



ЕВРОП МОНГОЛЫН
ХАМТАРСАН ХУДАЛДАА
АЖ ҮЙЛДВЭРИЙН ТАНХИМ

MONGOLIAN BUSINESS ENVIRONMENT

OPPORTUNITIES, REALITIES,
AND PATH FORWARD



Mongolia at Glance

Mongolia is a market of opportunity but requires clarity, consistency, and confidence.

- Strategic / challenging location between China and Russia
- Resource rich / high-growth potential economy
- Growing demand for infrastructure and services
- Strong European interest and engagement

Mongolia at Glance

- GDP grew from €5.4 billion (2016) to €21.5 billion (2025)
- Mongolian GDP grew at 6.8% in 2025
- Mongolian import reach \$11.3 billion in 2025
- Export grew from \$4.7 billion (2015) to \$15.7 billion (2025)
- Foreign direct investment was \$2.4 billion in 2025
- Agriculture, mining, and construction sectors showed the strongest growth in 2025
- 116.8 thousand companies in operational as of 2025

Mongolia at Glance

- Remains to be a heavy mining dependent economy – 84%
- Mongolians spent \$3.1 billion on tourism, transport, and education in 2025
 - Tourism – Mongolia is losing over \$400 million
 - Health – Mongolia is losing over \$55 million
 - Transport – Mongolia is losing over \$503 million
 - Education – Mongolia is losing \$638 million
- Mongolia is slowly opening the CRM access and policy

Current Business Environment

- Strong opportunities across key sectors
- Improving Government engagement with the private sector
- Active reforms proposed
- Regulatory unpredictability / strong man politics
- Implementation and skilled workforce gaps

Current Operational Challenges

Macroeconomic and financial constraints

- MNT stays highly vulnerable to external shocks and global commodity / High social security contributions add to the cost of doing business

Logistics and trade facilitation bottlenecks

Regulatory and institutional challenges

- Regulatory fragmentation creates uncertainty
- Policy implementation gaps weaken business confidence
- Limited government support for startups, innovations, and digital sectors

Current Operational Challenges

Political and structural risks

- Sudden changes in government agencies and regulations, particularly related to taxation, investment, and mining, create long-term planning difficulties

Labor deficiencies and foreign workforce policy

- Both skilled and unskilled labor shortages are becoming critical
- High-cost work visas and complicated, quota-driven procedures hamper the ability to hire and retain skilled foreign professionals

Where Progress is Happening

- Act on Economic Freedom
 - Guarantees the right to freely conduct business
 - Protects private property and investments
 - Prohibits decisions that worsen the legal environment
 - State-owned companies will not enjoy preferential advantages
 - Prohibits the establishment of rules and regulations that exceed the law
 - Accountability on public officials
 - Digitalizes and makes the process more transparent
- Note: 40% of the recommendations by the Chambers were reflected in the act.

Where Progress is Happening

- Investment Law
 - Protects the rights and interest of investors
 - Establishes mechanisms for resolving investment complaints
 - Allows disputes to be resolved through international or domestic arbitration

Where Progress is Happening

- Law on Permissions
 - Business activities can be conducted through a notification system
 - Permit periods can be extended automatically
 - Digital by default licensing
 - 120 permits will be transferred to professional associations

EuroChamber Mongolia

Founded in 2019 with the support of the European Union Delegation to Mongolia, EuroChamber Mongolia unites European companies, the Mongolian private sector, and strategic partners to amplify the voice of private sector stakeholders in policy dialogue, market integration, and long term sustainable economic cooperation.



EuroChamber Mongolia

- **Matchmaking - B2B and B2G**
- **Connections**
- **Market Opportunities**
- **Legal & Regulatory Support**
- **EU Value Integration**
- **Event Organization**
- **Capacity Building & Training**



1. Build Relationships Before Transactions

- Personal connections and trust are essential. Take time to develop relationships before discussing business deals.
- Face-to-face meetings and consistent follow-ups are highly valued.

2. Respect Local Hierarchy and Decision-Making

- Decisions are often made at the top. Be patient and respectful toward senior management.

3. Understand the Legal and Regulatory Framework

- The business environment can change quickly. Keep up-to-date with new tax, customs, and investment laws.
- Use local legal counsel familiar with Mongolian regulations, especially for contracts and land use.

4. Work with Reputable Local Partners

- Partnering with a trusted local entity helps navigate bureaucracy, language, and cultural nuances.
- Due diligence is vital—verify registration, ownership, and compliance history.

5. Be Culturally Sensitive

- Learn basic Mongolian greetings — even a few words can build rapport.

6. Engage with Business Chambers and Associations

- Join organizations like **EuroChamber Mongolia** for networking, advocacy, and market insights.
- The EuroChamber often facilitate introductions to government and private sector leaders.

7. Understand Logistics and Geography

- Mongolia is landlocked; transport and customs can be slow or costly.
- Plan for extra time and budget in supply chains and import/export processes.

8. Leverage Mongolia's Strategic Location

- Mongolia offers access to both the Russian and Chinese markets and serves as a neutral “third neighbour” hub for EU and Asia trade.
- Highlight technology, sustainability, and quality—European standards are well-respected.

9. Show Long-Term Commitment

- Demonstrate intent to contribute to Mongolia's development and community.

10. Emphasize Corporate Social Responsibility (CSR)

- Projects that support education, environment (“One Billion Trees”), or local employment are highly appreciated.

1. Don't Rush Negotiations

- Pushing too hard or being impatient can damage trust.
- Building a deal in Mongolia takes time—expect several meetings and approvals.

2. Don't Ignore Local Rules or Informal Practices

- Even if informal systems exist, always ensure compliance with Mongolian law.
- Avoid shortcuts or unofficial payments; transparency is key

3. Don't Assume Western Business Practices Apply Fully

- Decisions can be influenced by family, friends, or networks rather than just business logic.

4. Don't Underestimate Bureaucracy

- Paperwork and permits can take longer than expected.
- Keep a good local legal or administrative advisor to track and expedite procedures.

5. Don't Disrespect the Country's Traditions

- Show respect for Mongolian culture, national symbols, and heritage.

6. Don't Neglect After-Sales and Relationship Maintenance

- Business doesn't end after signing a deal — regular visits, updates, and invitations matter.
- Mongolians value ongoing engagement and visible presence.

7. Don't Ignore Environmental and Social Standards

- Projects with poor environmental or social practices face public and government scrutiny.
- Align with sustainability principles; EU standards are well-received.

8. Don't Depend Solely on Verbal Agreements

- Always document commitments clearly in writing — in both English and Mongolian where possible.
- Contracts should be reviewed by local legal experts.