

2018 Northeast Asia International Conference for Economic Development in Niigata, Japan

# The Current Status of and Challenges for Regional Development Strategies of Mongolia

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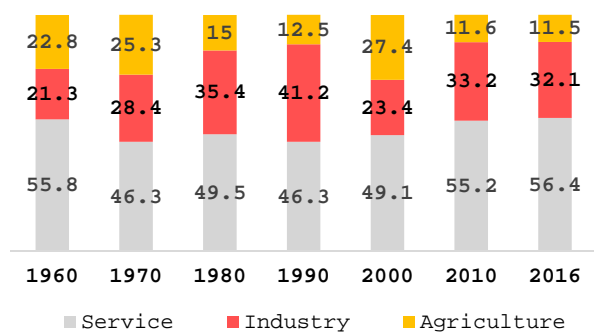
31 January 2018

## GENERAL INFORMATION

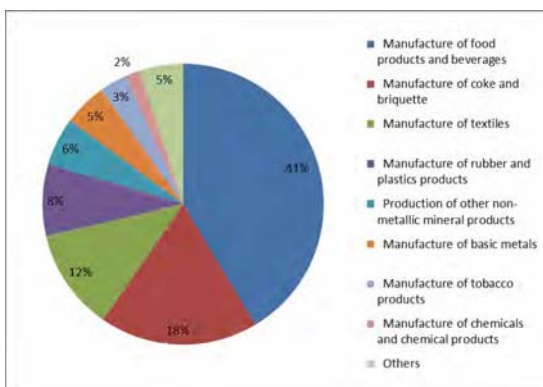
### ADMINISTRATIVE STRUCTURE



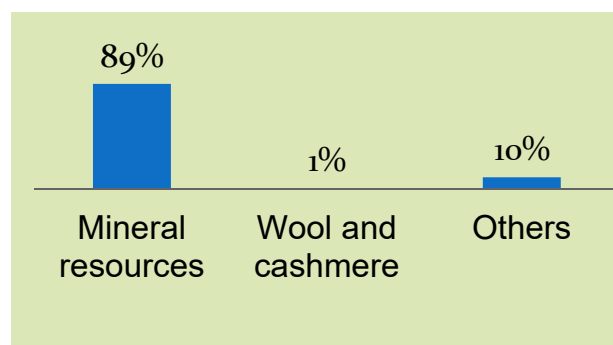
### THE SECTOR STRUCTURE (%)



### GDP COMPOSITION



### EXPORT COMPOSITION



## DEVELOPMENT POLICY GUIDELINES



Sustainable Development goals

Long-term 15-20 years

### Mongolia's development vision

“Mongolia Sustainable Development Vision-2030”

Mid-term 8-10, 3-5 years

8-10

3-5

- State policy;
- **Regional development policy;**
- Development objectives of aimaks and capital city
- Government action plans;
- Governor's action plan;
- National and subnational programs;
- National investment program

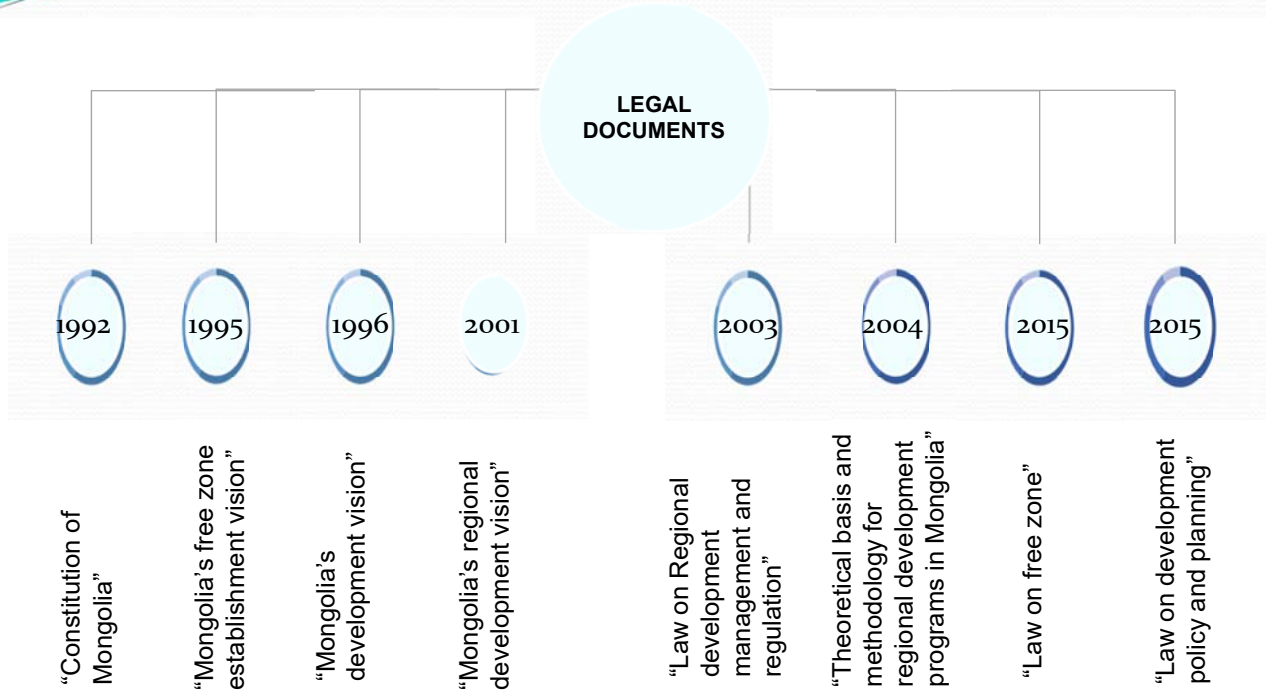
Short-term 1 year

- Guideline for socio-economic development ;
- Socio-economic guidelines for capital, aimak, soum and district development;
- State and local budgets developed in accordance with the Paragraph 6.5.1 of this law

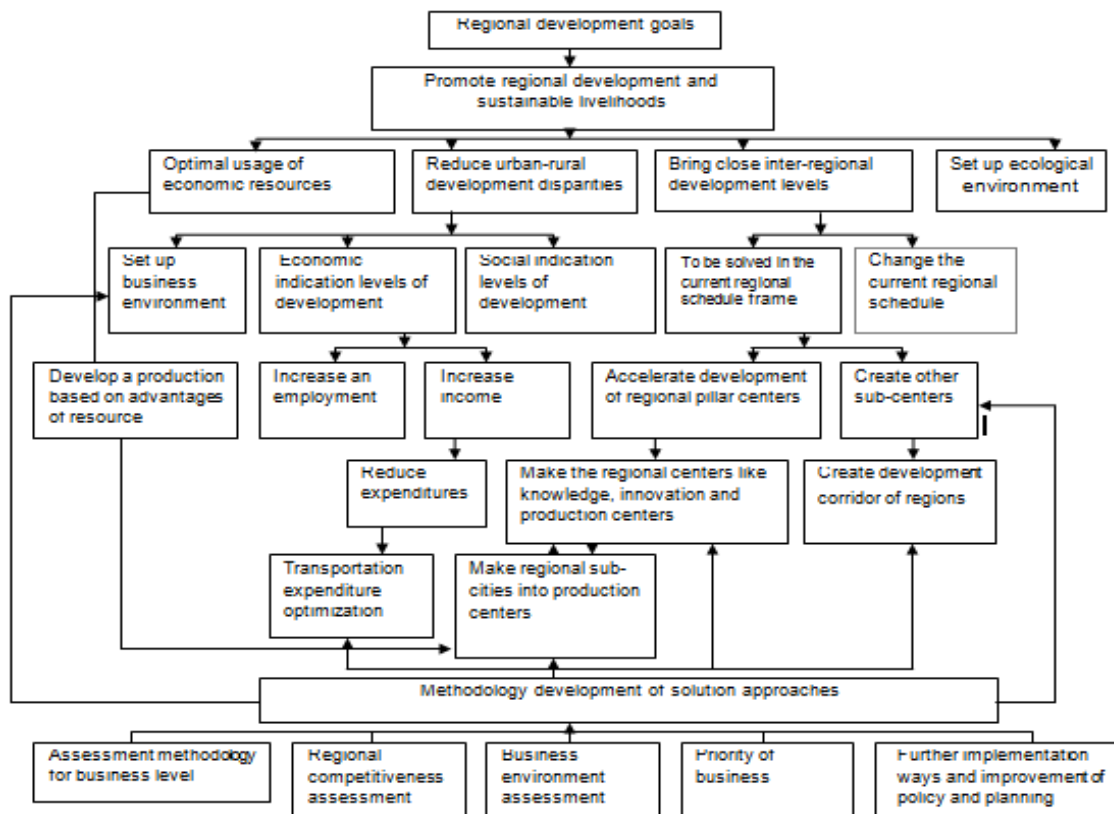
## STRATEGY TO IMPLEMENT SUSTAINABLE DEVELOPMENT POLICY OF MONGOLIA

MACROECONOMIC STABILIZATION	ECONOMIC DIVERSIFICATION	REGIONAL ECONOMIC DEVELOPMENT	HUMAN DEVELOPMENT
<ul style="list-style-type: none"> <li>• Create a comprehensive policy planning system.</li> <li>• Pursue principles of regulating continuing exchange rate flexibility and steadily increasing of foreign currency reserve.</li> <li>• Implement the IMF's Extended Financing Program and the Economic Recovery Program.</li> <li>• Reform the Financial Sector Policy.</li> <li>• Comply principles to implement large projects by public-private partnership.</li> <li>• Take measures to enhance export volume by developing economic integration with neighboring countries.</li> </ul>	<ul style="list-style-type: none"> <li>• Update the legal framework for Investment Policy to meet the needs of the economy and society.</li> <li>• Priority will be given to the establishment of the Mining Logistics and Exchange Center.</li> <li>• Develop a mining industry cluster</li> <li>• For purpose to enhance revenue and create jobs for herders and cooperatives, Intensify establishment of agricultural clusters at the local level .</li> <li>• Create the fundamentals to launch 4th Industry revolution through forming the Integrated industry information system.</li> </ul>	<ul style="list-style-type: none"> <li>• Develop and implement regional development policy.</li> <li>• Increase the efficiency of public investment in accordance with the local development index.</li> <li>• Improve employment and quality of life in rural areas by implementing 'New rural projects'.</li> <li>• In order to improve the business environment in rural areas, the agricultural cluster network will be set up at 4 priority sites.</li> <li>• Set up Commercial Complex to support trade network of enterprises and cooperatives.</li> </ul>	<ul style="list-style-type: none"> <li>• The wage system will be indexed in connection with inflation and exchange rate changes.</li> <li>• Increase an inclusive access to schools and kindergartens</li> <li>• Reduce foreign cash outflow by establishing a diagnostic and treatment center that meets international standards and introducing advanced health technologies.</li> <li>• Providing employment for poor and vulnerable household members by implementing the Poverty Reduction Program.</li> </ul>

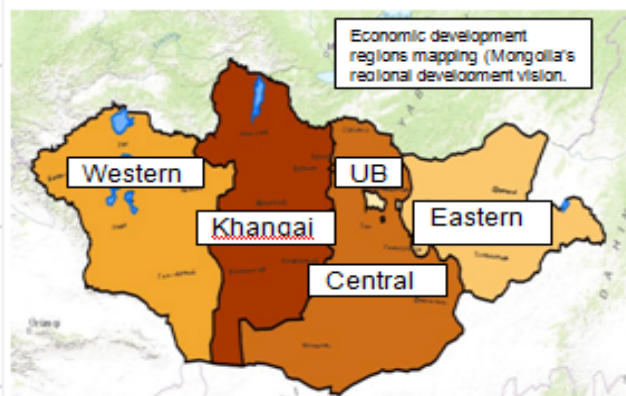
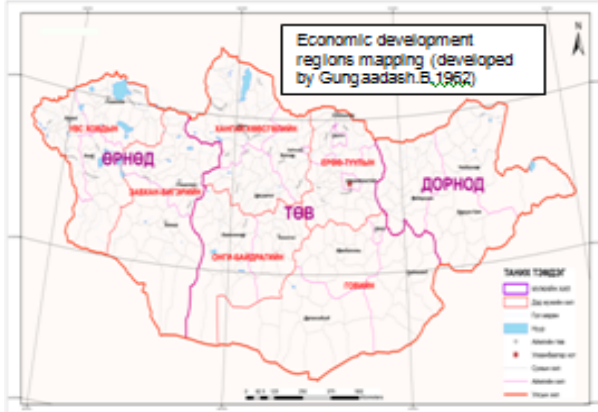
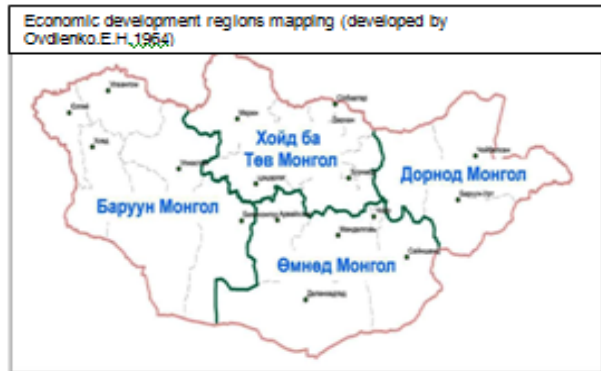
# THE LEGAL ENVIRONMENT FOR REGIONAL DEVELOPMENT



# REGIONAL DEVELOPMENT GOALS



# MONGOLIA'S ECONOMIC DEVELOPMENT REGIONS MAPPING



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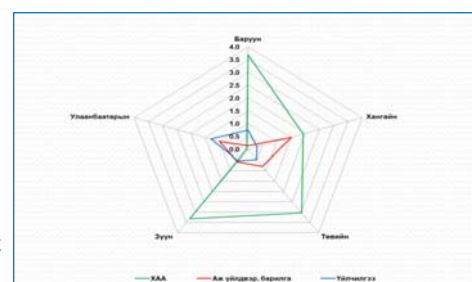
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## THE CURRENT STATE OF REGIONS

Indications		CENTRAL	KHANGAI	EASTERN	WESTERN	UB
Share of total territory (%)		30,3	24,0	18,0	26,5	0,3
Covered aimags		7	6	3	5	9 districts
Population, mln		493	583,0	211,0	393,0	1440,0
Regional GDP structure	Agriculture	35%	45%	65%	76%	1%
	Industry	23%	40%	5,4%	2%	29 %
	Service	42%	15%	29%	22%	70%
Industrial big centres		Darkhan	Erdenet	Bor-Undur	--	Ulaanbaatar Baganuur
Pillar cities		Darkhan, Zuunmod	Erdenet Kharkhorin	Choibalsan8 Undurkhaan	Khovd, Uliastai	Ulaanbaatar



The production coefficient per capita



The regional market diversification

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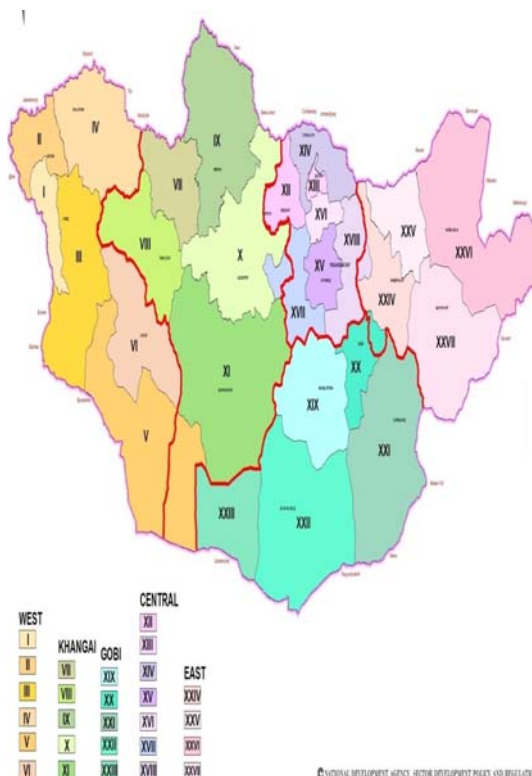
## REGIONS' COMPETITIVENESS EVALUATION

Regions	Resource usage efficiency indications			Integral competitiveness coefficient
	Resource usage efficiency coefficient	Livelihood level coefficient	Investment attractiveness coefficient	
Western region	0.11	0.41	0.49	0.28
Khangai region	0.37	0.39	0.55	0.43
Central region	0.33	0.46	0.59	0.45
Eastern region	0.16	0.34	0.30	0.25
Ulaanbaatar	0.60	0.80	1.00	0.78

G. Battuvshin (PhD)

### INDUSTRIAL CLUSTERS by 5 regions and 27 locations

### INDUSTRIAL SPATIAL PLANNING MATRIX FOR NON-MINING SECTORS



Industrial regions	WEST REGION			KHANGAI REGION			CENTRAL REGION			GOBI REGION			EAST REGION												
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV	XV	XVI	XVII	XX	XXI	XXII	XXIII	XXIV	XXV	XXVI	XXVII
Meat, meat products factory	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High
Milk, milk products factory	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High
Leather, leather products factory	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High
Wool, wool products factory	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High
Cashmere, cashmere products factory	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High
Crop, fodder plants factory	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High
Potato, vegetable factory	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High
Fruits, berries and beverage factory	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High
Wood, wooden products factory	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High
Tourism	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High
AGRICULTURAL TECHNOLOGICAL PARK	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High



## Challenges

- The implementation of regional development policies is inadequate.
- The regional economic regulation tools are still undefined.
- Urban and rural economic disparities increased.
- Regional planning is inefficient
- The main functions of regional development pillar cities and the regional governors are unclear.
- The planning capacity of the staff is weak.
- It is negative to consolidate the regional development policy at the state policy level.

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# THANK YOU FOR YOUR ATTENTION

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