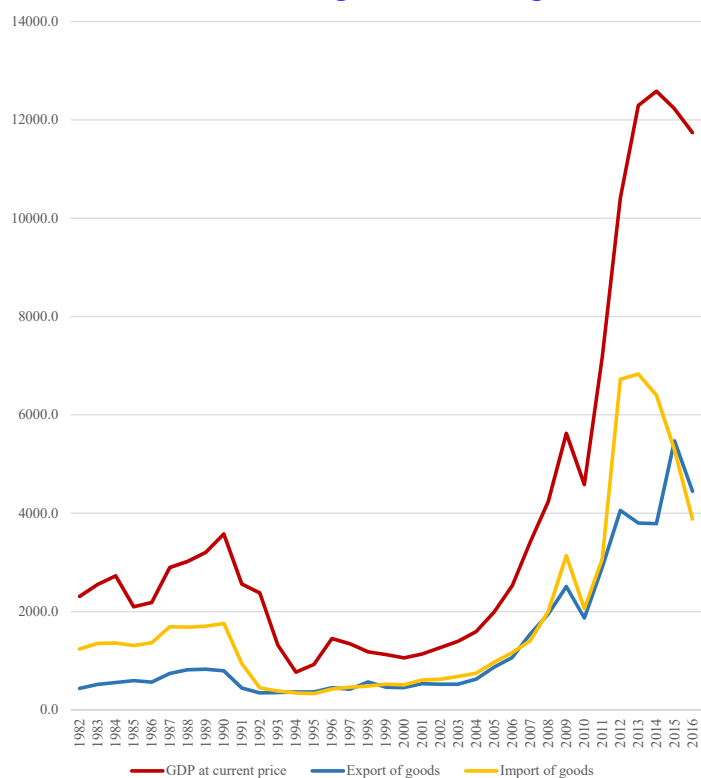


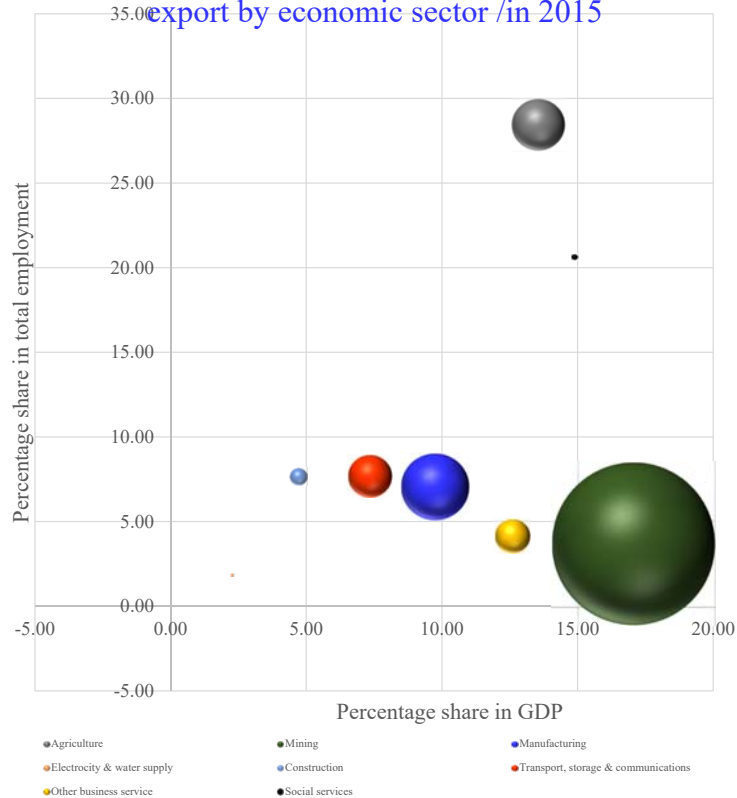
The Industrial Diversification of Mongolia

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Trade and GDP growth of Mongolia



Percentage share of commodity & service export by economic sector /in 2015



Current problems

- Economic problem
 - External balance
 - Budgetary deficit
- Social problems
 - Poverty
 - Unemployment
 - Rural and urban disparity

Radical reforms not supported sustainability of the economy

- Liberalization of the economy
- Trade facilitation
- Investment promotion

Low competitiveness is main issue

- If the competitiveness of the country is low any reform couldn't bring successes
- Competitiveness is low because of:
 - Remoteness
 - Extreme continental climate / seasonality
 - Small markets with a scattered and low income population

Mongolia's effort to increase competitiveness

- Measures opted to increase competitiveness
 - Trade expansion with neighboring and regional countries
 - Establishment of preferential trade agreements
 - Infrastructure development
- Results largely dependent from outside
 - Political willing of main trading partners and neighbors
 - Joint efforts

Different ways to increase competitiveness

- Competitiveness depends from transport cost reduction
- Ways to reduce transport cost
 - Value added, end products
 - High-tech products
 - Ecological products
 - Luxury products
 - Small sized products
- Industrialization is a way to increase competitiveness
 - Competitive advantage
 - Clustering

Impact of industrial diversification

- Competitiveness of domestic production
- Solution of economic and social problems
- Resource mobilization
- Expansion of foreign economic relation
 - Regional cooperation