

Assessing how British companies can gain exposure to Mongolia: how can you take advantage of a fast growing economy?



Elmhurst Solutions

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Elmhurst Solutions - London based consultancy

“Optimise Supply Chains & Facilitate Access to Developing and Emerging Markets”

Specifically, for target countries, we offer:

- **Strategy** for market entry
- **Introduction** to potential partners and clients
- **Information** on suitable projects and contracts
- **Support** in winning business



SOCIO-ECONOMIC ENVIRONMENT FOR BUSINESS IN MONGOLIA

- DEMOCRACY AND TRANSPARENCY
- IMPROVEMENT OF LEGAL SYSTEM AND LAW ENFORCEMENT
- PUBLIC RECEPTION OF INVESTMENT NEEDS AND OF INTERNATIONAL COOPERATION
- LITERATE POPULATION WITHOUT RELIGIOUS OR SOCIAL ANTAGONISM AMONG ITS PEOPLE
- MONGOLIA RANKED 53RD IN 2013 WORLD BANK REPORT BASED ON “EASE OF DOING BUSINESS” WHILST CHINA 70TH, KAZAKHSTAN 83RD AND RUSSIA 104TH
- MONGOLIA IS ACTIVELY STAMPING OUT CORRUPTION AND BRIBERY



NEW DEVELOPMENT STRATEGY THE NEWLY ELECTED GOVERNMENT

- Reduce dependency on the mining sector
- Reduce dependency on Russia and China by developing third neighbour policy
- Mongolia recognises established democracies like UK and USA to count them as its third neighbour
- New Government's desire to attract advanced technology and expertise



Mongolia comparison with the UK

Mongolia

Gr. Manchester

Population

2.8m

2.6m

Mongolia

Territory

UK

1.5mln km²

(> 6.15 times)

243,610 km²



**MONGOLIA has 21 aimags and
Ulaanbaatar city with 1mln population**





BUSINESS OPPORTUNITIES IN INDUSTRIES OR SERVICES

- INFRASTRUCTURE AND CONSTRUCTION and its supporting facilities and services
 - 1900km railways; 11,000 km roads
- TOURISM, HOSPITALITY SECTOR
 - desert rally, polo, survival skills tour, winter sports, hunting , wedding, honeymoon destination, nomadic culture
- ENERGY SECTOR, SUSTAINABLE ENERGY
 - heavily subsidised by the Government
 - wind power, solar energy and hydropower - new energy sources for rural Mongolia
 - petrol and diesel dependence from imports from Russia



BUSINESS OPPORTUNITIES IN INDUSTRIES OR SERVICES (2)

- IT, TELECOMMUNICATIONS, COMPUTER SYSTEMS
 - for government and administration of huge areas with a small population, but a “big” number of public servants
- ENVIRONMENT AND NATURAL RESOURCES
 - minimise impact of mining industry on environment
 - maximise efficiency of pasture lands
 - increase water retention, water supply
 - decrease desertification and deforestation
- URBAN PLANNING AND FACILITIES MANAGEMENT
 - projection, engineering, scientific research
- MARKETING and ADVERTISING
 - lack of experience in market research, orientation on social values; lack of information services in the city services, choices of advertisement means



BUSINESS OPPORTUNITIES IN INDUSTRIES OR SERVICES (3)

- LIGHT INDUSTRIES
 - textile, leather, wool and cashmere clothing, food industry
 - issues with branding and quality
- FRANCHISING, DISTRIBUTORSHIP, EXPORT/ IMPORT
 - fast growing business based on demands of often high end market
- HEALTH AND WELFARE SYSTEM
 - medications, mobile testing equipment, mobile hospitals
- ENTERTAINMENT INDUSTRY
 - catering facilities, performing arts, popular and traditional sports



EDUCATION AND TRAINING

Country is in learning, everybody wants to speak 1-2 foreign languages

- School: 12 years of schooling; 318,547 pupils in 752 schools
→ Implementation of Cambridge education system
- Colleges and vocational training
→ Demand for vocational training , more colleges in rural Mongolia
- Higher Education: 175, 591 students in total of 99 institutes or universities
→ Mongolian students study abroad: South Korea, Australia, Germany, Japan, USA, UK, Russia, China, Singapore, Turkey, Eastern Europe.
- Postgraduate Education
→ Most degree graduates in BA and finance, although there is a huge demand for engineers, technical assistance workers and chartered accountants.



HOW TO START BUSINESS IN MONGOLIA

Helpful organisations:

- UKTI and the British Embassy opened a new position to look after business relations between two countries
- Foreign Investment and Foreign Trade Agency (FIFTA)
- Mongolian National Chamber of Commerce and Industry
- Mongolia British Chamber of Commerce
- British Expertise, CATBIG – Central Asian and Trans-Caucasus Business Information Group
- Mongolian Business and Trade Council in UK



Information Sources:

Oxford Business Group: The Report Mongolia 2013

<http://www.oxfordbusinessgroup.com/country/Mongolia>

National Statistical Office of Mongolia

www.nso.mn

United Nations

www.unpan1.un.org



CATBIG

- Central Asia & Transcaucasus Business Information Group
- Established in 1995 by what is now UK Trade & Industry
- UK Government supported business forum
- Companies to hear about recent developments (both economic / commercial and political)
- Mongolia, Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan
- Promotes awareness of the region



CATBIG (2)

- British Expertise took-over the secretariat 3 years ago
- Regular country focus meetings
- Twice yearly general meetings
- Outward trade missions
- Meetings in Victoria London or elsewhere
- Sponsorship available



British Expertise



- Leading UK private sector organisation for British companies offering professional services internationally
- Member companies large general consultancies to specialist individuals
- Introduces members to key British and international contacts
- Identifies potential partners and clients
- Offers market intelligence and training



British Expertise

- Lobbies the British Government, the international financing institutions and others
- Marketing support by featuring your projects on our website
- Including your successes as part of our regular corporate communications.
- Annual Awards competition to showcase the best British work in our sectors
- Annual Awards Dinner
- Networking events
- Conference rooms available

Thank you very much for your attention!



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