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STRENGTHENING TRADE AND INVESTORS NETWORK IN ASIA

The delegation from the Investment and Trade Agency (ITA) visited the China Council for the Promotion of International Trade (CCPIT) in Harbin, China, from June 20 to 23, 2024. On June 21, Mr. Enkhbaatar, Director General of ITA, and Mr. Tan Baicheng, Vice Chairman of CCPIT and Director General of the International Expo Development and Promotion Center of Heilongjiang Province, signed a Memorandum of Understanding (MoU) in Harbin.

This MoU aims to enhance cooperation between the two parties by improving the investment environment and developing joint investment projects. It also focuses on strengthening trade and economic relations and encouraging entrepreneurs to explore new opportunities. The collaboration is expected to drive mutual growth and benefit both countries' economies.



The fourth trade and investment forum between Mongolia and Inner Mongolia, China, was held in Ulaanbaatar on August 29-30, 2024. On August 29, an induction training session titled "Legal Environment of Investment and Trade in Mongolia" was organized for businesses and investors from Inner Mongolia.

During this session, experts from the Investment and Trade Agency (ITA) provided a comprehensive overview of Mongolian Investment Law, including key legal regulations and incentives for foreign investors. They also highlighted the one-stop services available to facilitate foreign investment, equipping attendees with essential knowledge to navigate the investment landscape in Mongolia effectively. This initiative aimed to foster greater collaboration and investment opportunities between the two regions.



STRENGTHENING TRADE AND INVESTORS NETWORK IN ASIA



In April 2024, the Investment and Trade Agency (ITA) and the Korea Trade-Investment Promotion Agency (KOTRA) signed a Memorandum of Understanding (MoU) in Ulaanbaatar to enhance bilateral cooperation in trade and economic matters and explore opportunities for joint investment facilitation and trade development.

As part of this agreement, on September 24, 2024, experts from the ITA visited KOTRA to exchange experiences and insights on key topics, including one-stop services, post-investment support, and dispute resolution.



HANDBOOK DEVELOPMENT ON FOREIGN TRADE FOR ENTREPRENEURS

Foreign trade can be profitable and successful when there is a thorough understanding of the laws and regulations governing the export and import of goods in multiple countries. This knowledge can save entrepreneurs both time and money. In response to this need, a "Handbook for Foreign Traders" has been developed at the request of the Investment and Trade Agency (ITA).



The first chapter provides an overview of international trade, outlining its key stakeholders and discussing customs taxes related to the export and import of goods. It also highlights the potential for preferential tariffs available under regional and other free trade agreements that Mongolia has entered into. The second chapter delves into the specifics of customs clearance operations, detailing the processes involved. The third chapter offers a comprehensive roadmap for importing goods, including the necessary documentation required for customs clearance. Finally, in the last chapter, issues to be considered for export, stages of strategy development when exporting goods, export road map for cosmetic goods, and documents required for customs clearance are presented.

In the appendix, readers will find a comprehensive list of goods eligible for the European Union's Generalized Scheme of Preferences Plus (GSP+), as well as those covered under the Mongolia-Japan Economic Partnership Agreement and the Asia-Pacific Trade Agreement (APTA).

STUDY ON IMPLEMENTATION OF FOREIGN TRADE LEGISLATION AND LEGAL ENVIRONMENT

As large national companies increasingly participate in international trade, enhancing the legal protections available to traders in our country becomes essential. This study summarizes the relevant laws, legal acts, documents, and statistics that govern trade activities, aiming to identify the challenges present within the current legal framework.



The research examines the roles and contributions of government organizations and other stakeholders in regulating international trade. It also reviews Mongolia's unified international agreements and Free Trade Agreements with strategic partner countries, summarizing the policies and regulations implemented by the government in the trade sector. Through this analysis, we aim to identify issues within the legal environment affecting trade.

Additionally, the study compares the trade policies, laws, and legal frameworks of the Czech Republic and the Federal Republic of Germany. Through this comparative analysis, we identify best practices and effective strategies that can be adapted to enhance Mongolia's trade legislation. Based on these insights, we offer targeted recommendations for improving the legal framework governing trade sector activities, aiming to foster a more supportive environment for international trade.

CAPACITY BUILDING PROGRAM OF GIZ ICED FOR SMES

By the end of August 2024, the ICED program according to its concept, had defined, selected, and contracted national Service providers (consultants), to deliver a capacity-building program aimed at enhancing SMEs' skills for export. This includes both pillars of business: trade in goods and trade in services. The ICED capacity-building program consists of four packages:

- Development of bankable proposals, investment plans, production, and quality management (Package 1, CapFin LLC)
- Brand development, marketing strategies and tools, market analysis, and planning (Package 2, Egan Brand Consulting LLC)
- Sales strategy, techniques, tools and negotiation skills (Package 3, Sodura Consulting LLC)
- Legal aspects related to small and medium business, including contracting (Package 4, an individual consultant)

All four packages were developed based on the baseline study conducted by ICED earlier between March and May 2024.



COORDINATION WORKSHOP OF STAKEHOLDERS JOINTLY WITH IMPLEMENTORS

From August 7–9, 2024, the ICED program conducted a three-day workshop aimed at improving coordination and ensuring smooth organization for delivering the capacity-building program for SMEs. Participants included the five service providers (consultants) of the GIZ program, the UB SME Support Center (an ICED partner), representatives from TDB (a co-founder and implementing partner of the DevelopPPP SFME Project), and the international service provider, the German Sparkasse Foundation, which is tasked with improving the skills and knowledge of bank staff on green (re)financing and green development and the GIZ ICED and DevelopPPP SFME projects.

The workshop provided a platform for introducing the service providers and aligning efforts to deliver a high-quality capacity-building program to selected SMEs in Ulaanbaatar and the TDB staff over the next year. It focused on the training needs of SMEs, the logistical organization of the program, and the contribution of project partners in implementing the capacity-building activities.

CAPACITY BUILDING PROGRAM LAUNCHED

According to the ICED project's operational plan (C3), training and advisory services for SMEs in Ulaanbaatar began on September 9, 2024. The consultants (service providers) of the ICED program are delivering training on topics such as developing bankable proposals, creating investment plans, enhancing sales techniques, building strong brands, learning negotiation skills, and navigating legal aspects like contracting.

The initial training sessions include around 60 selected SMEs, divided into two groups, representing a diverse range of business sectors. This program is a joint initiative of the GIZ ICED project and its partner, the UB SME Support Center.



“BUSINESS MINDED ULAANBAATAR” -SUPPORT FOR WOMEN-LED SMES IN ULAANBAATAR

70% of the country's SMEs (more than 40,000 enterprises) operate in the capital city, employing over 600,000 people. A special feature of the SME sector in Mongolia is that 70 percent of all small and medium-sized businesses are managed by women.

In response, the UB SME Support Center, with support from the ICED program, organized a full-day event on September 6, 2024, to promote small and medium businesses, enhance economic efficiency, improve competitiveness, and develop export products, with special attention given to women-led enterprises. The event, held at Khangarid Palace, started at 7.30 AM, brought together 200 female SME managers, who had the opportunity to meet with the Governor and Mayor of Ulaanbaatar, Mr. Nyambaatar, as well as other city officials. They discussed the challenges faced by female business leaders and, most importantly, explored opportunities for the city to support women-led businesses.

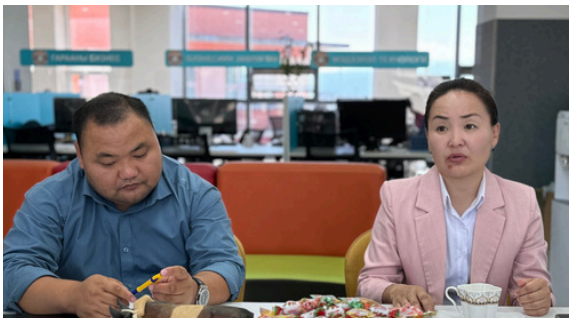
In the afternoon session, 100 staff members from the UB SME Support Center, representing all 9 districts of Ulaanbaatar, met to discuss ways to improve the effectiveness and diversification of the services provided by the center to SMEs, and to consider potential changes to the support strategy if needed.



VEGETABLE CLUSTER DEVELOPMENT

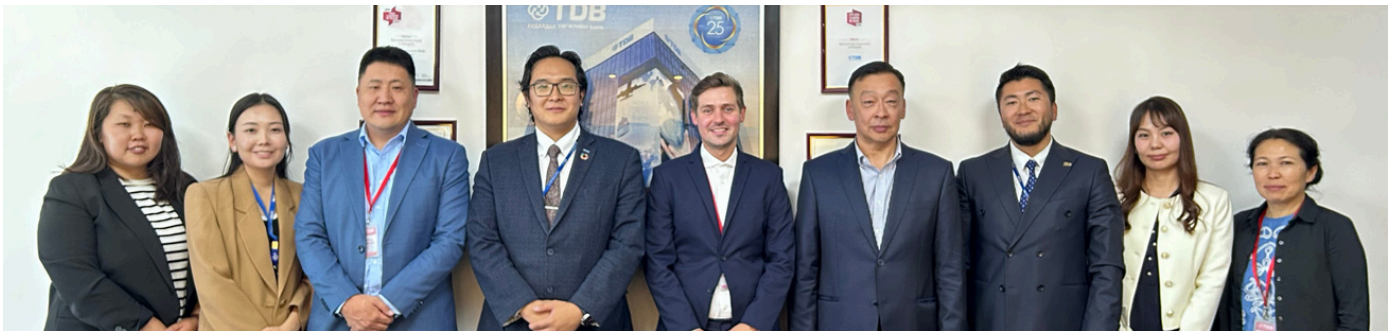


A new approach to strengthen cooperation among SMEs in agriculture, increase their income, introduce innovation and technology in vegetable growing, and enhance the value chain in the agricultural sector has been initiated by the UB SME Support Center, a partner of the ICED program. This initiative aligns with the Mongolian Government's policy on substituting imported goods, as well as the Food Security Program initiated by President of Mongolia, Mr. U. Khurelsukh.



The UB SME Support Center has identified an opportunity to establish a vegetable cluster on 40 ha of land in the Ar Gunt area, located in the northern part of Ulaanbaatar. The ICED program will support this initiative by conducting a feasibility study, planned for October–December 2024, and, if necessary, by providing capacity-building support to future cluster members—SMEs.

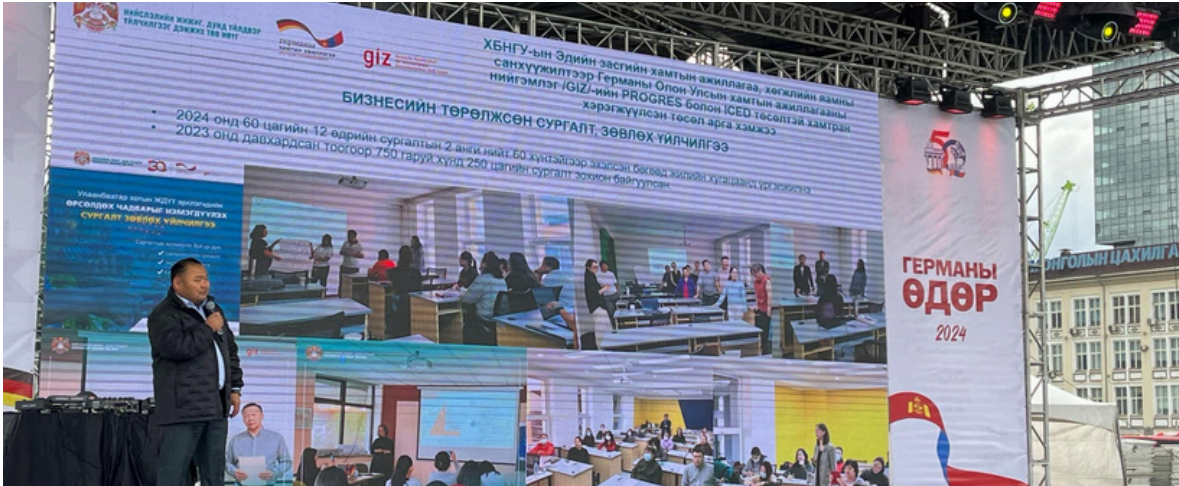
PROJECT STEERING COMMITTEE – DEVELOPPP “SUSTAINABLE AND GREEN FINANCE TO SME” (SFME) PROJECT



Parallel to the ICED project, GIZ Mongolia is implementing several develoPPP projects. One of these is the co-funded by BMZ and the Trade and Development Bank project “SFME”.

During August 22–28, Mr. Valentin Kossak, Manager for develoPPP projects in Mongolia and China in GIZ HQ, visited Mongolia. During his visit, he attended numerous meetings with project teams, co-funding, and implementing partners. In addition, Mr. Kossak participated in the Project Steering Committee (PSC) meeting for the SFME project, jointly organized by GIZ and TDB. At the meeting, the partners reaffirmed the project implementation strategy and the expected results and implementing plan, discussed and agreed on cooperation form and format, methods, as well as the working principles and rules of the Steering Committee.

JOINT ACTIONS AND ACHIEVEMENTS TO SUPPORT THE MONGOLIAN SME



On September 20th, 2024, Mr. M. Munkhjargal, Head of the Department for Innovation, Projects, and Programs at the UB SME Support Center, presented the actions and achievements in supporting Mongolian SMEs in collaboration with the GIZ projects "PROGRES" and "ICED." The presentation took place at Chinggis Square as part of the "German Day" event, organized by the German Embassy in Mongolia.

During his presentation, Mr. Munkhjargal emphasized the significant impact of the knowledge and expertise transferred by GIZ in strengthening SMEs. He expressed the UB SME Support Center's gratitude to GIZ for its contribution to the diversification of the Mongolian economy and the promotion of SMEs.

According to the UB SME Support Center's report, Mr. Munkhjargal's presentation resonated strongly with the public, leading to an increase in interest among SME to participate in capacity development programs conducting by the UB SME Support Center in collaboration with GIZ ICED.

Link for video (starts 1:02:00):



COORDINATION AND PLANNING WORKSHOP OF THE SFME PROJECT



On September 26, 2024, the SFME project organized a coordination and planning workshop with its implementing partner, TDB. The workshop was attended by the directors of 8 regional offices, managing staff from TDB back offices, and Service providers from the GIZ project. The participants discussed capacity-building topics targeted to TDB's clients SME. All training and consulting services provided by five national and international service providers, contracted by GIZ, were thoroughly explained to the bank's staff. However, after the introduction and description of the planned training and consulting sessions for SME, the capacity building program and its topics were identified as "highly demanded" not only by the SMEs but also by the bank staff.



Many new ideas to improve the capability and skills of the bank staff as well as its clients SME were discussed and requested during the workshop. The discussions took place in a productive and friendly atmosphere, demonstrating the readiness for cooperation and mutual trust between the partners.

CERTIFICATION CEREMONY OF SME CAPACITY BUILDING PROGRAM



On September 26, total 30 SMEs of Ulaanbaatar received their certificates after successfully completing the first batch of training and consulting services of the Small and Medium Enterprise Capacity Building Program.

On the same day, the entrepreneurs who participated in the training and consulting services visited the "Aldar" shoe factory and the mask factory of "Soyombot Orgil" LLC. During these visits, they engaged in discussions about applying what they learned, further developing their products, and exploring opportunities for collaboration.

We are optimistic about the business advancements resulting from the ICED project as part of the SME Capacity Building Program. We wish the first graduates of this program great success in their future ventures.

LEARNING EXPERIENCE AND EXCHANGE IN AUSTRIA



Between 13-20 July, specialists from MED Regional and local development department, spearheaded by its director along with a colleague from UB City SME support center took part in experience exchange training, organized by UNIDO in Austria.



The trip aimed to provide participants with UNIDO's functions and successful projects implemented in regions and local areas and explore possible cooperation for the future. It also focused to empower participants to design and implement comprehensive policies in the regional and local cluster development, SME promotion, regional competitiveness and quality infrastructure services in support to industrial development, agro-industrial sectors like food, meat and environment.

As a result of getting acquainted with the “Country programme” to be implemented in Mongolia, UNIDO accepted the proposal to be included in the Cluster development field and decided to include it in their programme. Participants discussed and exchanged ideas on joint research and implementation of technical assistance projects for the development of small and medium-sized enterprises in Mongolia. Through the experience exchange training, participants learnt about how various policy initiatives, strategies, approaches and services could contribute holistically to enhance competitiveness of regions, sectors, clusters and enterprises, and therefore enable sustainable industrial development, in particular in agro-industries, as well as robust trade relationship with international partners.

IMPROVED CONDITIONS FOR ECONOMIC DIVERSIFICATION (ICED) PROJECT



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