



# Mongolia

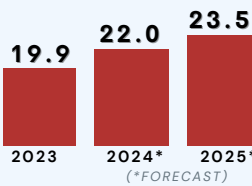
Mongolia is an attractive destination for investment and internationalisation due to its strategic location, abundant natural resources and ongoing economic reforms.

Efforts to diversify the economy create opportunities for many sectors. With a young, educated workforce and a government committed to improve the investment climate, Mongolia presents a favourable environment for businesses. Bilateral agreements also enhance investor protection, fostering confidence in the Mongolian market.

(SOURCE: PWC, MTI)

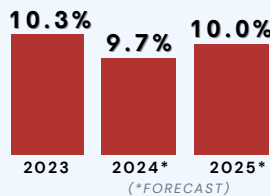
## GDP

IN U.S. DOLLARS (BILLIONS)



(SOURCE: INTERNATIONAL MONETARY FUND)

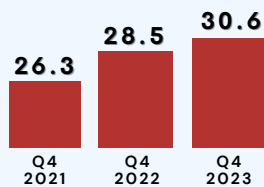
## INFLATION RATE



(SOURCE: INTERNATIONAL MONETARY FUND)

## FOREIGN DIRECT INVESTMENT (FDI)

IN U.S. DOLLARS (BILLIONS)



(SOURCE: TRADING ECONOMICS)

### The top sources of FDI in Mongolia are:

(2022)



EUROPEAN UNION  
55%



CHINA  
15%



SINGAPORE  
6%

The Mining and Quarrying sector attracts the majority of foreign investments. In 2022, it accounted for 73% of Mongolia's total FDI.

(SOURCE: INVEST MONGOLIA)

## A MEMBER OF WORLD TRADE ORGANISATION (WTO)

### Double Taxation Agreement (DTA)

Singapore and Mongolia has a Double Taxation Agreement (DTA) which provides clarity on tax matters and eliminates double taxation relating to cross-border transactions between the two countries.

(SOURCE: MTI)

### Asia-Pacific Trade Agreement (APTA)

As a member of APTA, Mongolia benefitted from reduced tariff barriers and market access into South, South-West, and South-East Asia, as well as strengthened trade relations with its largest trading partner, China.

(SOURCE: UNESCAP)

## LABOUR FORCE

(SOURCE: TRADING ECONOMICS, INTERNATIONAL LABOUR ORGANISATION)

TOTAL POPULATION  
(2024 FORECAST)

3.6 million

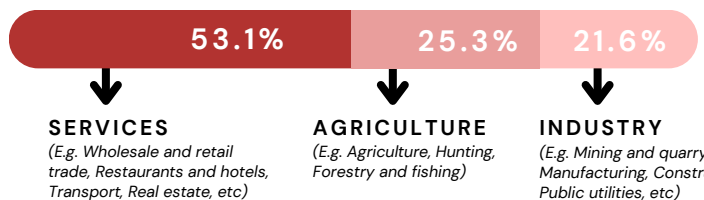
WORKING POPULATION  
(2022)

1.3 million

MINIMUM WAGE  
(2024)  
Mongolian Tugrik (MNT)

660,000 (~USD191)

OUT OF THE 1.3M WORKING POPULATION (2022)



## BILATERAL TRADE

(SOURCE: ENTERPRISE SINGAPORE, MONGOLIA NATIONAL NEWS AGENCY, TRADING ECONOMICS, OEC.WORLD)

- Bilateral trade between Singapore and Mongolia in 2023 saw an **increase of 66%** from the previous year, from SGD141 million to SGD234 million.
- Mongolia's **total foreign trade increased by 15%**, reaching USD24.4 billion in 2023.

### Top Export Partners

(2022)



CHINA  
77.8%



SWITZERLAND  
14.6%



SINGAPORE  
2.6%

### Top Exports

(2022)



COAL BRIQUETTES  
USD6.5B



COPPER ORE  
USD2.7B



GOLD  
USD2.1B



# MONGOLIA'S SECTOR HIGHLIGHTS

## FOOD SECTOR



The food market in Mongolia is projected to grow annually at a rate of 11.2% from 2024 to 2029, reaching an estimated market volume of approximately USD9.5 billion by 2029.

The food industry is expected to show a volume growth of 4.7% in 2025.



Mongolia has experienced a steady rise in online food delivery services, supported by increasing internet penetration, which is projected to reach 98% in 2024, with around 3 million internet users. Businesses can leverage this trend by offering e-commerce solutions or entering the online food delivery market.



Initiatives such as "Food Supply and Security" and "Healthy Mongolians" aim to boost food production and ensure food security. These open up opportunities for businesses to introduce new agricultural technologies and sustainable practices to ensure food quality and safety in the country.

(SOURCE: STATISTA, INVEST MONGOLIA)

## FURNISHING SECTOR



The revenue in the Furniture market in 2024 is estimated to be USD93 million.



The largest segment in the market is Living Room Furniture, projected to reach USD34 million in 2024.



There is a significant increase in online shopping for furniture and a growing demand for eco-friendly and sustainable furniture.



Furniture & Homeware eCommerce market is expected to reach USD34.3 million by 2024, representing 11.7% of the eCommerce market in Mongolia.

(SOURCE: STATISTA, ECOMMERCEDB)

## HEALTHCARE SECTOR



Significant investments are being made to provide modern healthcare services and improve access to advanced medical technologies in Mongolia.



The European Bank for Reconstruction and Development (EBRD) is financing the construction of a new 250-bed hospital in Darkhan.



Construction companies, equipment suppliers, and technology providers can contribute to the enhancement of healthcare services in Mongolia and achieve growth in this emerging market.

(SOURCE: EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT)

## EDUCATION SECTOR



The education sector presents various business opportunities, particularly in technology integration, expansion of international schools, investment in infrastructure and professional development.



The Education Sector Mid-Term Development Plan (2021-2030) seeks to enhance the quality and relevance of education, which includes integrating technology into the educational system.

(SOURCE: GLOBAL PARTNERSHIP FOR EDUCATION)



# SETTING UP A BUSINESS: MONGOLIA

(SOURCE: STATISTA, INVEST MONGOLIA, AMICUS MONGOLIA)



1

## WHAT ARE THE COMMON TYPES OF ESTABLISHMENT BY FOREIGN INVESTORS?

Foreign investors can acquire new or existing company shares or establish their legal presence.

- Foreign-invested limited liability company
- Representative office
- Permanent establishment



Minimum capital investment of USD100,000 per foreign investor is required in order to hold 25% or more of the issued shares in the Mongolian registered company.

2

## WHAT IS THE INCORPORATION PROCEDURE FOR A LIMITED LIABILITY COMPANY (LLC)?

01. Click [here](#) to apply a name for the business.

02. Open a temporary account in a commercial bank.

03. Remittance of share capital.  
*(Wire transfer the share capital to a temporary account of a Mongolian commercial bank)*

04. Register with the Legal Entities Registration Office (LERO).

05. Obtain a company seal.  
*(indicating name, location and registration requisites)*

**IMPORTANT**

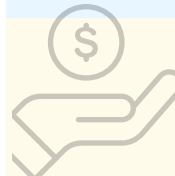
- It is mandatory to register with respective tax and social insurance offices after establishing a LLC.
- The whole process, inclusive of preparing the required documents, will take about 1 month.

3

## IMPORTANT INFORMATION ON TAXES

### Corporate Income Tax

First MNT 6 Billion: **10%** or **25%** of the remaining profits



### Personal Income Tax

**10%** or **20%**  
*(depending on income level)*

### Value Added Tax

**10%**  
*(VAT zero rate applies to several goods, works and services)*

4

## FINANCING - WHAT IS THE BANK INTEREST RATES?

**16.1%**  
*(Q1 2023)*

5

## BUSINESS CULTURE IN MONGOLIA



Greet everyone with a handshake.



Mongolians prefer to use first names for introductions.



Exchange business cards respectfully, using both hands.



Hierarchy is crucial in Mongolian business interactions.



Mongolians value social interaction before business talks.



Stick to agreed meeting plans. Changing them at the last minute is considered rude.



# SOME INSIGHTS FOR BUSINESSES EXPLORING MONGOLIA



## Investment Opportunities & Tax Incentives for FDI

(SOURCE: INVEST MONGOLIA)

### Investment Opportunities



#### Mining Sector

Mongolia's mineral potential remains largely unexplored, with geological mapping covering only 40% of the country's territory. The government promotes transparent mining, strategic deposit classifications, and has introduced an electronic tendering process to boost exploration and proven reserves.



#### Free Trade and Economic Zones (FZs)

Mongolia's FZs offer special regimes on tax, foreign labour and land fee exemption.

For more information on investment opportunities, please click [here](#).

### Tax Incentives

- Exemptions from tax.
- Tax credits.
- Could use accelerated depreciation for tax purposes, tax loss carry forward and deduction of employee training cost from taxable income.

### Tax Stabilisation Certification

- If granted, applicable tax rates (corporate income tax, custom duties, VAT and mineral royalty tax) can be stabilised for 5-18 years.
- Companies must meet a specific investment threshold, undergo a detailed environmental impact assessment, and generate permanent jobs while introducing innovative technology.



## Useful Websites and Platforms for Businesses

(SOURCE: INVEST MONGOLIA)



### One-Window Investment and Trade Service for Investors

It was launched in 2019, offering public services and information related to company incorporation such as legal framework, social insurance, immigration issues, tax registration, corporate incorporation and incentives.

For more information, visit [investmongolia.gov.mn](http://investmongolia.gov.mn)



### E-Mongolia Platform

#### Invest in Mongolia Portal

Access basic investment services such as issuing reference letters, confirmation letters for tax payments and social insurance contributions etc.

#### E-Business

Tailored for entrepreneurs, business owners and legal entities to access government services.

#### Licence MN Portal

To date, 19 state authorities process requests for licences and/or licence extensions for businesses through this portal.



## Sustainability Efforts – Carbon Trading

(SOURCE: MINISTRY OF SUSTAINABILITY AND THE ENVIRONMENT)



In June 2023, Singapore and Mongolia signed a Memorandum of Understanding (MOU) and agreed to collaborate on carbon credit projects to meet emission targets. The MOU establishes a framework for bilateral cooperation between Singapore and Mongolia that addresses climate-related issues while also providing opportunities for profitable business relationships.



It creates opportunities for Singapore companies to work on carbon credit projects in Mongolia. Collaborating with Mongolian companies can promote innovation and knowledge sharing, which will help the local economies and communities in both nations.





## MORE INFORMATION

### SUPPORT SCHEMES & PROGRAMMES

- [Singapore Global Enterprises Initiative](#)
- [Market Readiness Assistance Grant](#)
- [Enterprise Development Grant](#)
- [Enterprise Financing Scheme](#)



Initiatives such as **GlobalConnect@SBF**, **Scale-up SG** and **iTalent Solutions Map** enable companies in their journey towards internationalisation.

Visit [SBF Singapore Business Institute \(SBI\)](#) for the list of available training for your respective areas of interest.

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