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MONGOLIA ECONOMIC GROWTH ASSESSMENT

Annex 5 – Economic/Benchmarking Analyses



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Authored by:

Alan Saffery, Lawrence Camp, Dany Khy, Stratos Tavoulareas & Margaret Herro

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Annex 5 - Economic / Benchmarking Analyses

This Annex presents most widely used indexes of the business enabling environment. These include:

- 1) WEF Global Competitiveness Report
- 2) WEF Global Enabling Trade Report
- 3) WB Doing Business Index
- 4) WB Enterprise Surveys Index
- 5) WEF Networked Readiness Index
- 6) WB Governance Indicators
- 7) HF Index of Economic Freedom
- 8) TI Corruptions Perception Index
- 9) HRI Economic & Social Rights Fulfillment Index
- 10) FH Freedom in the World Index
- 11) FH Freedom of the Press Index
- 12) WEF Global Gender Gap Report
- 13) WEF Travel & Tourism Competitiveness Index
- 14) UN World Development Indicators
- 15) UN Millennium Development Goals

Much of the text presented has been taken directly from the reports

Limited benchmarking has been undertaken. Countries selected include: Armenia, Azerbaijan, China, Georgia, Kazakhstan, Kyrgyz Republic and Russia. The countries were selected based on a combination of factors as shown in the table below.

	Former Soviet Union	Neighboring Countries & Eastern Asia (UN Def.)	WEF – Factor Driven Economies	WEF – Factor Driven to Efficiency Driven Economies	Ore & Mineral Exporters as % of Merchandise Exports (2008 or 2007)
1	Armenia	China	Bangladesh	Algeria	Zambia
2	Azerbaijan	Japan	Benin	Azerbaijan	Mongolia
3	Belarus	Kazakhstan	Bolivia	Botswana	Niger
4	Estonia	Korea	Burkina Faso	Brunei Darussalam	Chile
5	Georgia	Mongolia	Burundi	Egypt	Mauritania
6	Kazakhstan	North Korea	Cambodia	Georgia	Guinea
7	Kyrgyz Republic	Russia	Cameroon	Guatemala	Mozambique
8	Latvia	Taiwan	Chad	Indonesia	Peru
9	Lithuania		Cote d'Ivoire	Jamaica	New Caledonia
10	Moldova		Ethiopia	Kazakhstan	Iceland
11	Mongolia		Gambia, The	Kuwait	Namibia
12	Russia		Ghana	Libya	Guyana
13	Tajikistan		Guyana	Morocco	South Africa
14	Turkmenistan		Honduras	Paraguay	Armenia
15	Ukraine		India	Qatar	Rwanda
16	Uzbekistan		Kenya	Saudi Arabia	Australia
17			Kyrgyz	Syria	Bolivia

	Republic		
18	Lesotho	Venezuela	Georgia
19	Madagascar		Zimbabwe
20	Malawi		Botswana
21	Mali		Tanzania
22	Mauritania		Bulgaria
23	Mongolia		Greenland
24	Mozambique		Dominica
25	Nepal		Bosnia & Herzegovina
26	Nicaragua		Togo
27	Nigeria		Cyprus
28	Pakistan		Brazil
29	Philippines		Kazakhstan
30	Senegal		Lebanon
31	Sri Lanka		Bahamas
32	Tajikistan		Bahrain
33	Tanzania		Jordan
34	Timor Leste		Morocco
35	Uganda		Serbia
36	Vietnam		Burundi
37	Zambia		Greece
38	Zimbabwe		Canada

WEF Global Competitiveness Index

	WEF Competitiveness Ranking/139 – 2010-2011	WEF Competitiveness Ranking/133 – 2009-2010	Basic Requirements	Efficiency Enhancers	Innovation Factors
China	27	29	30	29	31
Azerbaijan	57	51	58	75	66
Russia	63	63	65	53	80
Kazakhstan	72	67	69	71	102
Georgia	93	90	95	94	121
Armenia	98	97	94	106	114
Mongolia	99	117	100	109	119
Kyrgyz Republic	121	123	120	111	137

Basic Requirements				
	Institutions	Infrastructure	Macroeconomic Stability	Health & Primary Education
AVERAGE	93	82	65	78
China	49	50	4	37
Azerbaijan	71	76	13	83
Russia	118	47	79	53
Kazakhstan	91	81	26	85
Georgia	69	73	130	73
Armenia	97	90	99	93
Mongolia	122 ↓	117 ↑	49 ↑	98 ↑
Kyrgyz Republic	131	124	119	101

Efficiency Enhancers						
	Higher Education & Training	Goods Market Efficiency	Labor Market Efficiency	Financial Market Sophistication	Technological Readiness	Market Size
AVERAGE	76	93	39	104	91	75
China	60	43	38	57	78	2
Azerbaijan	77	93	25	71	70	76
Russia	50	123	57	125	69	8
Kazakhstan	65	86	21	117	82	55
Georgia	90	64	31	108	98	107
Armenia	91	113	47	110	108	116
Mongolia	89 ↑	99 ↑	29 ↑	129 ↓	105 ↑	123 -
Kyrgyz Republic	86	121	65	111	119	115

Innovation Factors		
	Business Sophistication	Innovation
AVERAGE	72	91
China	41	26
Azerbaijan	72	61
Russia	101	57
Kazakhstan	102	101
Georgia	111	125
Armenia	109	116
Mongolia	127 ↑	100 ↑
Kyrgyz Republic	130	139

	Indicator	Rank/139 2010/11	Rank/133 2009/10	Rank/134 2008/9	Rank/131 2007/8
INSTITUTIONS					
1.01	Property Rights	115	112	101	89
1.02	Intellectual Property Protection	130	118	122	118
1.03	Diversion of Public Funds	125	118	120	119
1.04	Public Trust of Politicians	118	119	120	122
1.05	Irregular Payments and bribes	119	n/a	n/a	n/a
1.06	Judicial Independence	120	118	120	114
1.07	Favoritism in Decisions of Government Officials	134	123	121	119
1.08	Wastefulness of Government Spending	139	131	122	122
1.09	Burden of Government Regulation	113	109	112	92
1.10	Efficiency of Legal Framework in Settling Disputes	124	121	124	120
1.11	Efficiency of Legal Framework in Challenging Regulations	113	96	n/a	n/a
1.12	Transparency of Government Policy Making	120	123	129	123
1.13	Business Costs of Terrorism	19	33	45	42
1.14	Business Costs of Crime & Violence	73	76	78	82
1.15	Organized Crime	84	75	69	59
1.16	Reliability of Police Services	96	107	116	114
1.17	Ethical Behavior of Firms	133	127	126	123
1.18	Strength Auditing and Rep. Stds	117	116	115	108
1.19	Efficacy of Corporate Boards	128	111	114	111
1.20	Protection of Minority Shareholder Rights	134	129	133	130
1.21	*Strength of Investor	27	n/a	n/a	n/a

	Protection				
INFRASTRUCTURE					
2.01	Quality of Overall Infrastructure	137	133	133	126
2.02	Quality of Roads	138	133	134	130
2.03	Quality of Railroad Infrastructure	69	77	74	68
2.04	Quality of Port Infrastructure	112	116	125	119
2.05	Quality of Air Transport Infrastructure	129	128	130	124
2.06	*Available Seat Kilometers	119	116	118	115
2.07	Quality of Electricity Supply	111	112	113	111
2.08	*Fixed Telephone Lines	103	98	101	99
2.09	*Mobile Telephone Subscribers	84	113	99	95
MACROECONOMIC STABILITY					
3.01	*Government Budget Balance	96	116	33	10
3.02	*National Savings Rate	4	12	11	18
3.03	*Inflation	102	131	110	72
3.04	*Interest Rate Spread	92	82	47	107
3.05	*Government Debt	42	59	83	86
3.06	*Country Credit Rating	93	n/a	n/a	n/a
HEALTH & PRIMARY EDUCATION					
4.01	Business Impact of Malaria	1	1	99	105
4.02	*Malaria Incidence	1	1	1	1
4.03	Business Impact of Tuberculosis	96	118	121	117
4.04	*Tuberculosis Incidence	110	105	103	104
4.05	Business Impact of HIV/AIDS	67	99	110	104
4.06	*HIV Prevalence	22	15	23	1
4.07	*Infant Mortality	103	97	97	95
4.08	*Life Expectancy	104	100	96	96
4.09	Quality of Primary Education	106	103	111	97
4.10	*Primary Enrollment	103	93	75	105
HIGHER EDUCATION & TRAINING					
5.01	*Secondary Enrollment	40	53	58	45
5.02	*Tertiary Enrollment	47	44	39	50
5.03	Quality of the Educational System	136	132	124	111
5.04	Quality of Math and Science Education	73	67	59	84
5.05	Quality of Management Schools	135	130	128	123
5.06	Internet Access in Schools	86	94	105	100
5.07	Local Availability of Research & Training Services	139	133	108	90
5.08	Extent of Staff Training	82	109	113	94

GOODS MARKET EFFICIENCY					
6.01	Intensity of Local Competition	95	98	95	83
6.02	Extent of Market Dominance	139	133	130	122
6.03	Effectiveness of Anti-monopoly Policy	117	122	121	112
6.04	Extent and Effect of Taxation	69	60	64	99
6.05	*Total Tax Rate	16	25	50	22
6.06	*# of Procedures Required to Start a Business	57	46	44	37
6.07	*Time Required to Start a Business	45	33	42	32
6.08	Agricultural Policy Costs	101	75	98	101
6.09	Prevalence of Trade Barriers	74	100	122	122
6.10	*Tariff Barriers	63	60	62	43
6.11	Prevalence of Foreign Ownership	59	82	74	59
6.12	Business Impact of Rules on FDI	105	117	121	93
6.13	Burden of Customs Procedures	123	109	117	120
6.14	Degree of Customer Orientation	123	127	127	116
6.15	Buyer Sophistication	116	100	92	97
LABOR MARKET EFFICIENCY					
7.01	Cooperation in Labor-Employer Relations	89	100	96	77
7.02	Flexibility of Wage Determination	13	13	21	16
7.03	*Rigidity of Employment	37	63	57	50
7.04	Hiring & Firing Practices	23	19	18	18
7.05	*Redundancy Costs	16	15	15	12
7.06	Pay & Productivity	38	61	78	65
7.07	Reliance on Professional Management	125	128	132	126
7.08	Brain Drain	123	112	94	100
7.09	*Female Participation in Labor Force	7	5	88	86
FINANCIAL MARKET SOPHISTICATION					
8.01	Availability of Financial Services	126	n/a	n/a	n/a
8.02	Affordability of Financial Services	124	n/a	n/a	n/a
8.03	Financing Through Local Equity Market	99	89	89	99
8.04	Ease of Access to Loans	139	130	130	131
8.05	Venture Capital Availability	136	131	128	128
8.06	Restriction on Capital Flows	97	83	63	51
8.07	Soundness of Banks	136	132	120	117
8.08	Regulation of Securities	129	120	123	118

	Exchange				
8.09	*Legal Rights Index	60	58	52	47
TECHNOLOGICAL READINESS					
9.01	Availability of Latest Technologies	119	94	90	105
9.02	Firm Level Technology Absorption	84	94	86	107
9.03	FDI & Technology Transfer	96	114	121	120
9.04	*Internet Users	98	83	81	75
9.05	*Broadband Internet Subscribers	94	95	97	94
9.06	*Internet Bandwidth	50	n/a	n/a	n/a
MARKET SIZE					
10.01	*Domestic Market Size Index	127	123	124	124
10.02	*Foreign Market Size Index	113	109	109	113
BUSINESS SOPHISTICATION					
11.01	Local Supplier Quantity	131	129	129	128
11.02	Local Supplier Quality	134	128	129	127
11.03	State of Cluster Development	127	123	111	112
11.04	Nature of Competitive Advantage	76	91	114	96
11.05	Value Chain Breadth	128	130	134	131
11.06	Control of International Distribution	135	133	131	127
11.07	Production Process Sophistication	109	96	85	85
11.08	Extent of Marketing	84	94	111	113
11.09	Willingness to Delegate Authority	137	132	126	114
INNOVATION					
12.01	Capacity for Innovation	74	79	95	97
12.02	Quality of Scientific Research Institutions	111	106	110	97
12.03	Company Spending on R&D	110	112	105	98
12.04	University-Industry Collaboration in R&D	86	98	96	89
12.05	Government Procurement of Advanced Technology Products	94	84	70	106
12.06	Availability of Scientists and Engineers	72	75	79	53
12.07	*Utility Patents	90	90	88	89

WEF Global Enabling Trade (GET) Index

Selected Trade Indicators

Current Account Balance (share of GDP), 2009	-6.9 ↓
Merchandise Exports, f.o.b. (US\$ millions), 2008	2,539.3 ↑
Services Exports, (US\$ millions), 2007	570.6
Merchandise Imports, c.i.f. (US\$ millions), 2008	3,615.8 ↑
Services Imports (US\$ millions), 2007	630.9
WTO Accession Year	1997
Regional Trade Agreements notified to WTO	0
MFN Tariffs, simple avg., 2008: bound; applied	17.6; 5.0
Tariff Escalation (rate diff. raw to finished), 2008	-0.1
Tariff Rate for Agricultural Products, 2008	5.2
Tariff rate for Non-Agricultural Products	4.6
Agricultural Tariff Peaks (percent), 2008	2.0
Non-Agricultural Tariff Peaks (percent), 2008	0.0

Main trading partners, 2008 - Share of total volume of merchandise trade (percent)

Exports		Imports	
China	74.2	Russian Federation	34.3
Canada	9.5	China	31.1
EU27	5.6	EU27	9.2
United States	3.4	Korea, Rep.	5.6
Russian Federation	3.0	Japan	5.1
Others	4.3	Others	14.8

Exports and Imports by Sector, 2008

	Agriculture	Fuels & Mining	Manufacturing
Exports	9.9	63.6	2.2
Imports	12.1	26.3	60.9

	GET Index Ranking/125 2010	GET Index Ranking/121 2009
China	48	49
Azerbaijan	77	70
Russia	114	109
Kazakhstan	88	93
Georgia	37	n/a
Armenia	52	64
Mongolia	116	113
Kyrgyz Republic	100	101

	GET Index 2010 Rank/125	GET Index 2009 Rank/121	GET Index 2008 Rank/118
DOMESTIC AND FOREIGN MARKET ACCESS	110		
Tariff rate, %	60	53	54
Non-tariff measures, index 0–100 (best)	n/a	n/a	n/a
Complexity of tariffs, index 1–7 (best)	3	3	n/a
Tariff dispersion, standard deviation	3	3	n/a
Tariff peaks, %	29	30	n/a
Specific tariffs, %	1	37	n/a
Distinct tariffs, number	4	4	n/a
Share of duty-free imports, %	125	117	n/a
Tariffs faced, %	107	107	n/a
Margin of preference in destination markets, index 0–100 (best)	118	114	n/a
EFFICIENCY OF CUSTOMS ADMINISTRATION	97		
Burden of customs procedures, 1–7 (best)	104	107	109
Customs services index, 0–12 (best)	n/a	n/a	n/a
EFFICIENCY OF IMPORT-EXPORT PROCEDURES	113		
Efficiency of the clearance process, 1–5 (best)	124	106	103
Time to import, days	113	108	105
Documents to import, number	73	66	89
Cost to import, US\$ per container	109	104	110
Time to export, days	115	113	n/a
Documents to export, number	91	83	n/a
Cost to export, US\$ per container	113	108	n/a
TRANSPARENCY OF BORDER ADMINISTRATION	105		
Irregular payments in exports and imports, 1–7 (best)	109	108	108
Corruption Perceptions Index, 0–10 (best)	92	80	74
AVAILABILITY AND QUALITY OF TRANSPORT INFRASTRUCTURE	105		
Airport density, number per million population	7	6	6
Transshipment connectivity index, 0–100 (best)	n/a	n/a	n/a
Paved roads, % of total	123	118	114
Quality of air transport infrastructure, 1–7 (best)	121	118	113
Quality of railroad infrastructure, 1–7 (best)	77	72	65
Quality of roads, 1–7 (best)	125	121	117
Quality of port infrastructure, 1–7 (best)	109	113	107
AVAILABILITY AND QUALITY OF TRANSPORT SERVICES	108		
Liner Shipping Connectivity Index, 0–132.5 (best)	n/a	n/a	n/a
Ease and affordability of shipment, 1–5 (best)	109	80	77
Logistics competence, 1–5 (best)	112	118	116
Tracking and tracing ability, 1–5 (best)	105	109	108
Timeliness of shipments in reaching destination, 1–5 (best)	122	117	114
Postal services efficiency, 1–7 (best)	66	67	60
GATS commitments in the transport sector, index 0–1 (best)	69	68	n/a
AVAILABILITY AND USE OF ICTS	80		
Extent of business Internet use, 1–7 (best)	83	n/a	n/a
Mobile telephone subscriptions per 100 population	85	99	94
Broadband Internet subscribers per 100 population	78	84	89
Internet users per 100 population	85	79	76

Fixed telephone lines per 100 population	92	89	90
Government Online Service Index, 0–1 (best)	20	n/a	n/a
REGULATORY ENVIRONMENT	112		
Property rights, 1–7 (best)	106	97	n/a
Ethics and corruption, 1–7 (best)	110	110	n/a
Undue influence, 1–7 (best)	113	112	n/a
Government efficiency, 1–7 (best)	119	114	n/a
Domestic competition, 1–7 (best)	92	93	n/a
Efficiency of the financial market, 1–7 (best)	103	n/a	n/a
Openness to foreign participation, index 1–7 (best)	87	84	n/a
Ease of hiring foreign labor, 1–7 (best)	79	90	92
Prevalence of foreign ownership, 1–7 (best)	78	67	53
Business impact of rules on FDI, 1–7 (best)	110	110	84
Restriction on international capital flows, 1–7 (best)	79	56	n/a
Openness to multilateral trade rules, index 0–100 (best)	49	n/a	n/a
PHYSICAL SECURITY	73		
Reliability of police services, 1–7 (best)	100	104	102
Business costs of crime and violence, 1–7 (best)	73	70	73
Business costs of terrorism, 1–7 (best)	30	38	34

World Bank Doing Business Index

	Ease of Doing Business 2010 (183 Countries)	Ease of Doing Business 2009 (183 countries)
China	89	86
Azerbaijan	38	38
Russia	120	118
Kazakhstan	63	64
Georgia	11	16
Armenia	43	50
Mongolia	60	56
Kyrgyz Republic	41	80

	Starting a Business	Dealing with Construction Permits	Employing Workers	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading across Borders	Enforcing Contracts	Closing a Business
China	151	180	140	32	61	93	125	44	18	65
Azerbaijan	17	158	33	9	15	20	108	177	26	84
Russia	106	182	109	45	87	93	103	162	19	92
Kazakhstan	82	143	38	31	43	57	52	182	34	54
Georgia	5	7	9	2	30	41	64	30	41	95
Armenia	21	72	62	5	43	93	153	102	62	49
Mongolia	78	103	44	25	71	27	69	155	36	110
Kyrgyz Republic	14	40	47	19	15	12	156	154	54	140

	2010 (183 countries)	2009 (183 countries)	2008
STARTING A BUSINESS	78	61	
Procedures (number)	7	7	7
Time (days)	13	13	13
Cost (% of income per capita)	3	4	6.6
Min. capital (% of income per capita)	44.0	58.5	96.3
DEALING WITH CONSTRUCTION PERMITS	103	104	
Procedures (number)	21	21	21
Time (days)	215	215	215
Cost (% of income per capita)	61.2	81.3	133.9
EMPLOYING WORKERS	44	49	
Difficulty of hiring index (0-100)	11		
Rigidity of hours index (0-100)	40		
Difficulty of redundancy index (0-10)	0		
Rigidity of employment index (0-100)	17	21	21
Redundancy costs (weeks of salary)	9	9	9
REGISTERING PROPERTY	25	20	
Procedures (number)	5	5	5
Time (days)	11	11	11
Cost (% of property value)	2.1	2.1	2.2

GETTING CREDIT	71	68	
Strength of legal rights index (0-10)	6	6	6
Depth of credit information index (0-6)	3	3	3
Public registry coverage (% of adults)	22.2	22.7	10.8
Private bureau coverage (% of adults)	0.0		
PROTECTING INVESTORS	27	25	
Extent of disclosure index (0-10)	5		
Extent of director liability index (0-10)	8		
Ease of shareholder suits index (0-10)	6		
Strength of investor protection index (0-10)	6.3	6.3	6.3
PAYING TAXES	69	87	
Payments (number per year)	43	43	43
Time (hours per year)	192	204	204
Profit tax (%)	9.3		
Labor tax and contributions (%)	12.4		
Other taxes (%)	1.1		
Total tax rate (% profit)	22.8	32.6	38.4
TRADING ACROSS BORDERS	155	156	
Documents to export (number)	8	8	8
Time to export (days)	46	49	33
Cost to export (US\$ per container)	2131	2131	1807
Documents to import (number)	8	8	8
Time to import (days)	47	49	33
Cost to import (US\$ per container)	2274	2274	2274
ENFORCING CONTRACTS	36	35	
Procedures (number)	32	32	32
Time (days)	314	314	314
Cost (% of claim)	30.6	30.6	30.6
CLOSING A BUSINESS	110	110	
Recovery rate (cents on the dollar)	22.0	22.0	20.1
Time (years)	4	4	4
Cost (% of estate)	8	8	8

World Bank Enterprise Surveys Index

	China (2003)	Azerbaijan (2009)	Russia (2009)	Kazakhstan (2009)	Georgia (2008)	Armenia (2009)	Mongolia (2009)	Kyrgyz Republic (2009)
REGULATIONS AND TAX								
Senior Management Time Spent in Dealing with Requirements of Government Regulation (%)	18.30	2.98	19.93	4.72	2.06	10.25	12.08	4.88
Average number of visits or required meetings with tax officials.	14.40	2.08	1.57	2.57	0.62	2.07	2.01	2.12
If there were visits, Average number of visits or required meetings with tax officials.	17.48	2.43	2.53	5.37	1.65	2.65	2.96	2.49
% of Firms Identifying Tax Rates as Major Constraint***	36.8	24.46	48.83	45.81	28.68	38.32	32.65	48.43
% of Firms Identifying Tax Administration as Major Constraint***	26.67	9.95	20.04	23.61	14.59	21.15	9.10	31.60
PERMITS AND LICENSES								
Days to Obtain Operating License	11.57	15.78	57.40	30.83	11.75	20.03	43.50	17.98
Days to Obtain Construction-related Permit		46.53	104.39	68.24	44.25	26.34	71.48	64.63
Days to Obtain Import License	18.36	11.90	29.56	22.67	17.79	7.60	34.69	10.16
% of Firms Identifying Business Licensing and Permits as Major Constraint***	21.33	8.52	23.49	25.19	10.66	5.58	31.81	16.30
CORRUPTION								
% of Firms Expected to Pay Informal Payment to Public Officials (to Get Things Done)	72.57	32.01	29.44	23.25	4.08	11.62	30.41	37.48
% of Firms Expected to Give Gifts to Get an Operating License	8.49	34.59	22.18	30.02	3.51	11.25	31.27	25.69
% of Firms Expected to Give Gifts In Meetings With Tax Officials	38.74	43.24	17.44	25.05	8.39	13.33	20.78	39.05
% of Firms Expected to Give Gifts to Secure a Government Contract**	27.04	37.58	46.32	54.84	0.00	1.73	40.63	56.38
% of Firms Identifying Corruption as a Major Constraint***	27.33	25.07	50.00	43.85	20.42	39.61	31.14	58.93
CRIME								
% of Firms Paying for Security		61.96	77.69	57.85	65.02	58.99	71.25	45.15
Losses Due to Theft, Robbery, Vandalism, and Arson Against the Firm (% of Sales)	0.12	0.32	0.78	1.04	0.73	0.60	0.59	0.34
If there were losses, Losses Due to Theft, Robbery, Vandalism, and Arson Against the Firm (% of Sales)		10.78	2.71	6.36	7.55	6.44	2.30	2.30
Security Costs (% of Sales)	0.54	1.95	1.77	1.94	1.45	1.44	2.78	2.41
Security Costs if the establishment pays for security (% of Sales)		3.30	2.39	3.56	2.72	2.63	3.91	5.74

Products Shipped to Supply Domestic Markets Lost Due to Theft (%)*								
% of Firms Identifying Crime, Theft and Disorder as Major Constraints***	20.00	10.51	38.13	41.52	36.70	31.22	14.87	42.82
INFORMALITY								
% of Firms expressing that a Typical Firm Reports less than 100% of Sales for Tax Purposes	49.45							
% of Services Firms Competing Against Unregistered or Informal Firms	40.71	32.23	36.89	52.23	44.57	43.04		67.46
% of Firms Formally Registered when Started Operations in the Country	85.12	94.68	97.37	99.55	96.23	90.11		95.94
Number of years firms operated without formal registration	4.73	0.77	0.04	0.42	0.14	2.49		4.30
GENDER								
% of Firms With Female Participation in Ownership	10.79	33.05	34.43	40.84	31.78	52.00		60.43
% of Full Time Female Workers*	42.53	30.24	41.58	41.35	42.76	36.89	48.52	42.62
% of Female Permanent Full-time Non-production Workers *	6.62	14.51	15.04	11.26	12.78	16.17		11.28
% of Firms With Female Top Manager	4.72	14.43	24.69	19.77	13.49	36.36		23.02
FINANCE								
% of Firms with Line of Credit or Loans from Financial Institutions	19.87	31.25	33.24	41.76	44.25	52.91		20.35
% of Firms Using Banks to Finance Investments	28.76	19.02	30.62	30.98	38.16	31.93	26.50	17.85
% of Firms Using Banks to Finance Expenses	38.34							
Value of Collateral Needed for a Loan (% of the Loan Amount)	88.45	102.43	116.47	91.21	185.08	95.64	41.17	127.81
% of Firms Identifying Access to Finance as a Major Constraint***	22.80	23.21	34.99	30.97	35.27	32.59	38.59	27.91
INFRASTRUCTURE								
Number of Power Outages in a Typical Month	2.93	1.50	2.83	3.29	2.22	2.62		5.74
If there were outages, Duration of Power Outages (hours)	3.49	5.69	5.98	8.37	3.71	4.25		7.39
Value Lost Due to Power Outages (% of Sales)	1.31	1.81	1.22	3.65	1.43	1.80	0.84	10.48
If a generator is used, Electricity from Generator (%) *	2.36	10.27	8.36	18.92	5.10	17.40	35.20	9.51
Delay in Obtaining an Electrical Connection (days)	27.77	9.67	57.45	47.78	11.41	16.28	20.00	25.21
Average number of Incidents of Water Insufficiency in a Typical Month*	3.99	1.39	2.90	4.18	1.86	2.71		5.78
If there were shortages, Average Duration of the Water Shortage (hours)*	9.02	20.58	9.33	4.83	27.77	4.54		10.29
Delay in Obtaining a Water Connections (days)	9.46	36.30	40.53	16.20	14.28	81.48		15.37
Delay in Obtaining a Mainline Telephone Connection (days)	6.32	9.32	19.54	39.60	16.43	21.90	10.08	10.03
INNOVATION AND TECHNOLOGY								
% of Firms With Internationally-Recognized Quality Certification	35.92	18.17	11.69	10.84	16.04	26.89	16.69	16.22

% of Firms with Annual Financial Statement Reviewed by External Auditor	70.79	37.34	41.13	25.30	47.51	19.11	79.03	37.84
% of Firms Using Technology Licensed from Foreign Companies *	20.39	23.81	24.79	14.60	16.77	40.30	23.47	19.48
% of Firms using its Own Website		21.67	55.26	26.51	30.74	62.80	36.29	26.07
TRADE								
Average Time to Clear Direct Exports Through Customs (days)	6.64	1.90	4.58	8.47	3.75	3.30	18.56	15.78
Average Time to Clear Imports from Customs (days)*	8.14	4.40	13.55	14.01	11.46	28.54	8.23	7.25
% of Exporter Firms	24.48	4.27	6.90	4.91	9.96	22.09	7.60	11.88
% of Firms that Use Material Inputs and/or Supplies of Foreign origin*		43.86	54.33	45.26	57.37	72.47	67.37	48.75
% of Firms that Export Directly	17.77	3.10	4.92	2.59	8.14	18.43	5.01	10.09
% of Firms that Trade Identifying Customs & Trade Regulations as a Major Constraint***	19.33	7.14	19.31	19.31	11.97	26.48	23.71	13.90
WORKFORCE								
% of Firms Offering Formal Training*	84.78	10.54	52.17	40.87	14.53	30.35	61.22	29.67
Average Number of Seasonal/Temporary, Full-Time Employees	106.78	3.89	6.05	1.82	5.47	4.63	17.47	9.87
Average Number of Permanent, Full Time Employees	358.53	35.86	117.97	55.05	39.28	38.94	38.15	46.41
% of Firms Identifying Labor Regulations as a Major Constraint***	20.73	0.57	10.79	4.01	6.68	7.59	4.13	5.14

WEF Networked Readiness (NR) Index

	NR Index/133 2009-2010	NR Index/134 2008-2009	NR Index/127 2007-2008	Environment Component 2009-2010	Readiness Component 2009-2010	Usage Component 2009-2010
China	37	46	57	57	19	36
Azerbaijan	64	60	67	63	57	68
Russia	80	74	72	86	73	71
Kazakhstan	68	73	71	80	74	54
Georgia	93	88	91	83	105	90
Armenia	101	114	106	108	91	105
Mongolia	94	93	87	94	108	78
Kyrgyz Republic	123	115	114	106	129	108

Environment Component

Market Environment Political & Regulatory Environment Infrastructure Environment

AVERAGE			
China	72	47	70
Azerbaijan	59	54	78
Russia	116	109	43
Kazakhstan	93	89	58
Georgia	57	83	97
Armenia	118	113	82
Mongolia	104	102	76
Kyrgyz Republic	121	106	81

Readiness Component

Individual Readiness Business Readiness Government Readiness

AVERAGE			
China	9	34	14
Azerbaijan	106	44	30
Russia	60	78	99
Kazakhstan	95	67	60
Georgia	93	116	92
Armenia	52	120	111
Mongolia	104	123	71
Kyrgyz Republic	120	126	127

Usage Component

Individual Usage Business Usage Government Usage

AVERAGE			
China	71	16	30
Azerbaijan	77	70	49
Russia	52	71	107
Kazakhstan	57	88	39
Georgia	73	111	88

Armenia	87	113	121
Mongolia	86	104	43
Kyrgyz Republic	99	130	104

ENVIRONMENT COMPONENT	NR Index/133 2009-2010 94 countries	NR Index/134 2008-2009 93 countries
MARKET ENVIRONMENT	104	89
Venture capital availability	131	128
Financial market sophistication	124	119
Availability of latest technologies	94	90
State of cluster development	123	111
Burden of government regulation	109	112
Extent and effect of taxation	60	64
Total tax rate, 2008*	16	25
Time required to start a business, 2009*	41	33
No. of procedures required to start a business, 2009*	55	46
Intensity of local competition	98	95
Freedom of the press	79	85
POLITICAL AND REGULATORY ENVIRONMENT	102	102
Effectiveness of law-making bodies	111	114
Laws relating to ICT	120	117
Judicial independence	118	120
Intellectual property protection	118	122
Efficiency of legal framework in settling disputes	121	124
Efficiency of legal framework in challenging regs	96	
Property rights	112	101
No. of procedures to enforce a contract, 2009*	32	31
Time to enforce a contract, 2009*	16	19
Level of competition index, 2007*	59	
INFRASTRUCTURE ENVIRONMENT	76	73
Number of telephone lines, 2008*	99	103
Secure Internet servers, 2008*	72	70
Electricity production, 2006*	87	88
Availability of scientists and engineers	75	79
Quality of scientific research institutions	106	110
Tertiary education enrollment, 2007*	44	40
Education expenditure, 2007*	52	41
Accessibility of digital content	75	
Internet bandwidth, 2008*	61	
READINESS COMPONENT	108	92
INDIVIDUAL READINESS	104	96
Quality of math and science education	67	59
Quality of the educational system	132	124
Buyer sophistication	100	92
Residential telephone connection charge, 2006*	82	98
Residential monthly telephone subscription, 2006*	2	32
Fixed broadband tariffs*	n/a	104
Mobile cellular tariffs*	n/a	91
Fixed telephone lines tariffs*	n/a	
BUSINESS READINESS	123	112
Extent of staff training	109	113
Local availability of research and training	133	108

Quality of management schools	130	128
Company spending on R&D	112	105
University-industry collaboration in R&D	98	96
Business telephone connection charge, 2006*	73	95
Business monthly telephone subscription, 2006*	30	95
Local supplier quality	128	129
Computer, comm., and other services imports, 2006*	106	109
Availability of new telephone lines	108	119
GOVERNMENT READINESS	71	59
Government prioritization of ICT	54	39
Gov't procurement of advanced tech. products	84	70
Importance of ICT to gov't vision of the future	88	72
Usage component	78	98
INDIVIDUAL USAGE	86	97
Mobile telephone subscriptions, 2008*	92	110
Personal computers, 2008*	38	55
Broadband Internet subscribers, 2008*	83	99
Internet users, 2008*	90	86
Internet access in schools	94	
BUSINESS USAGE	104	106
Prevalence of foreign technology licensing	121	114
Firm-level technology absorption	94	86
Capacity for innovation	79	95
Extent of business Internet use	87	94
Creative industries exports, 2006*	107	
Utility patents, 2008*	90	89
High-tech exports, 2006*	104	101
GOVERNMENT USAGE	43	81
Government success in ICT promotion	49	48
Government Online Service Index, 2009*	20	
ICT use and government efficiency	88	99
Presence of ICT in government agencies	73	69
E-Participation Index, 2009*	28	43

World Bank Governance Indicators

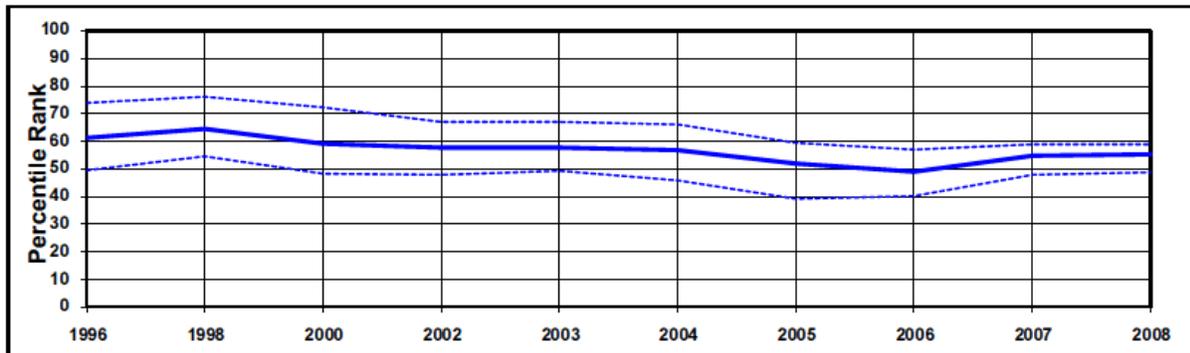
The World Bank Governance Matters Report 2009 provides a summary of six aggregate governance indicators (based on data for the period 1996-2008) for countries around the world.

The six indicators are:

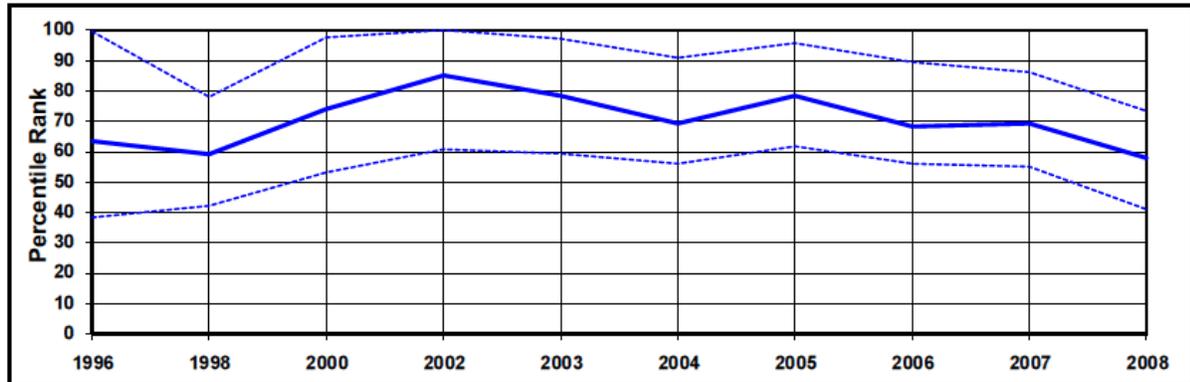
1. Voice & Accountability
2. Political Stability and Lack of Violence/Terrorism
3. Government Effectiveness
4. Regulatory Quality
5. Rule of Law
6. Control of Corruption

The charts below show Mongolia's percentile rank for each indicator. Percentile ranks indicate the percentage of countries worldwide that rate below Mongolia. Higher values therefore indicate better governance ratings. The charts also report the margins of error displayed in the line charts by dashed lines corresponding to a 90 percent confidence interval.

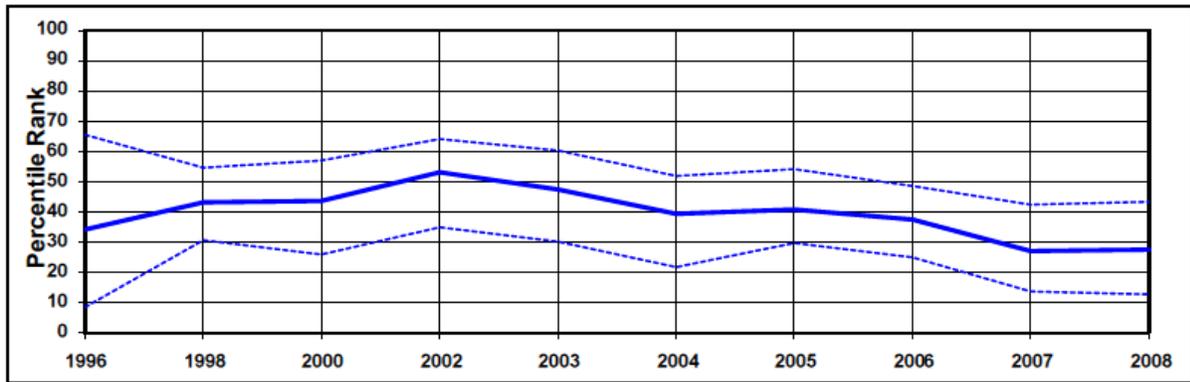
VOICE & ACCOUNTABILITY INDICATOR



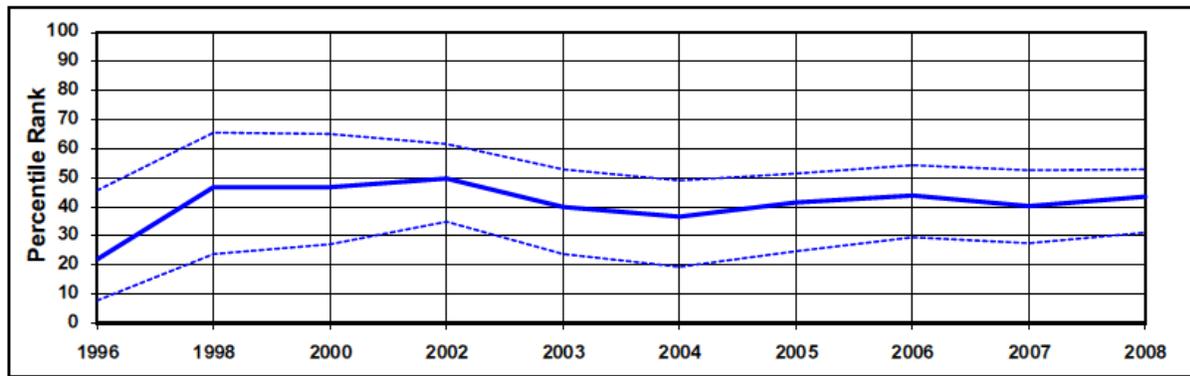
POLITICAL STABILITY & ABSENCE OF VIOLENCE INDICATOR



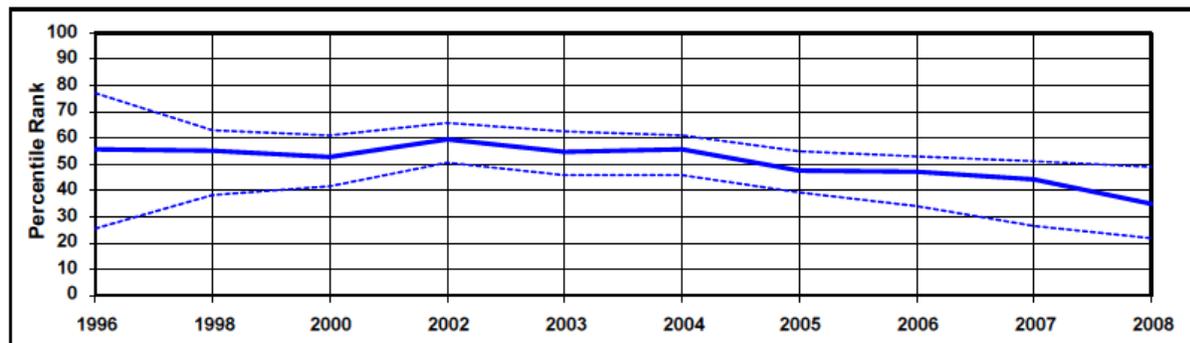
GOVERNMENT EFFECTIVENESS



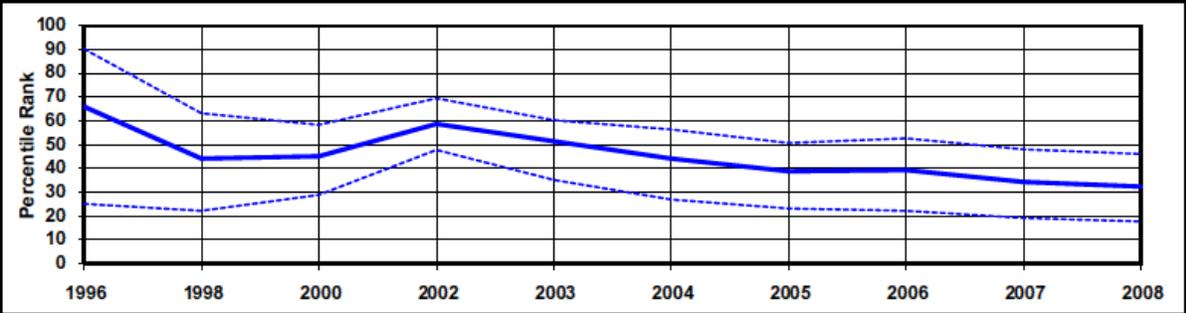
REGULATORY QUALITY INDICATOR



RULE OF LAW INDICATOR



CONTROL OF CORRUPTION INDICATOR



HF Index of Economic Freedom (IEF)

The Wall Street Journal and The Heritage Foundation have published the Index of Economic Freedom for the past 10 years. The Index, covering 10 benchmarks, gauges economic success of 183 countries around the world.

	HF IEF Score 2010	HF IEF Score 2009	HF IEF Score 2008	HF IEF Score 2007	HF IEF Score 2006	HF IEF Score 2005
China	51.0	53.2	53.1	52.0	53.6	53.7
Azerbaijan	58.8	58.0	55.4	54.6	53.2	54.4
Russia	50.3	50.8	49.8	52.2	52.4	51.3
Kazakhstan	61.0	60.1	61.1	59.6	60.2	53.9
Georgia	70.4	69.8	69.2	69.3	64.5	57.1
Armenia	69.2	69.9	69.8	68.6	70.6	69.8
Mongolia	60.0	62.8	63.6	60.3	62.4	59.7
Kyrgyz Republic	61.3	61.8	61.1	60.2	61.0	56.6

0 = Least Free – 100 = Most Free

	Overall Ranking	Business Freedom	Trade Freedom	Fiscal Freedom	Government Spending	Monetary Freedom	Investment Freedom	Financial Freedom	Property Rights	Freedom from Corruption	Labor Freedom
China	140	49.7	72.2	70.2	88.1	70.6	20.0	30.0	20.0	36.0	53.2
Azerbaijan	96	74.6	77.1	79.5	77.5	62.7	55.0	40.0	20.0	19.0	82.5
Russia	143	52.2	68.4	82.3	66.5	62.6	25.0	40.0	25.0	21.0	59.6
Kazakhstan	82	73.5	85.9	87.9	82.1	65.6	30.0	50.0	30.0	22.0	83.1
Georgia	26	87.9	89.1	89.1	65.3	70.2	70.0	60.0	40.0	39.0	93.7
Armenia	38	83.4	80.5	89.3	90.9	72.9	75.0	70.0	30.0	29.0	70.6
Mongolia	88	69	79.8	81.9	56.7	66.5	50.0	60.0	30.0	30.0	75.9
Kyrgyz Republic	80	76.6	75.9	92.9	80.2	62.2	50.0	50.0	25.0	18.0	82.6

	2010	2009	2008	2007	2006	2005	2004
Overall Score	60	62.8	63.6	60.3	62.4	59.7	56.5
Business Freedom	69	71.0	72.2	70.8	73.3	55	55
Trade Freedom	79.8	81.2	81.4	80	77	77	75
Fiscal Freedom	81.9	81.3	85	72.8	76.9	73.6	59.4
Government Spending	56.7	69.8	71.7	54.1	46.6	40.1	43.8
Monetary Freedom	66.5	76.7	78.2	74.9	79.5	87.6	82
Investment Freedom	50	60	60	60	70	50	50
Financial Freedom	60	60	60	60	70	50	50

Property Rights	30	30	30	30	30	50	50
Freedom from Corruption	30	30	30	30	30	43	43
Labor Freedom	75.9	67.7	69.5	70.9	70.8	70.4	n/a

TEXT DIRECTLY FROM THE IEF REPORT:

Mongolia's economic freedom score is 60.0, making its economy the 88th freest in the 2010 Index. Its overall score is 2.8 points lower than last year, reflecting reduced scores for monetary freedom, investment freedom, and government spending. Mongolia is ranked 15th out of 41 countries in the Asia-Pacific region, and its overall score is above the global and regional averages. The Mongolian economy continues to benefit from relatively high levels of fiscal freedom, business freedom, and trade freedom, and the overall entrepreneurial environment supports private-sector development. The top income and corporate tax rates are competitive. Tariff barriers are moderate, although non-tariff restrictions undermine overall trade freedom. Commercial registration and licensing are efficient, and the flexibility of the labor market has increased. Despite some progress in privatization, the government remains significantly involved in the economy and has passed legislation that reinforces its involvement in strategic sectors like mining. The government has tried to control the budget deficit, but government spending has been on the rise. The weak judicial system remains vulnerable to corruption.

BUSINESS FREEDOM — 69.0

The overall freedom to conduct a business is relatively well protected under Mongolia's regulatory environment. Starting a business takes an average of 13 days, compared to the world average of 35 days. Obtaining a business license takes less than the world average of 218 days. Bankruptcy can be lengthy and burdensome.

TRADE FREEDOM — 79.8

Mongolia's weighted average tariff rate was 5.1 percent in 2008. Liberalization is progressing, but some import and export restrictions, restrictions in services markets, import and export taxes, weak enforcement of intellectual property rights, and inconsistent, inefficient, and corrupt customs implementation add to the cost of trade. Ten points were deducted from Mongolia's trade freedom score to account for non-tariff barriers.

FISCAL FREEDOM — 81.9

Mongolia has a low income tax rate and a moderate corporate tax rate. The individual income tax rate is a flat 10 percent, and the top corporate tax rate is 25 percent. Other taxes include a value-added tax (VAT), an excise tax on alcohol and vehicles, and a dividend tax. In the most recent year, overall tax revenue as a percentage of GDP was 33.0 percent.

GOVERNMENT SPENDING — 56.7

Total government expenditures, including consumption and transfer payments, are relatively high. In the most recent year, government spending equaled 38.0 percent of GDP.

MONETARY FREEDOM — 66.5

Inflation has jumped, averaging 20.2 percent between 2006 and 2008, but price increases moderated in 2009. Although most price controls and many subsidies have been phased out, the government influences prices through the public sector or through regulation, sometimes intervenes in the market to stabilize commodity prices, and still controls air fares and fuel prices.

Five points were deducted from Mongolia's monetary freedom score to account for policies that distort domestic prices.

INVESTMENT FREEDOM — 50.0

Foreign capital and domestic capital are legally equal. Investment is not screened. Foreign investment is subject to additional regulations or restrictions in activities involving petroleum extraction and strategic mineral deposits. The regulatory framework supporting investment is still developing, and regulations and investment-related laws are changed frequently. Rules may be inconsistently applied or misunderstood. Non-transparent bureaucracy can be prone to corruption, and contract enforcement is inconsistent. Residents and non-residents may hold foreign exchange accounts, subject to minimal restrictions. There are no restrictions on payments and transfers. Most credit and loan operations must be registered with the central bank. Foreign investors may lease, but not own, land.

FINANCIAL FREEDOM — 60.0

Restructuring of the banking sector has improved private sector access to financing. The government imposes few restraints on the flow of capital, and foreign investors tap domestic capital markets freely. The banking sector's total assets are equivalent to over 80 percent of GDP. There are 16 private commercial banks, 10 of which are foreign-owned. State ownership of banks has been reduced. There are about 72 smaller, largely unregulated non-bank lending institutions. The government is refining insurance regulation. Capital markets are not fully developed. The stock market was set up to facilitate privatization of state-owned enterprises but now functions as a regular exchange. During the recent global financial turmoil, non-performing loans jumped to over 10 percent of the total in early 2009. The parliament approved a US \$389 million bailout package for troubled banks, and the fourth-largest bank has been taken over by the government.

PROPERTY RIGHTS — 30.0

The enforcement of laws protecting private property is weak. Judges generally do not respect contracts and regularly ignore their provisions in their rulings. The legal system does recognize the concept of collateralized assets. There is no mortgage law. Pirated optical media are readily available and subject to spotty enforcement.

FREEDOM FROM CORRUPTION — 30.0

Corruption is perceived as widespread. Mongolia ranks 102nd out of 179 countries in Transparency International's Corruption Perceptions Index for 2008. The law provides criminal penalties for official corruption, which is perceived to be a serious and continuing problem at all levels of government, particularly within the police, judiciary, and customs service. Corruption-related arrests and convictions are rare, and allegations of public-sector corruption include cases involving cabinet-level officials.

LABOR FREEDOM — 75.9

Mongolia's labor regulations are relatively flexible. The non-salary cost of employing a worker remains moderate, and dismissing an employee is costless. Regulations on work hours are not flexible.

TI Corruption Perceptions Index

	TI CPI 2009 (180 countries)	TI CPI 2008 (180 countries)	TI CPI 2007 (179 countries)	TI CPI 2006 (163 countries)	TI CPI 2005 (159 countries)
China	79	72	72	70	78
Azerbaijan	143	158	150	130	137
Russia	146	147	143	121	126
Kazakhstan	120	145	150	111	107
Georgia	66	67	79	99	130
Armenia	120	109	99	93	88
Mongolia	120	102	99	99	85
Kyrgyz Republic	162	166	150	142	130

HRI Economic and Social Rights Fulfillment Index (Sept 2009)

The Economic & Social Rights Fulfillment (ESRF) Index was developed to assess the performance of countries on their fulfillment of economic and social rights. The index captures both the State duty-bearers' conduct as well as the individual right-bearers' enjoyment of rights, incorporates the obligation to progressively realize rights subject to maximum available resources, and uses objective quantitative indicators published by intergovernmental bodies rather than subjective data.

	ESRF Rank/161	ESRF Score	Right to Food Index	Right to Health Index	Right to Education Index	Right to Housing Index	Right to Decent Work Index
China	29	84.92	90.60	95.30	82.65	73.69	82.33
Azerbaijan	33	83.63	81.05	87.83	76.19	73.13	99.96
Russia	30	84.66	76.18	90.94	71.02	85.47	99.70
Kazakhstan	19	88.66	72.94	88.59	92.20	94.22	95.36
Georgia	10	91.52	100	91.28	84.02	96.15	86.15
Armenia	15	89.85	83.32	93.96	88.50	93.65	89.84
Mongolia	39	81.36	77.61	92.02	94.90	62.89	79.37
Kyrgyz Republic	5	94.59	100	96.51	93.24	96.90	86.29

FH Freedom in the World Index

	2009			2008			2007			2006			2005		
	PR	CL	St												
China	7	6	NF												
Azerbaijan	6	5	NF												
Russia	6	5	NF												
Kazakhstan	6	5	NF												
Georgia	4	4	PF	4	4	PF	3	3	PF	3	3	PF	3	4	PF
Armenia	6	4	PF	5	4	PF									
Mongolia	2	2	F	2	2	F	2	2	F	2	2	F	2	2	F
Kyrgyz Republic	5	4	PF	6	5	NF									

PR = Political Rights, CL = Civil Liberties, St = Status

Countries are ranked on a scale of 1-7, with 1 representing the highest level of freedom and 7 representing the lowest level of freedom.

Mongolia received an upward trend arrow due to a fair and competitive presidential election, as well as the peaceful transfer of authority from one prime minister to another.

Tsakhiajiin Elbegdorj of the opposition Democratic Party won the May 2009 presidential election, which international observers deemed free and fair. The incumbent quickly conceded defeat, and the country avoided the sort of violent protests that had followed disputed parliamentary elections in 2008. Although many of those arrested in that year's unrest were freed under an amnesty law in 2009, observers raised concerns over beatings in detention and a lack of punishment for police who used deadly force to disperse the protesters. In October, the prime minister since 2007 resigned for health reasons, and power was transferred without incident to a new premier.

Once the center of Genghis Khan's sprawling empire, Mongolia was ruled by China for two centuries until Soviet-backed forces took control in the early 1920s. A people's republic was proclaimed in 1924, and the Mongolian People's Revolutionary Party (MPRP) established a one-party communist state. In response to persistent anti-government protests, the MPRP legalized opposition parties in 1990. However, facing a poorly prepared and underfunded opposition, the MPRP easily won the first multiparty parliamentary elections that year, and won again in 1992. The MPRP was voted out in the 1996 parliamentary elections after 72 years in office, and power was transferred peacefully to the opposition Democratic Union Coalition. The new government sought to implement political and economic reforms, but after an economic downturn the following year, the MPRP regained power with victories in both the 1997 presidential election and the 2000 parliamentary vote.

The June 2004 parliamentary elections were marred by irregularities and gave neither side a majority. The MPRP consequently agreed to a power-sharing government with the Motherland Democracy Coalition (MDC), the latest incarnation of the opposition alliance. Former prime minister Tsakhiajiin Elbegdorj of the MDC returned to the premiership, while Natsagiin Bagabandi of the MPRP carried on in the largely ceremonial presidency.

The MPRP's Nambaryn Enkhbayar, the parliament speaker and a former prime minister, won the presidential election in May 2005, despite street demonstrations by protesters who accused him of corruption. In January 2006, the MDC-MPRP coalition government broke down, and the

MPRP formed a new government with several small parties and defectors from the MDC. Miyeegombo Enkhbold of the MPRP became prime minister, but he was replaced in November 2007 by Sanjaa Bayar after being accused of excessive political favoritism and corruption.

The initial results of the June 28, 2008, parliamentary elections handed the MPRP a solid majority, and the opposition Democratic Party (DP) and others challenged the outcome. Small-scale political protests escalated into large demonstrations in the capital, and buildings including the MPRP headquarters were looted and burned. Five people were killed, scores were injured, and over 700 people were arrested. The government declared a four-day state of emergency on July 2. The final vote tally in August gave the MPRP 46 seats and the DP 27, and Bayar remained in office as prime minister.

Elbegdorj of the DP took 51.2 percent of the vote in the May 2009 presidential election, becoming the first DP president, though he had previously served twice as prime minister. Enkhbayar, the incumbent, quickly admitted defeat, averting a repeat of the previous year's unrest. International observers deemed the election generally free and fair. In October, Bayar resigned as prime minister for health reasons. He was replaced by Foreign Minister Sukhbaatar Batbold, reputedly one of the richest men in Mongolia.

The combined effects of the global economic downturn and an extremely harsh winter exacerbated Mongolia's high poverty and unemployment rates in 2009. In October, a US \$5 billion contract was signed with Ivanhoe/Rio Tinto, a Canadian and Australian company, to develop copper and gold mines. Though the deal was widely seen as a positive development, some observers expressed concerns over ongoing corruption and a lack of transparency surrounding the contract's negotiations. Also in 2009, the government set up a Human Development Fund to distribute mining royalties to citizens.

Mongolia is an electoral democracy. The 2009 presidential election was generally considered free and fair by international observers. Parliamentary balloting has varied over the years between multimember and single-member districts, and there is concern that these frequent changes make it difficult to stabilize the expectations of political elites or enhance popular confidence in democratic government. The prime minister, who holds most executive power, is nominated by the party or coalition with the most seats in the 76-member parliament (the State Great Hural) and approved by the parliament with the agreement of the president. There is no requirement that the prime minister be an elected member of parliament. The president is head of state and of the armed forces, and can veto legislation, subject to a two-thirds parliamentary override. Both the president and the parliament are directly elected for four-year terms. The MPRP continues to be the most powerful party, but a number of smaller opposition groups are competitive, as evidenced by DP's victory in the 2009 presidential election.

Corruption remains a serious problem in Mongolia. A 2009 survey conducted by the Asia Foundation and Sant Maral Foundation found that one in five households had paid bribes, an increase from the findings of an earlier poll. Since its creation in 2007, the Independent Authority Against Corruption has been active in investigating allegations and verifying asset declarations. According to government figures, over 53,000 officials and civil servants complied with income-declaration rules in 2009; at least 54 people who gave false or late statements were punished with dismissal or other disciplinary measures. Transparency International ranked Mongolia 120 out of 180 countries surveyed in its 2009 Corruption Perceptions Index.

The government operates with limited transparency. In December 2009, however, an unprecedented public hearing was held on human rights abuses surrounding the 2008

postelection violence, with participation by civil society, the police, the parliament, and the National Commission on Human Rights (NCHR).

While the government generally respects press freedom, many journalists and independent publications practice a degree of self-censorship to avoid legal action under the State Secrets Law or libel laws that place the burden of proof on the defendant. The government has at times filed libel suits or launched tax audits against publications or journalists in the wake of critical articles. The media faced tight restrictions during the state of emergency in 2008, but the situation returned to normal in 2009. There are hundreds of privately owned print and broadcast outlets, but the main source of news in the vast countryside is the state-owned Mongolian National Broadcasting (MNB). MNB's coverage of the 2009 presidential election was reportedly balanced, while commercial stations largely favored the incumbent. Foreign content from satellite television and radio services like the British Broadcasting Corporation and Voice of America is also increasingly available. The government does not interfere with internet access.

Freedom of religion is guaranteed by the constitution. The fall of communism led to a growth in various Christian sects, as well as a revival of Mongolia's traditional Buddhism and shamanism. Religious groups are required to register with the government and renew their status annually. While most registration requests are approved, according to the U.S. State Department, authorities in Tuv province have routinely denied registration to Christian churches. The Kazakh Muslim minority generally enjoys freedom of religion. Academic freedom is respected.

Freedoms of assembly and association are observed in law and in practice. However, in June 2009, the authorities denied registration to the Lesbian, Gay, Bisexual, and Transgender Center, claiming that the group's name conflicted with Mongolian traditions; following public and international pressure, the authorities recognized the center in December. A number of environmental, human rights, and social welfare groups, while largely reliant on foreign donors, operate without government restriction. Trade unions are independent and active, and the government has generally protected their rights in recent years, though the downsizing or sale of many state factories has contributed to a sharp drop in union membership. Collective bargaining is legal, but in Mongolia's poor economy, employers are often able to set wages unilaterally.

The judiciary is independent, but corruption among judges persists. The police force has been known to make arbitrary arrests, hold detainees for long periods, and beat prisoners. Deaths in prisons continue to be reported, due largely to disease—often tuberculosis—exacerbated by insufficient food, heat, and medical care. In an NCHR survey of 100 people detained following the 2008 postelection riots, 88 reported being abused in detention. In several cases, coerced confessions were allegedly used to convict detainees of offenses such as "creating mass disorder." Police reportedly used live ammunition during the riots, which killed at least five people. A total of 10 police officers and four senior police officials were under investigation regarding the deaths, and all have been removed from their posts. It remained unclear at year's end whether they would be formally charged or covered by a general amnesty law passed in July 2009. The measure applied to minor crimes committed before late June 2009, and covered most civilians still in detention for the 2008 unrest. The NCHR consists of three senior civil servants nominated by the president, the Supreme Court, and the parliament for six-year terms. It has played an active role in investigating the alleged 2008 police abuses, but at least 11 cases it submitted for prosecution were dismissed with little explanation.

While Mongolia is not a party to the 1951 UN Convention Relating to the Status of Refugees and lacks legislation enabling the granting of asylum, the government frequently provides

protection to refugees, including those fleeing persecution in China. However, in October 2009, a Chinese national, his wife, and his nine-year-old daughter were reportedly arrested by Chinese police officers with Mongolian police escorts outside the local office of the UN High Commissioner for Refugees in Ulaanbaatar. The family was immediately taken back to China without a court hearing, and the arrested man, the operator of a Mongol-Tibetan medical school in China, remained in detention there at year's end.

While women make up 60 percent of all university students as well as 60 percent of all judges, only five parliamentary seats are occupied by women. A 2005 law prohibited spousal abuse, and there have been dozens of convictions in recent years. However, social and cultural norms continue to discourage victims from reporting such crimes.

FH Freedom of the Press Index

The 2009 survey provides analytical reports and numerical ratings for 195 countries and territories. Countries are given a total score from 0 (best) to 100 (worst) on the basis of a set of 23 methodology questions divided into three subcategories (Legal Environment, Political Environment & Economic Environment). The degree to which each country permits the free flow of news and information determines the classification of its media as “Free,” “Partly Free,” or “Not Free.” Countries scoring 0 to 30 are regarded as having “Free” media; 31 to 60, “Partly Free” media; and 61 to 100, “Not Free” media. The ratings and reports included in *Freedom of the Press 2009* cover events that took place between January 1, 2008, and December 31, 2008.

	Status	Legal Environment	Political Environment	Economic Environment	Total Score
China	Not Free	28	35	22	85
Azerbaijan	Not Free	25	31	22	78
Russia	Not Free	23	33	24	80
Kazakhstan	Not Free	26	30	22	78
Georgia	Partly Free	14	29	17	60
Armenia	Not Free	21	27	20	68
Mongolia	Partly Free	13	16	12	41
Kyrgyz Republic	Not Free	23	29	20	72

WEF Global Gender Gap (GGG) Index

	GGG Index 2010 Rank/134	GGG Index 2009 Rank/134	GGG Index 2008 Rank/130	GGG Index 2007 Rank/128	GGG Index 2006 Rank/115
China	61	60	57	73	63
Azerbaijan	100	89	61	59	n/a
Russia	45	51	42	45	49
Kazakhstan	41	47	45	32	31
Georgia	88	83	82	67	54
Armenia	84	90	78	71	n/a
Mongolia	27	22	40	62	42
Kyrgyz Republic	51	41	41	70	52

KEY INDICATORS

Mean age of marriage for women (years) – 24

Fertility Rate (births per woman) – 2.0

Overall population sex ratio (male/female) – 0.98

	2010 Rank/134	2009 Rank/134	2008 Rank/130	2007 Rank/128	2006 Rank/115
ECONOMIC PARTICIPATION AND OPPORTUNITY	2	1	10	47	21
Labor Force Participation	26	4	84	81	73
Wage Equality for Similar Work (survey)	5	7	15	23	13
Estimated Earned Income (PPP US\$)	6	53	79	71	19
Legislators, Senior Officials, and Managers	6	5	4	41	36
Professional & Technical Workers	1	1	1	1	1
EDUCATIONAL ATTAINMENT	59	1	1	23	20
Literacy Rate	1	1	1	50	46
Enrollment in Primary Education	103	1	1	1	1
Enrollment in Secondary Education	1	1	1	1	1
Enrollment in Tertiary Education	1	1	1	1	1
HEALTH & SURVIVAL	1	1	1	1	1
Sex Ratio at Birth (female/male)	1	1	1	1	1
Healthy Life Expectancy	1	1	1	1	1
POLITICAL EMPOWERMENT	124	100	95	113	101
Women in Parliament	123	125	116	113	99
Women in Ministerial Positions	102	54	53	103	92
Years with Female Head of State (last 50)	44	40	39	27	25
ADDITIONAL DATA					
Length of Paid Maternity Leave	120 days				
Maternity Leave Benefits (% of wages paid)	70	70	70	70	70
Female Teachers (Primary - %)	95	95	95	94	94
Female Teachers (Secondary - %)	74	74	73	72	72
Female Teachers (Tertiary - %)	57	56	55	55	53
Female/Male Unemployment Rate	3/2	14.06/14.25	14.10/14.30	14/14	14/n/a
Women in Non-Agricultural Paid	51	53	50	49	49

Labor					
Ability of Women to Rise to Enterprise Leadership (survey – scale 1-7, worst to best)	5.25	5.27	5.20	n/a	5.18

WEF Travel & Tourism Competitiveness (T&TC) Index

	T&TC Index Rank 2010 (133 Countries)	T&TC Index Rank 2009 (130 Countries)
China	47	62
Azerbaijan	76	79
Russia	59	64
Kazakhstan	92	91
Georgia	73	72
Armenia	91	89
Mongolia	105	100
Kyrgyz Republic	106	113

Indicator	2009 Rank/133	Indicator	2009 Rank/133		
POLICY RULES & REGULATIONS		TOURISM INFRASTRUCTURE			
1.01	Prevalence of foreign ownership	74	8.01	*Hotel rooms	n/a
1.02	Property rights	101	8.02	*Presence of major car rental companies	95
1.03	Business impact of rules on FDI	121	8.03	*ATMs accepting VISA cards	107
1.04	*Visa requirements	122	ICT INFRASTRUCTURE		
1.05	*Openness of bilateral Air Service Agreements	111	9.01	Extent of business internet use	94
1.06	Transparency of government policy-making	128	9.02	*Internet users	86
1.07	*Time required to start a business	33	9.03	*Telephone lines	103
1.08	*Cost required to start a business	34	9.04	*Broadband internet subscribers	99
ENVIRONMENTAL SUSTAINABILITY		9.05	*Mobile telephone subscribers	110	
2.01	Stringency of environmental regulation	131	PRICE COMPETITIVENESS IN THE T&T INDUSTRY		
2.02	Enforcement of environment regulation	133	10.01	*Ticket taxes and airport charges	28
2.03	Sustainability of T&T industry development	127	10.02	*Purchasing power parity	35
2.04	*Carbon dioxide emissions	62	10.03	Extent and effect of taxation	64
2.05	*Particulate matter concentration	97	10.04	*Fuel price levels	68
2.06	*Threatened species	92	10.05	*Hotel price index	n/a
2.07	*Environmental treaty ratification	67	HUMAN RESOURCES		
SAFETY & SECURITY		11.01	*Primary education enrolment	75	
3.01	Business costs of terrorism	45	11.02	*Secondary education enrolment	58
3.02	Reliability of police services	115	11.03	Quality of the educational system	124
3.03	Business costs of crime and violence	78	11.04	Local availability of research and training services	108

3.04	*Road traffic accidents	57	11.05	Extent of staff training	113
HEALTH & HYGEINE			11.06	Hiring and firing practices	18
4.01	*Physician density	38	11.07	Ease of hiring foreign labor	98
4.02	*Access to improved sanitation	100	11.08	*HIV Prevalence	22
4.03	*Access to improved drinking water	109	11.09	Business impact of HIV/AIDS	110
4.04	*Hospital beds	20	11.10	*Life expectancy	96
PRIORITIZATION OF TRAVEL & TOURISM			AFFINITY FOR TRAVEL & TOURISM		
5.01	*Government prioritization of the T&T industry	99	12.01	*Tourism openness	15
5.02	*T&T Government expenditure	n/a	12.02	Attitude of population toward foreign tourists	132
5.03	Effectiveness of marketing & branding	121	12.03	Extension of business trips recommended	119
5.04	*T&T fair attendance	81	NATURAL RESOURCES		
AIR TRANSPORT INFRASTRUCTURE			13.01	*Number of World Heritage Natural Sites	40
6.01	Quality of air transport infrastructure	130	13.02	*Protected Areas	53
6.02	*Available seat kilometers (domestic)	61	13.03	Quality of the natural environment	118
6.03	*Available seat kilometres (international)	117	13.04	*Total known species	71
6.04	*Departures per 1,000 population	68	CULTURAL RESOURCES		
6.05	*Airport density	7	14.01	*Number of World Heritage Cultural Sites	65
6.06	*Number of operating airlines	123	14.02	*Sports Stadiums	112
6.07	International air transport network	127	14.03	*Number of international fairs and exhibitions	91
GROUND TRANSPORT INFRASTRUCTURE			14.04	*Creative industries exports	108
7.01	Quality of roads	133			
7.02	Quality of railroad infrastructure	74			
7.03	Quality of port infrastructure	125			
7.04	Quality of ground transport network	112			
7.05	*Road density	125			

UN World Development Indicators

ECONOMY & INEQUALITY			
GDP (US\$ Billion – 2007)	3.9	GDP Per Capita (US\$ - 2007)	1507
GDP PPP (US\$ Billion – 2007)	8.4		
Share of Income or Expenditure – Poorest 10% (%)	2.9%	Share of Income or Expenditure – Richest 10% (%)	24.9%
Ratio – Richest 10% to Poorest 10%	8.6	GINI Index	33.0
DEMOGRAPHIC TRENDS			
Population (2007)	2.6 million	Urban Population (% of total – 2010)	57.5
Child Dependency Ratio	36.4	Old Age Dependency Ratio	5.8
HEALTH & EDUCATION			
Public Expenditure on Health (per capita PPP US\$ - 2006)	124	Public Expenditure on Health (% of government expenditure - 2006)	11
Public Expenditure on Education (per pupil in primary education - US\$ - 2006)	261	Public Expenditure on Education (% of government expenditure - 2006)	n/a
INTERNATIONAL FINANCIAL FLOWS			
Remittance Inflows (US\$ million)	194	Remittance Outflows (US\$ million)	77
Relative Size of Remittances (US\$ per capita)	74	Relative Size of Remittances (as % of GDP)	n/a
Relative Size of Remittances (ratio of remittances to FDI)	0.6		
HUMAN DEVELOPMENT INDEX			
Ranking (2007)	115	Value (2007)	0.727
GDP Per Capita (US\$ PPP – 2007)	3,236	Human Poverty Index Rank	58
Population Below Income Poverty Line (\$1.25/day)	22.4	Population Below Income Poverty Line (\$2/day)	49.0
Population not Using an Improved Water Source (% - 2006)	28	Life Expectancy at Birth	66.2
Adult Literacy Rate (% aged 15 and above)	97.3	Combined Gross Enrollment Ratio in Education (%)	79.2

Gini Index – Historical Data

	1995	1998	2002	2005	2008
Mongolia	33.2	30.27	32.8	33	37

The Gini index measures the extent to which the distribution of income among individuals or households within an economy deviates from a perfectly equal distribution. A Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality.

UN Millennium Development Goals

	Eradicate Extreme Poverty & Hunger	Achieve Universal Primary Education	Promote Gender Equality & Empowerment	Reduce Child Mortality	Improve Maternal Health	Combat HIV/AIDS, Malaria and Other Diseases	Ensure Environmental Sustainability	Develop a Global Partnership for Development
China	On Track	On Track	Poss.	Poss.	On Track	Poor Info	Poor Info	Poor Info
Azerbaijan	On Track	Ach.	Poss.	Poss.	Poor Info	Poss.	Poss.	Poss.
Russia	Poor Info	Ach.	On Track	On Track	On Track	Poss.	Poss.	Poor Info
Kazakhstan	Ach.	Ach.	Ach.	Poss.	Off Track	Poor Info	Poss.	Poor Info
Georgia	Poss.	Poss.	Poss.	On Track	Poss.	Poss.	Poss.	On Track
Armenia	Poss.	On Track	On Track	Poss.	Poss.	Poss.	Poor Info	Poor Info
Mongolia	Poss.	Poss.	Poss.	Ach.	On track	Poss.	Poss.	Poor Info
Kyrgyz Republic	On Track	On Track	Poss.	Poor Info	Off Track	Poss.	Poss.	Poor Info

Poss = Possible, Ach = Achieved



ERADICATE EXTREME POVERTY AND HUNGER

Target 1a:

- **Reduce by half the proportion of people living on less than a dollar a day**

The proportion of population below the national poverty line decreased from 36.3 percent in 1990 to 35.2 percent in 2008.

Target 1b:

- **Achieve full and productive employment and decent work for all, including women and young people**

In 2008, youth population aged 15-24 years represented 21.0 percent of the total population. There is a trend in reduction of employment rates for population under 25, which has reduced from 28.4 in 2000 to 22.8 percent in 2008. However, the rate of unemployment of population aged 15 - 24 years is also showing a downward trend from 3.6 percent in 2004 to 3.0 percent in 2008.

Target 1c:

- **Reduce by half the proportion of people who suffer from hunger**

The prevalence of underweight children under age five decreased from 12.7 percent in 2000 to 6.3 percent in 2008.



ACHIEVE UNIVERSAL PRIMARY EDUCATION

Target 2a:

- **Ensure that all boys and girls complete a full course of primary schooling**

Net Enrolment Ratio (NER) in Primary Education

Mongolia's baseline in the provision of primary education to all children is at a fairly high level. However, the NER in primary education decreased from 97.5 percent in 1995 to 91.5 percent in 2008. This is a clear case of regression in the NER. If this trend continues, it will be impossible to meet the NER target in primary education by 2015.

Proportion of Children Enrolled in Grade 1 Who Reach Grade 5

The proportion of children enrolled in grade 1 who reach grade 5 has also regressed. This proportion decreased from 92.4 percent in 1990 to 92.8 percent in 2008.

Literacy Rate in the Age Group 15 - 24 Years

The literacy rate of population in this age group in Mongolia declined from 99 percent in 1989 to 97.7 percent in 2008.



PROMOTE GENDER EQUALITY AND EMPOWER WOMEN

Target 3a:

- **Eliminate gender disparity in primary and secondary education preferably by 2008, and at all levels by 2015**

Ratio of Girls to Boys in Primary Education

In 1990, there were more girls than boys in primary schools. Therefore, the ratio of girls to boys in primary education was 1.03. The ratio dropped to 1.01 in 2000, but regressed to 0.97 in 2008. Therefore, with some appropriate measures, it is possible to attain the target of 1.0 for this ratio in 2015.

Ratio of Girls to Boys in Secondary Education

In secondary education, the majority of the school dropouts are boys. Therefore, the ratio of girls to boys in secondary education was high (1.33) in 1990. The ratio declined to 1.20 in 2000, 1.11 in 2005 and 1.08 in 2008 respectively. Thus, the trend in the ratio is favorable for achieving the target of 1.0 in 2015.

Ratio of Girls to Boys in Higher Education

In Mongolia, fewer males, compared to females enroll in higher education. Therefore, the ratio of girls to boys in higher education was 1.72 in 1990 and 1.54 in 2008. Although, the trend in the ratio is positive, the speed of progress is very slow. Therefore, in short run there is a need to carry out the gender gap assessment and propose specific recommendations to ensure gender equality by 2015.

Proportion of Women Engaged in Wage Employment in Non-Agriculture Sectors

Women comprise 50.4 percent of Mongolia's population. The proportion of women engaged in paid jobs in non-agriculture sectors was 51.1 percent in 1990 and 50.4 percent in 2000 respectively. It increased to 53.0 percent in 2008.

Percentage of Women Elected to National Parliament

In Mongolia, in 2008, women comprised 3.9 percent of members elected to the Parliament against 11.8 percent in 2000.

Percentage of Women Candidates in Parliamentary Election

It is encouraging to note that the percentage of women candidates in parliamentary election in Mongolia increased from 7.7 percent in 1992 to 18.5 percent in 2008.



REDUCE CHILD MORTALITY

Target 4a:

- **Reduce by two thirds the mortality rate among children under five**

Under-five Mortality Rate

Under five mortality rate per 1,000 live births decreased from 88.8 in 1990 to 23.2 in 2008 reflecting a 3.7 times reduction. The MDG target on U5MR for 2015 has already been attained, and there is a further opportunity to reduce this mortality rate.

Infant Mortality Rate

Infant mortality rate (IMR) per 1,000 live births also decreased from 64.4 in 1990 to 19.4 in 2006 or by 3.2 times. Therefore, like in the case of under-five mortality rate, the target in this variable has already been achieved.

Proportion of Children Immunized against Measles

Mongolia has successfully implemented the expanded program on immunization in 2006, with immunization of 96.9 percent infants with measles vaccine. The MDG target has already been achieved in this variable.



IMPROVE MATERNAL HEALTH

Target 5a:

- **Reduce by three quarters the maternal mortality ratio**

Maternal Mortality Ratio (MMR) per 100,000 Live Births

In the recent years MMR in Mongolia has shown a steady downward trend. Successful implementation of the Second Phase of National Reproductive Health Program in 2002-2006 has resulted in the reduction of MMR from 200 per 100,000 live births in 1990 to 48.6 in 2008. The targeted MMR for 2015 is 50 per 100,000 live births, which is over achieved.

Target 5b:

- **Achieve, by 2015, universal access to reproductive health**

Proportion of Delivery Attended by Skilled Health Personnel

In 2008, 99.8 percent of the delivery was attended by skilled health personnel. Over 81.5 percent of pregnant mothers were covered by maternal health surveillance at early stages of pregnancy, with 82.2 percent receiving more than 6 monitoring examinations. Number of births assisted by medical personnel is steadily increasing, and at its current rate, there is opportunity to attain the target in 2015.



COMBAT HIV/AIDS, MALARIA AND OTHER DISEASES

Target 6a:

- **Halt and begin to reverse the spread of HIV/AIDS**

The rate of spread of HIV/AIDS among Mongolia's population is at less than 1 percent, ranking it among 5 countries with the lowest rate of spread in the East Asia and Pacific region. By the end of 2006, the total number of registered HIV/AIDS cases is 52 in Mongolia, of which 11 and 16 were registered in 2007 and 2008 respectively. Out of the total number of HIV infected individuals, 40 were men, and 84.2 percent of these men were infected through homosexual relations.

Target 6b:

- **Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it**

Target 6c:

- **Halt and begin to reverse the incidence of malaria and other major diseases**

The proportion of population with new incidences of tuberculosis (TB) per 100,000 population increased from 79 in 1990 to 158.8 in 2008. The death rate associated with TB decreased from 4.8 per 100,000 population in 1990 to 2.7 percent in 2008.



ENSURE ENVIRONMENTAL SUSTAINABILITY

Target 7a:

- **Integrate the principles of sustainable development into country policies and programmes; reverse loss of environmental resources**

Proportion of Land Area Covered by Forest

In 1990, the proportion of land area covered by forest was 7.8 percent in Mongolia. A target has been set to increase it to 9.0 percent by 2015. Forest territory, which comprised 8.2 percent in 1999 and 8.5 percent 2000, decreased to 7.8 in 2005 and further decreased to 7.7 percent in 2008. Thus, the progress has been regressed in this variable.

Proportion of Area Protected to Maintain Biological Diversity

National protected areas, which comprised 3.6 percent in 1990, were increased to 13.1 percent in 2000 and further to 13.4 percent in 2006 representing a sizable threefold increase. In order to

attain the 30.0 percent target by 2015, current 13.4 percent would need to be expanded by 2.3 times, which will be impossible to achieve at the current pace of progress.

Overburdening of Rangeland

Direct and indirect activity of human beings is negatively affecting the environment in Mongolia. Overburdening of rangeland especially due to herding by large size of herds is leading to serious loss of biological productivity of the soil to grow, restore and reproduce vegetation in some areas.

Air Pollution

Air pollution in cities, especially in Ulaanbaatar, is increasing annually. The main contributors to air pollution in Ulaanbaatar are the power and heating systems and their exploitation methods, especially by the traditional stoves in *ger* districts, which produce smoke. Petroleum products are the other contributors to air pollution in cities. The number, types and brand names of chemical and toxic chemical substances traded in the country have increased drastically in the recent few years. In 2002, the stocktaking of toxic chemical substances carried out in the capital and 21 *aimags* revealed a total 1.7 thousand tons of chemical substances of 563 types.

Target 7b:

- **Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss**

Total fresh water resource of Mongolia consists of 609.5 cubic kilometers, of which over 500 km³ are located in mountains, and 62.9 km³ in snowcaps. Water resources available for utilization consist of 34.6 km³, of which 4.96 km³ is surface water and 0.4 km³ is groundwater.

Target 7c:

- **Reduce by half the proportion of people without sustainable access to safe drinking water and basic sanitation**

The proportion of population with access to safe drinking water increased from 55 percent in 1990 to 66.2 percent in 2000. Looking at the current rate of progress, the MDG target in this variable is achievable.

Target 7d:

- **Achieve significant improvement in lives of at least 100 million slum dwellers, by 2020**

The proportion of population living in conditions compliant with health safety standards remained more or less constant at 23 percent during 1990- 2000 period.



DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT

Target 8a:

- **Develop further an open, rule-based, predictable, non-discriminatory trading and financial system**

Mongolia's accession to the World Trade Organization (WTO) creates favorable conditions for expanding its foreign trade, attracting foreign investment and increasing tourism within the global partnership framework. Mongolia is receiving a significant amount of loan and aid from the international sources which is contributing to the solution of challenges such as development of infrastructure, protection of environment, improvement of health and education services, reduction of poverty, support to development of private sector, and stabilization of financial services.

Target 8b:

- **Address the special needs of the least developed countries**

Mongolia is one of 32 developing landlocked countries of the world. Over 90 percent of its exports are transported through rail. Its landlocked condition is not only a challenge for transportation of foreign trade commodities, it is also a significant negative factor in attracting foreign investment.

Target 8c:

- **Address the special needs of landlocked developing countries and small island developing States (through the Programme of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly)**

Exercising and ensuring its right of a landlocked country and enjoying preferential treatment provided for in the 1982 UN Convention on Law of the Sea is a priority goal for Mongolia. In 2001, Mongolia approved the Millennium Road Program to play an important role in connecting Mongolia to the Asian road network, and get access to the sea. In the future, expansion of transit capacity of the Russia-Mongolia-China rail-road will play a significant role in Mongolia's development as well as in attaining its goal to ensuring access to sea ports.

Target 8d:

- **Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term**

Mongolia's external public debt comprises 21.5 percent of its GDP (present value), which is under indicative 40 percent debt burden threshold defined by the International Monetary Fund (IMF) and the World Bank (World Bank) under their Debt Sustainability Framework. It can be concluded from this fact that Mongolia is at low risk of falling into debt burden distress in the medium-term.

Target 8e:

- **In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries**

Target 8f:

- **In cooperation with the private sector, make available the benefits of new technologies, especially information and communications**

The information and communications sector in Mongolia was technologically reformed with the assistance of foreign countries making it possible to connect freely with the outside world. The number of landline telephone users increased from 30.8 per 1,000 population in 1990 to 178.6 in 2008. Similarly, the number of cellular phone users increased from 31.2 per 1,000 population in 2000 to 1,745.9 in 2008. There is also an increase in the number of internet users. The number of internet users increased from 2.2 per 1,000 population in 2000 to 42 in 2008.



MONGOLIA SPECIFIC MDG 9 - STRENGTHEN HUMAN RIGHTS AND FOSTER DEMOCRATIC GOVERNANCE

Target 9a:

- **Fully respect and uphold the Universal Human Rights Declaration and to ensure the freedom of media and the right of the public to have access to information**

Mongolia is member to 40 treaties of the UNO and its specialized agencies on human rights and freedoms.

While Mongolia implements and adheres to its responsibilities taken under international treaties, there have been cases of delays in reporting on implementation status and in bringing the Constitution and existing legal acts in compliance with international treaties and conventions. In addition, due to limited access to international treaty and convention provisions and resulting lack of knowledge of their rights on part of citizens, treaties and conventions are neglected in enforcement in comparison with other legal acts. In particular, the 2006 “Human Rights and Freedoms in Mongolia” report by the National Human Rights Commission (NHRC) states due to the fact that provisions of international treaties prohibiting torture in criminal investigation and provisions the Convention Against Torture have not yet been fully incorporated in the laws and legislation, seven indicators give evidence that these provisions are not being enforced.

Basic rights such as freedom of expression, speech, press, association and assembly are provided for in the Constitution of Mongolia and implemented in terms of general principles. However, a survey states that human rights violations continue to exist in the country.

In 2005 Mongolia ranked 54th in democracy and human rights, mainly through freedom of press indicator. This ranking plummeted to 77th in 2006 putting Mongolia in the partly free category of countries.

Target 9b:

- **Mainstream democratic principles and practices into life**

Democratic ideas and principles are implemented in Mongolia as guaranteed in the state policies. The process of creation of fundamental democratic institutions through democratic election based on principles of distribution of state powers is being established. Market economic relations based on principles of diversity and private ownership as an economic guarantee of democracy is evolving along with gradual improvement in the level of democratic culture of the population. Mongolia, however, has regressed in all the 6 indicators of democratic governance used by the World Bank in its most recent assessment of the status and trends of democratic governance of countries.

Target 9c:

- **Develop a zero-tolerance environment towards corruption in all areas of society**

The results of a monitoring survey (2004) on the implementation of the National Programme for Combating Corruption revealed that 88.9 percent of participants responded that corruption is rampant in Mongolia. The World Bank Institute's corruption control rating of 0.08 received in 2002 went down to -0.52 in 2004 and further to -0.55 in 2005 (on a +2.5 to -2.5 rating scale).

Transparency International's Corruption Perceptions Index assigned 3.0 points rating for Mongolia ranking it 87th among 158 countries in 2005. In recent past, this index for Mongolia decreased to 2.8 points, regressing to 99th position among 163 countries.

A joint USAID and the Asia Foundation corruption assessment carried out in June-July 2005 recommended that anti-corruption measures need to be ensured in Mongolia at the policy level. The creation of independent anti-corruption agency is also recommended.