIA

Mongolia's first investment law since the country's transition to democracy, the Law on Foreign Investment, was approved in 1993, and the Law on the Regulation of Foreign Investment in Business Entities Operating in Sectors of Strategic Importance was approved in 2012.

In order to stabilize the legal environment for investment, define common legal guarantees for both foreign and domestic investors, and clarify the methods and forms of investment promotion, the Investment Law was adopted in 2013 and previously ratified laws related to foreign investment were repealed.

However, the current version of the Investment Law lacks clarification on some key issues, such as the definition of investment, the investment threshold for foreign investors, the role of the government agency in charge of investment, one-stop services, and legal compliance. There is still a need to add additional regulations and to improve the law's coherence with related legislation.

Reports and recommendations from inter-

national organizations also show that Mongolia's legal environment for investment needs to be improved; regulations need to be added to protect the interests of investors; and post-investment services, investment complaints, and disputes need to be clearly addressed in the law.

The COVID-19 pandemic has worsened social and economic conditions around the world, and the economic crisis will continue in the coming years.

As a result of this pandemic, Mongolia's economic growth is declining sharply, and the country needs to compete with the rest of the world to attract foreign investment and create a better investment climate. To this end, it is necessary to improve the investment climate by amending the Investment Law, create favorable conditions, and contribute to economic development by attracting and increasing foreign and domestic investment.

Therefore, a working group to develop a draft of amendments to the Investment

Law, based on the need to address these issues and meet the goals and objectives of economic policy documents, has been established by the Cabinet Secretariat with participation from relevant ministries and researchers. The draft of amendments to the Investment Law and accompanying regulations are scheduled to be discussed during this year's autumn plenary session of Parliament.

KEY CHANGES IN THE PROPOSED AMENDMENTS TO THE INVESTMENT LAW OF MONGOLIA ARE:

- Revise definitions of “investors”, “investments”, and related terms in the Investment Law, and clarify them in order to make the implementation of the law clearer, and more cohesive with other laws and regulations
- Clarify the functions and authority of the state administrative body in charge of investment issues, and create conditions for coordinating with other organizations
- Add a regulation on making a list of sectors with prohibited or restricted foreign investment in order to define the government’s investment policy and priority sectors in Mongolia, and to protect the domestic market
- Prior to the issuance of an investor visa, the investment authority would be responsible for assessing the investment and monitoring whether or not the actual investment has been made
- Incorporate changes to deduct the threshold value from the requirements for foreign-invested entities and allow foreign investment to be more open, free, and indistinguishable from domestic investment
- Clarify the functions and authority of the Investor Protection Council and the Public-Private Consultative Committee, and add regulations that support them
- Create a law and regulations for One-stop Service Centers and digital one-stop services for investors, and stabilize their activities





TÜRKİYE-MONGOLIA
• Building Material • Leather and leather Products • Medical Tourism

MONGOLIA-TURKEY BUSINESS MEETING

Mongolia-Turkey business meeting themed “Foreign Trade and Investment Opportunities” was held online on March 2, co-organized by the Mongolian National Chamber of Commerce and Industry (MNCCI) in cooperation with the Turkish Foreign Economic Relations Board (DEIK) with the support and participation of the Embassy of Turkey in Mongolia and the Embassy of Mongolia in Ankara.

During the meeting, the Turkish officials and business entities were briefed on Mongolia’s investment climate, economic outlook and foreign trade and investment policies, furthermore exchanging views on specific areas/sectors of trade and investment that could enhance bilateral cooperation.

As of 2020, the total trade turnover between Mongolia and Turkey was 39.8 million USD. Mongolia exported 2.5 million

USD to Turkey and imported 37.3 million USD from Turkey. Meanwhile, 82 Turkish companies have invested \$ 22.3 million since 1990.

Government and non-government organizations that support the trade, investment and business in both countries agreed that the number of trade and investment between the two countries has been declined in recent years, and need to expand mutually beneficial cooperation in trade and investment potential sectors.

Both sides highlighted the potential sectors between two countries, such as production of hides and leather, wool and cashmere products, and animal products: meat and milk, tourism, transportation and logistics, roads and transportation, construction, infrastructure and education, and exchanged the views on the features and opportunities

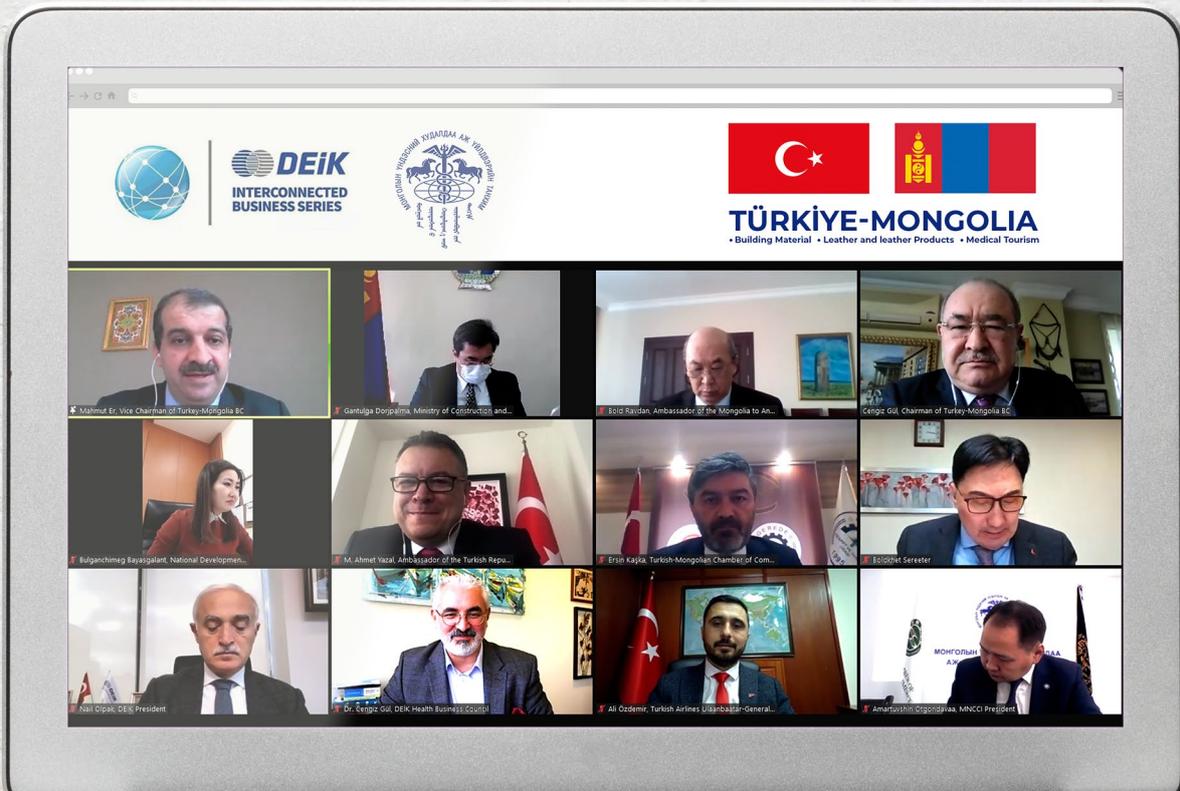
of the bilateral business cooperation.

In total, 160 people participated, bringing 50 MONGOLIAN AND 63 TURKISH BUSINESSES together.

During the meeting, three sectoral meetings were held separately for business owners.

The sectors are:

- Building materials,
- Leather and leather products
- Medical tourism.



THE 10TH MEETING OF THE ASIA-PACIFIC FOREIGN DIRECT INVESTMENT NETWORK

The 10th meeting of the Asia-Pacific Foreign Direct Investment (FDI) Network was held online on February 23 and 24, 2021.

The FDI Network was established in 2011 as a mechanism for knowledge sharing among FDI policy makers from least developed and landlocked developing countries of the Asia-Pacific region and was expanded in 2015 to include all ESCAP member and associate member states.

In 2018, the FDI Network was incorporated under the umbrella of UN ESCAP's Asia Pacific Research and Training Network on FDI (ARTNeT on FDI). ARTNeT on FDI serves as the unifying platform for UN ESCAP's capacity building, technical assistance, and knowledge sharing work.

WHILE INVESTMENT FLOW HAS BEEN DOWN 42% GLOBALLY DUE TO COVID-19, FDI NETWORK HAS DISCUSSED CRUCIAL ISSUES FACED BY GOVERNMENTS AND INVESTMENT PROMOTION AGENCIES:

- FDI During the COVID-19 Pandemic: FDI trends and outlook, lead generation and investment promotion during COVID
- FDI Governance: Trends in national policies and IIAs during and post-COVID
- Investment Facilitation Framework for Development Investment Facilitation for Development: Current discussions at regional and multilateral levels, co-organized with the International Trade Center and the German Development Institute/Deutsches Institut für Entwicklungspolitik (DIE)
- FDI Handbook and Sustainable FDI Indicators

- Promoting, Regulating and Monitoring Digital FDI
- This year's meeting of the FDI Network will continue to provide opportunities for FDI policymakers in the Asia-Pacific region to discuss topical FDI issues and increase their knowledge through the exchange of experiences and interaction with FDI experts.



MONGOLIA'S ECONOMIC MICRO-REGIONS

In recent years, employment rates in urban and rural areas have declined, poverty has increased, and large-scale migration to urban areas has continued. Ulaanbaatar's population and industrial concentration have increased, the city's service load has increased, and its ecological capacity has been exceeded. At the same time, many remote provinces and soums are lagging in development, leading to abandoned villages. In addition, the implementation of province and sectoral development programs that reflect Mongolia's regional development goals have been ineffective, and most of them have been halted. Currently, there is an urgent need to develop a new regional development policy for Mongolia, and to redefine macro and micro economic regions.

To determine the economic regions of Mongolia using scientific data, the histor-

ical pattern of dividing territories into regions, and preserving nomadic culture and heritage, must be considered. It will be critical to expand and use territory based on protected areas, ecosystems, and tourism services, while establishing proper management to protect the land. To increase employment and labor productivity, an appropriate concentration and aggregation of production and service space must be created to provide the basis for integrated urban and rural development, and to establish key areas in which people can thrive.

According to this theoretical approach, to effectively guide the process of regional development planning and coordination, it is important to establish and implement an integrated network of economic macro and micro zoning that can fully meet the combination of national, sectoral, and regional interests.

There are three levels of economics: macro, meso, and micro, and this article focuses on the micro-economic. By defining micro-economic regions, it is possible to support the business activities of citizens and

enterprises, ensure regional and inter-sectoral policy coherence, coordinate regional development strategies and policies, support and implement regional cooperation projects, establish inter-regional infrastructure axes, and cross-regional cooperation. The creation of joint ventures and services, the creation of a favorable business environment in the region, the establishment of an integrated transport and logistics network, etc., will help to optimize the allocation of investment in particular sectors in a region.

Based on the Growth Center Theory, the Development Axis Theory, and the concept of industry clusters, about 120 indicators from three main groups, economics, society, and the environment, were identified using spatial mapping and mathematical models (MATLAB, ArcGIS).

83 ECONOMIC MICRO REGIONS

As a result of the model, a total of 83 micro-economic zones and their growth centers were identified, and the optimal distribution and order of investments were scientifically calculated in 21 aimags and 330 soums.

SIGNIFICANT POINTS EMERGING FROM THE STUDY INCLUDE:

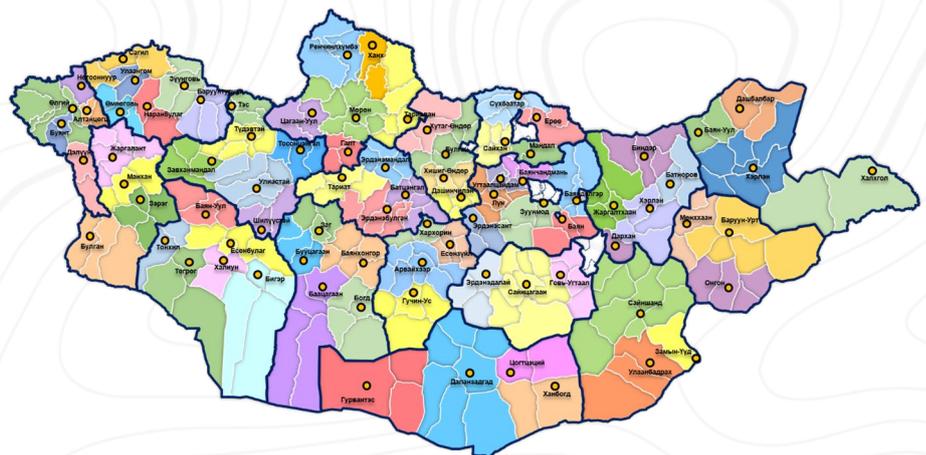
- Rational allocation of investments by territory
- Use by foreign and domestic investors for industry and location analysis
- Determine the capacity of a logistics center and the volume of product transportation by looking at the local road network quality, and local and regional transport and logistics network location selection and specifying criteria.
- Use micro-zoning schemes in the field of population planning, soum master plan development, and urban planning.
- Use micro-economic zoning and growth center calculation as a basic scheme for further reform of administrative and territorial systems.

This approach can be used to build local production, service, and trade complexes in micro-economic centers, start-up business incubator centers, training and research and development centers, production and service data centers, agricultural exchanges, and cluster policy implementation.



Head of Regional and Local Development Policy and Planning Division

D.ERDENEBAYAR (PH.D.)





N. Shagai, who works as a senior technology developer at OfferUp, a U.S. tech company in, is representative of Mongolian specialists successfully working abroad. He was invited to be featured in this monthly newsletter as a special guest. We discussed the future of the Mongolian workforce in an online interview.

Good afternoon, we truly appreciate your time and accepting the invitation to be a special guest for the National Development Agency's monthly newsletter for investors. First, could you please briefly introduce yourself to all our readers?

Good afternoon. My name is Shagai Nyamdorj, I graduated from the University of Computer Technology and Management in Mongolia with bachelor's degree and then received a master's degree from Maharishi International University in the United States of America in 2011. After graduating, I worked for Amazon LLC from 2015 to 2018, and now I'm working as a senior technology developer at OfferUp, a U.S. tech company.

FUTURE OF THE MONGOLIAN WORKFORCE

What challenges did you face when you started working in a foreign market, including Amazon LLC, which is the largest technology company in the world? How did you overcome that situation?

Of course, I had some challenges in dealing with that situation. One of the biggest factors was the cultural differences between the two countries. For example, how could I express myself when I was thinking in Mongolian and speaking in English with American people. There were a lack of information and fewer Mongolian people working in technology back when I came to the U.S. So, from my point of view, it was possible to learn from my failures and better understand myself by meeting with many technology companies and interviewing with them.

Recently, it is widely believed that Mongolia's young people who receive advanced degrees abroad are not able to return to their home country. What do you think about this and what should we do to bring in a good workforce?

I think this question covers a wide range of issues, so let me talk about it in more general terms. For me, there are two issues. First, the people who are working abroad have assessed their ability to work and get high salaries. That huge difference in salaries makes it difficult for them to return and work. Second, there were fewer companies working in the tech industry in Mongolia when people abroad were ready to work, regardless of salaries.

Based on your knowledge and work experience, Nest Academy was founded to prepare IT engineers with highly in-demand programming skills to compete in the world market. That approach will help young learners achieve their dreams. Could you share academy's mission and action plan for the next two years?

We are planning a lot for the coming years. The immediate plan is to strengthen Nest Academy Teams, which is designed to train our teachers and instructors to develop skills as engineers and designers that meet international standards. Furthermore, we want to double or triple the number of developers in Mongolia in the next few years. At present, we have the capacity to train 50-200 students, but in the next two years, we will be able to train more than 300-450 students at a time.

According to foreign direct investment statistics, there is a huge difference in the foreign investment in Mongolia and foreign legal entities being established when comparing the technology sector to the mining and trade sectors. Is it possible to have the world's largest technology companies operate in Mongolia? What do you think about the low level of investment in this sector?



The most significant issue is the lack of human resources in the technology sector. There was opportunity to work remotely for Amazon when I was working there in 2016. So, I tried to prepare as many Mongolians for it as possible; I collected their resumes and other materials. However, the people who were in the U.S. got those jobs, and no one was able to get in from Mongolia. Afterwards, I met with the recruitment team at Amazon, they told me that it was possible to operate everywhere, but there was a big issue with finding human resources that could meet the technology requirements of the company. From my estimations, in the last ten years, more than 2,000 people have been trained as technology engineers in Mongolia, but nearly 1,500 of them are working abroad. Therefore, with just the remaining 500 engineers available, who work for different organizations, that is the big reason why large companies investing less in Mongolia is directly related to human resources. For that reason, we opened our training center for students who will be instilled with highly in-demand programming skills through an organized training system. The legal environment also must be considered, but it's not a big issue compared to the lack of human resources in the workforce.

What is the assessment of Mongolian skill levels in the global job market in information technology?

The issue of where a person comes from and who are you is not the only significant issue, but it's also important to be able to self-evaluate your skills. Furthermore, we will have the opportunity to be valued in the world by increasing our human resource skills.



If foreign investors want to invest in Mongolia, especially in the information technology sector, do you think Nest Academy, which you founded, will be able to train a workforce in that area?

To take this step forward, we opened our training center this year. The number of graduates will reach 100 next year, and we hope to double or triple the number of developers in Mongolia in the next three to five years. We see that the number of developers will increase if other training centers do the same training and follow our example. On average, only two percent of the 40,000 to 50,000 high school graduates choose to study in the information technology sector, and the number of successful graduates is very low. Any large technology company can operate in Mongolia and compete in the world if our Nest Academy can train 10,000 engineers, along with the country's aim of training "One Thousand Engineers", by helping students to successfully graduate and increase the quality of the workforce.

Mongolia's exports are mainly focused on commodities and mining raw materials. How can we be globally competitive and work from Mongolia in foreign markets to engage in export in the education sector and human resources?

Because of COVID-19, we now see that this wave of export in the education sector and human resources has already begun. People working in the technology sector in the United States are now working remotely from home in Mongolia without any problems and getting the same salaries they would if they were working in the United States. If we have 10,000 engineers, we can attract one billion USD to our country. The reason for this number is that the average salary of a primary engineer is 100,000 USD, so if we have 10,000 engineers, we can bring this amount to our country.

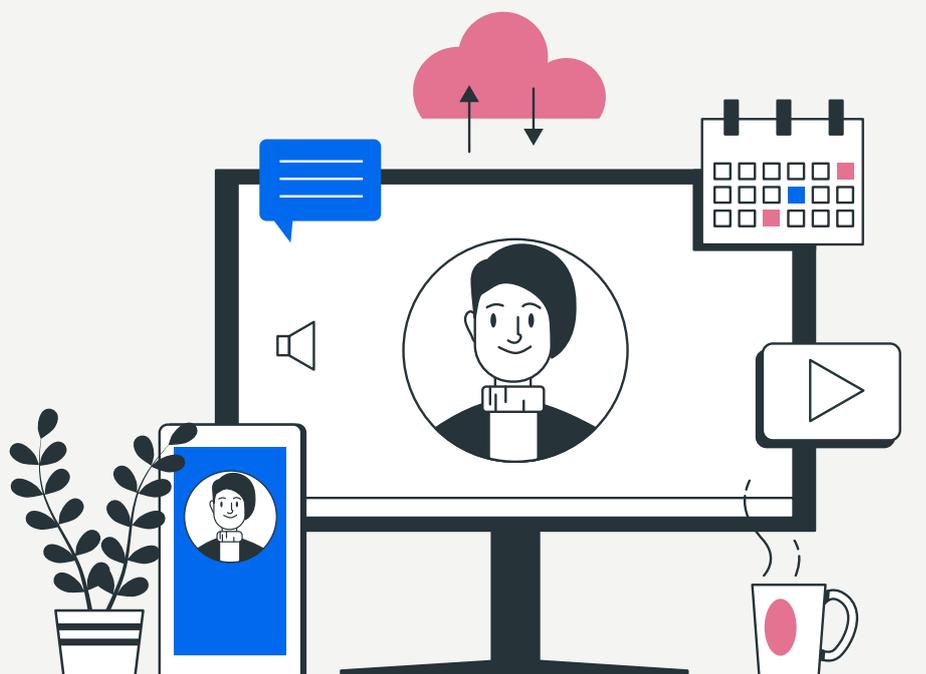
When large technology companies establish offices in any city, the environment and living standards of that city change and develop. So, is it possible for our country to develop the technology sector and improve our environment and living standards according to the standards in other countries?

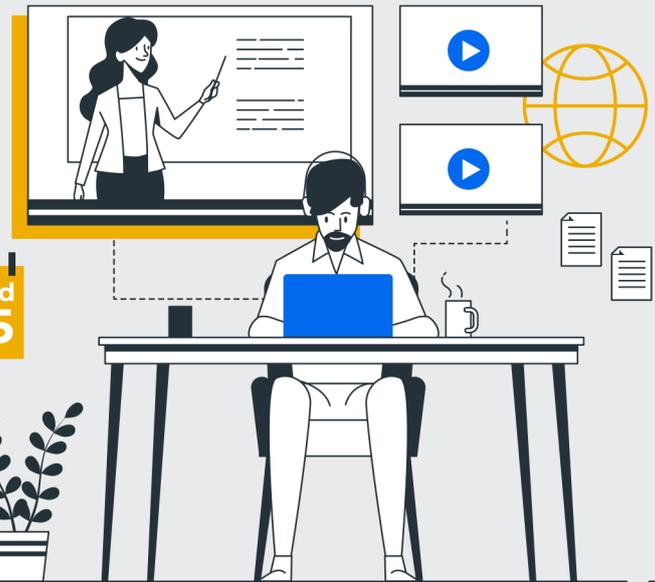
Amazon is headquartered in Seattle, Washington. In 2015, the company's investment and share price increased dramatically, increasing the number of employees. By 2017, a new environment had been created and houses had been renovated in area, which had a relatively small minority population that was struggling with alcohol and drug addiction. Also, other consumer and business sectors grew in value, which made a huge difference. Therefore, we see that if we can create a qualified workforce and open an office in Ulaanbaatar, as the salary level rises, other small businesses can develop and make a big difference for the country.

Thank you for taking the time to talk with us today.



Interview prepared by
Investment Policy and Planning
Officer
S. BERTSETSEG





WHY DID WE ESTABLISH NEST ACADEMY?

By the time Nest Academy was established in 2018, Mongolia was ranked 91st out of 176 countries on the IT Development Index, 92nd on the e-Government Development Index, and 103rd in the Cyber Security Index.

NEST ACADEMY:

PREPARING STUDENT ENGINEERS

- IT requires only solid skills, regardless of one's place of birth, race, education, or experience. The most important thing is that Mongolians will be able to work for any large corporation in the world if they have IT skills. If we teach these skills from an early age, we will be able to compete in the world of Information Technology.

INFORMATION TECHNOLOGY IS THE FUTURE

- Only 2.3 percent of Mongolia's students are studying information and communications technology. Only 28.7% of them are female students.
- Mongolia's IT sector currently accounts for 2.4 percent of GDP and is expected to grow due to rapid technological development and global demand.

NEST SCHOLARSHIP FOUNDATION

- The number of professionals in the IT sector throughout the world is increasing; however, only 2% of students studying at Mongolian universities are majoring in computer science. During the Nest Academy admissions process, there are many cases of students being enthusiastic about learning computer science but facing financial difficulties. We established the Nest Scholarship Foundation in 2021 to support those untapped talents in Mongolia as they pursue IT careers. The scholarship will be publicly announced to all students and will be awarded to those who are motivated and persistent in pursuing their dreams.

NEST SOLUTIONS LLC

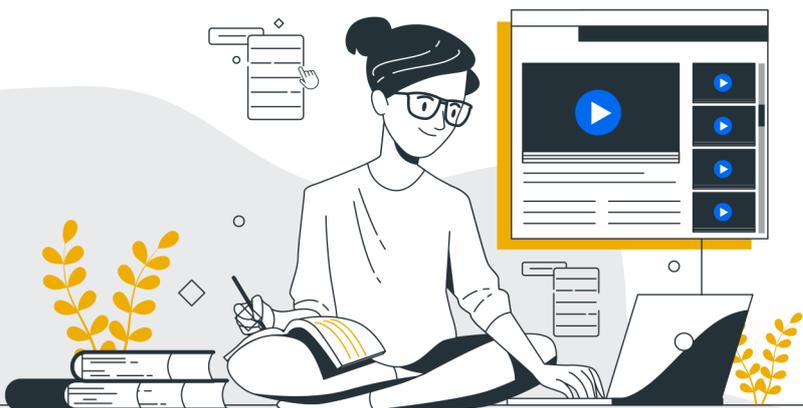
- Nest Solutions LLC, based in the USA, is a branch of Nest Academy that focuses on software development services for international projects. Through their projects abroad, Nest Solutions provide excellent opportunities for students, graduates, and employees of Nest Academy to gain experience and challenge themselves by working on those projects abroad.

MONGOLIAN WOMEN IN TECH

- One of Nest Academy's goals is to support female participants and professionals in the IT sector. We are collaborating with the Mongolian Women in Tech event to amplify the importance of female participants in the industry. As of now, the number of female Nest students is increasing each year, and we continue to aim for gender equality in our classes. We believe the importance of women leaders and gender equality in the Mongolian IT sector will be recognized soon, and we continuously work for it to happen.

HOP AND LEAP CURRICULUM

- The HOP program is a four-year program designed for students 14-17 years old, including both programming and UX/UI design classes. The LEAP program is a two-year program designed for adults, mainly focusing on programming. In addition to acquiring different skills at each stage of the program, Nest Academy offers internships for skills-intensive projects, project management training, and job interviews.



MONGOLIAN START-UPS TO INVEST IN



Chimege Systems is a Mongolian software and artificial intelligence startup founded in 2019 to develop AI solutions for low resource languages. Chimege Systems believes that to use AI applications widely, the most important thing to do is develop natural language processing (NLP). Every AI application uses NLP for human-to-computer interactions. Their mission is to develop NLP for a variety of applications, such as robots, smart appliances, and smart cars. They are also happy to develop NLP for other low-resource languages, as well as consultancy service based on 20 years of experience in the field.

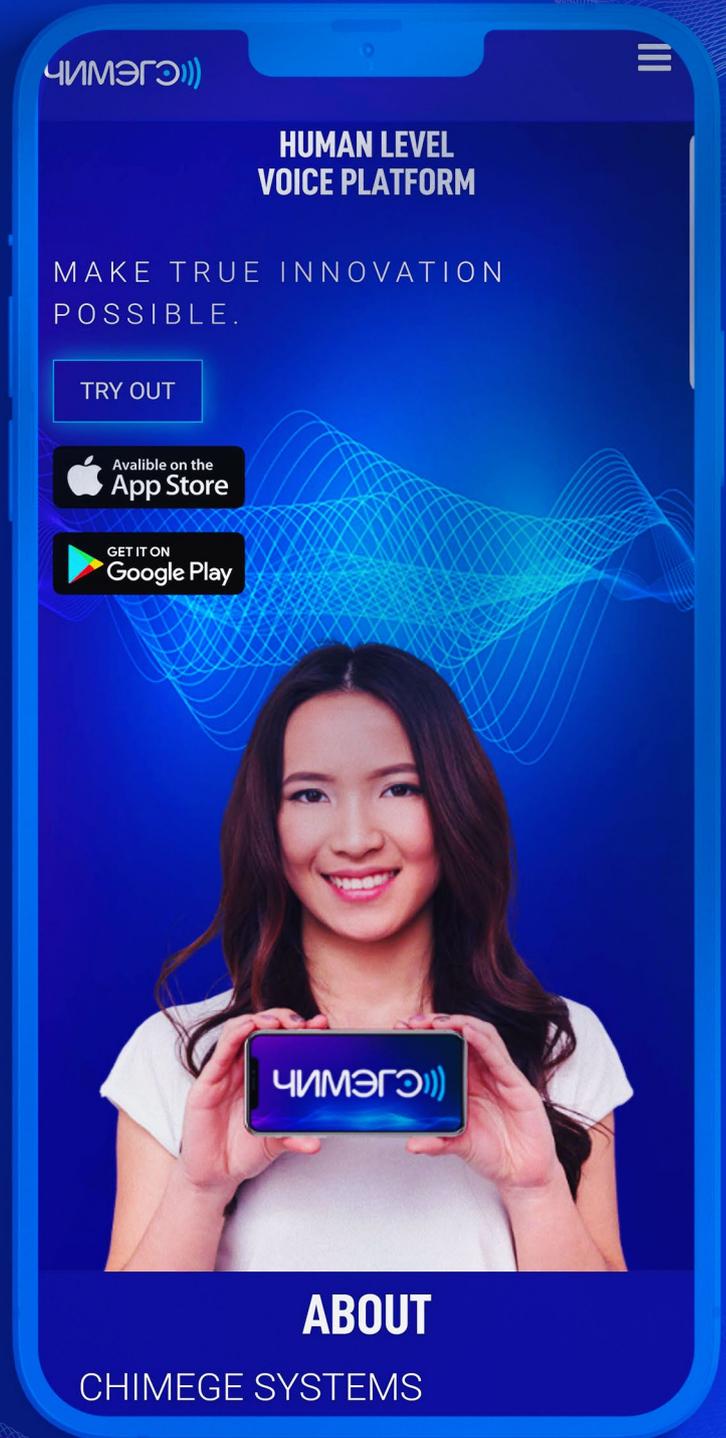
Chimege Systems is the world's first company to bring the technology of translating Mongolian speech to text with 97 accuracy, and create a system for translating Mongolian text to speech with distinct human quality. In addition, the system's English and German tools have 96% accuracy for voice recognition and are being further improved. Soon, most of the world's electronic devices will be voice-controlled and interconnected, making voice recognition one of the world's most important technologies of the future

In less than five months after its launch, the company has developed more than 10 apps using Chimege Systems technology, attracting 383 companies and more than 200,000 users. Recently in 2020, it was named the best innovation company in Mongolia

Chimege Systems is now working on the study of Altaic languages, the languages of the Central Asian region, and has achieved the record-setting recognition of Kazakh speech at a rate of 87% accuracy. There are also plans to add Kalmyk, Buryat, and Inner Mongolian dialects and scripts to the technology.

In terms of product development, Chimege is preparing to enter the Central Asian market, in addition to creating a Mongolian virtual operator and personal assistant. Activ research is being conducted in the field of language comprehension.

The main Chimege products currently on the market are a system for automatic transcription using the Chimege Writer protocol and Chimege Reader, a program that converts text to speech.



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Hippocards

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With the current era of Digital transformation occurring in Mongolia, all public services are becoming increasingly digitalized.

Following global trends, businesses that use information technology effectively in their operations/services have been more successful in achieving growth.

Hippocards is an innovative solution for memorizing foreign words in interesting ways, designed to help young people learn a foreign language. This application gives you the opportunity to memorize words from nine languages, take exams in eight categories, and compete with other users, meanwhile monitoring your progress.

- The application has been downloaded more than 750,000 times, and 80,000 people use the app daily.
- The cost of unlimited access to Hippocards for six months is only 7 USD. The affordable pricing enables the Mongolian youth to learn and memorize 22,000 words for less than a few cups of coffee.
- The Hippocards team is constantly updating their application to make it fun and easy to use.

Students who want to grow and advance have an opportunity to learn modern technological solutions by participating in the Hippocards internship program. The content team consists of 35 people, and 25% of them are working remotely from around the world.

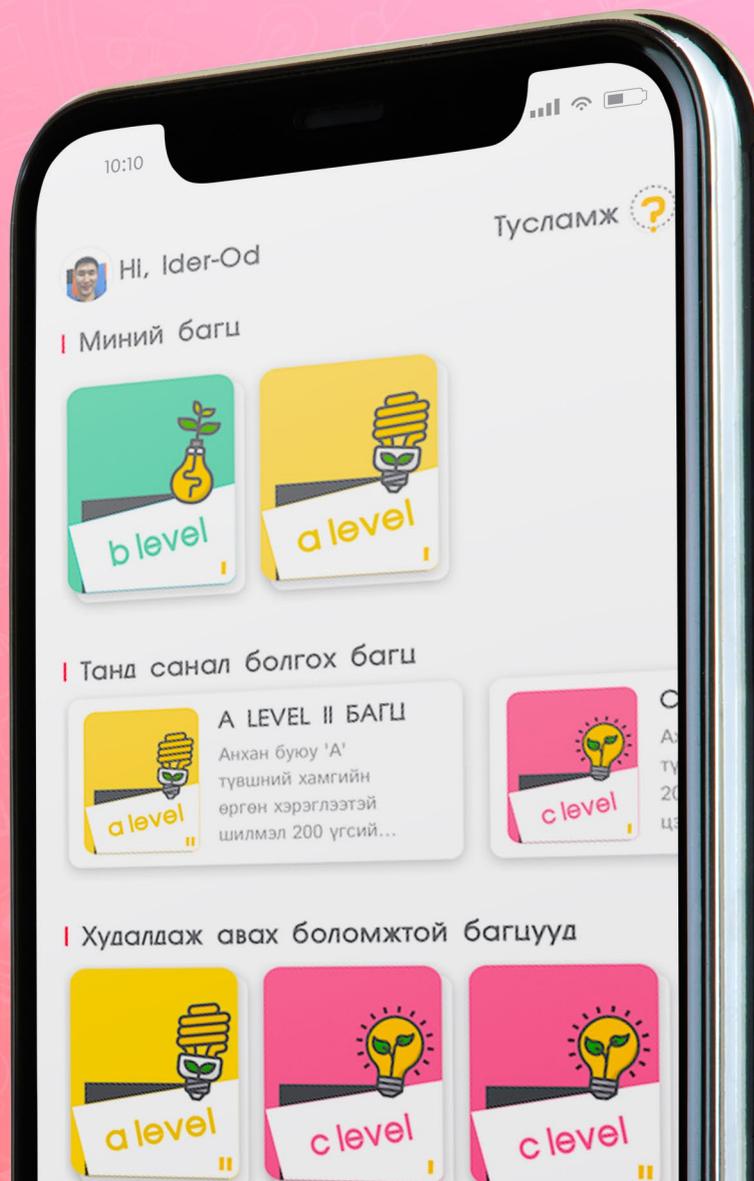
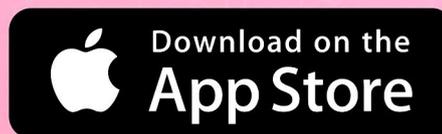
The Hippocards application is open to anyone who wants to grow and learn a foreign language.

WEB: www.hippo.cards/lang=en

E-MAIL: Hippocards@gmail.com

ADDRESS: SEOUL STREET, MGG PROPERTIES,
2ND FLOOR

MULTILINGUAL WORD MEMORIZA- TION APP FOR ALL AGES OF PEOPLE.





MONGOLIAN START-UPS TO INVEST IN

LIVE STREAM.MN | PROFESSIONAL LIVE STREAMING SERVICE

LIVESTREAM.MN
WHAT IS IT?

Livestream.mn is a professional live streaming service provider and professional video content creator. They are a team with a passion for delivering the best content, using it as a marketing tool, prioritizing high quality audio and video, and focusing on content editing to deliver live streaming.

Livestream.mn is thrilled to be using leading technology and creating the future of live streaming.

Since the introduction of Facebook live streaming in April 2016, it has been used daily. Social media channels allow users to become live streaming content creators.

Mongolia ranks 29th in the world in terms of digital device use, with a screen time average of 8 hours per day, the average use of 4.1 GB

of data per month (two times the world average), Mongolians turning to their digital devices up to 47 times a day to check social media, and with 69% of the population using the internet daily. With these statistics, live streaming services have become a necessity in Mongolia.

The products and services provided by Livestream.mn have the advantage of being transmitters for events with limited range, bringing content online to anyone, anywhere, at any time with quality delivery. Livestream.mn can also convert all events into live streaming content regardless of category. Conferences, art performances, media events, and even medical surgeries can be delivered virtually.

While most people are familiar with live streaming on Facebook, YouTube, and Instagram, Livestream.mn provides live streaming services for more business-oriented platforms, such as Zoom, Microsoft Teams, Webex, and Google Meet.





EXPERIENCE MONGOLIA
**SPORT FISHING
 ADVENTURE**

**EXPERIENCE ONE OF
 THE WORLD'S FINEST
 TAIMEN AND TROUT FLY
 FISHING ADVENTURES IN
 MONGOLIA**

For years, Mongolia has been known as a land of fierce nomads, barren steppes, and cold, desert landscapes. In fact, a closer glance reveals fertile river valleys inhabited by kind, hospitable nomads, and rivers filled with the world's largest salmonid – the taimen.



A fishing trip in Mongolia is partly about trying to catch the largest "trout" you will ever encounter, but it is also about experiencing a wonderful cultural and sporting experience. It provides the opportunity to step backwards in time, to a place where people still move to the rhythms of the seasons and the landscapes are unbroken. It is completely unique and promises to be an unforgettable experience. Simply put, there is no other place in Mongolia where you have a better chance to catch, and release, the fish of a lifetime

FISHING SEASONS:

The fishing season in Mongolia officially opens on June 15, which coincides with the post-spawning period, when taimen begin feeding aggressively. The spring season has provided exceptional fishing in recent seasons. The autumn season, in September, is generally considered to be the time for prime fishing in Mongolia, as the weather is normally sunny, with clear and falling water.

FISH SPECIES:

Taimen are one of the most aggressive apex predators that swim in freshwater. Mongolian taimen can live for nearly fifty years and reach sixty inches (1.5 meters) in length. Most taimen caught on the fly generally measure between 30-40 inches (0.75-1 meters). Taimen are perhaps the world's most incredible dry fly experience.

The pristine water that holds monster taimen also produces huge numbers of Siberian trout and grayling. Siberian trout are beautiful. They have golden bodies, bright red bands, and black spots, and are generally around 15 to 20 inches. The plentiful graylings are wonderful fun on a light rod.



LOCATION: MONGOLIA'S RIVERS

The Onon River is the first in Mongolia to be legally designated as catch-and-release, fly fishing only for international anglers. Onon has one of the world's healthiest taimen populations.

The Delger River is in north central Mongolia. The Delger is famous for its dry fly fishing to large taimen in shallow, clear water. In terms of timing, the Delger fishes during the warm, summer season, in July and August. It provides dry fly-fishing opportunities for trout and grayling.

TACKLE AND EQUIPMENT:

The trip organizers provide all tackle and equipment needed for fly fishing. People fish for taimen mainly with "dry" flies and poppers on floating lines; streamers fished with a sinking line are also effective.

A 9 ft rod for 8 or 9 weight lines is generally recommended for taimen fishing. For lenok and grayling, a 4, 5, or 6 weight rod and floating line is suitable.

There are several travel agencies organizing fly fishing trips in Mongolia. If you are interested in joining one of these amazing adventures, please contact the following travel agencies:



REGULATORY AGENCY OF GOVERNMENT
NATIONAL DEVELOPMENT AGENCY



INVESTOR RESIDENCE PERMIT APPLICATIONS CAN NOW BE SUBMITTED ELECTRONICALLY

Investor residence permit applications issued by the National Development Agency are now being received electronically at www.invest-assist.gov.mn.

Before launching the electronic application system, it used to take 3 working days to apply for an investor residence permit. By using the invest-assist.gov.mn platform:

- During the COVID-19 pandemic, both government officials and investors have been able to interact through the system.
- No need to come in person, which saves time and money. Before, it was necessary for people to come to the office twice: first to apply and again to receive a certificate.

- Eliminating the use of paper offcuts costs for government organizations and brings Mongolia one step closer to e-governance.

In addition, the General Authority for State Registration has revised the active timeframe for domestic and foreign invested entity certificates to promote favorable conditions for foreign investors. Previously, the certificate renewal timeframe was differentiated between domestic and foreign invested legal entities.

Please read the detailed instructions provided at <https://invest-assist.gov.mn/assets/img/manual.pdf> before submitting your application.





INVEST IN MONGOLIA

If you have any suggestions regarding the newsletter, please send an email to info@nda.gov.mn. To read our previous newsletter visit our webpage at www.nda.gov.mn.

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Empowering The Economic Development Of Mongolia