

REGIONAL DEVELOPMENT

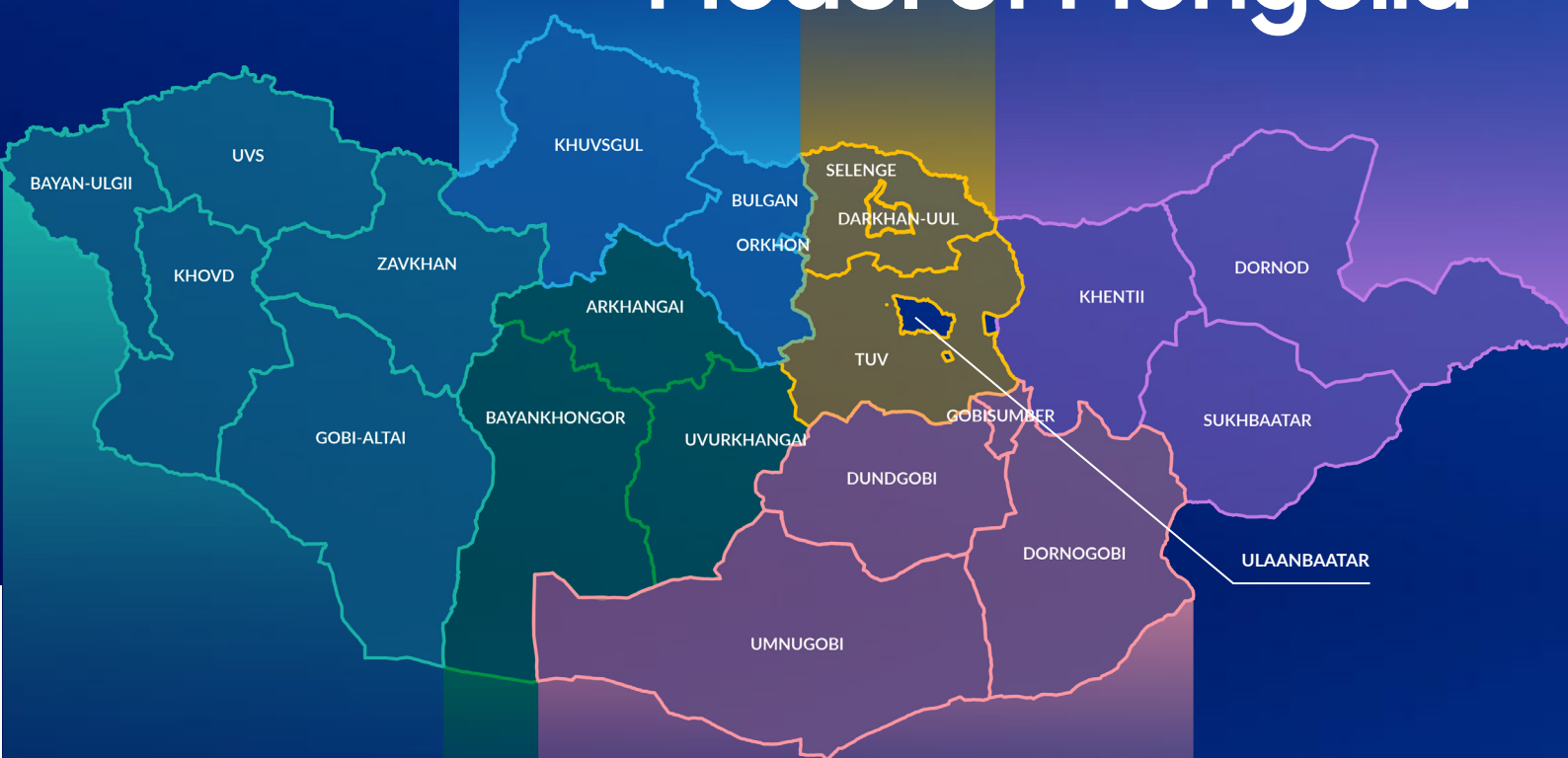
Mongolian Economy

www.mongolianeconomy.mn №01



NATIONAL
INSTITUTE OF
REGIONAL
DEVELOPMENT

NEW DEVELOPMENT Model of Mongolia



TOURISM

MONGOLIA

BUSINESS AND INVESTMENT

Public-Private
partnership

DOCUMENT

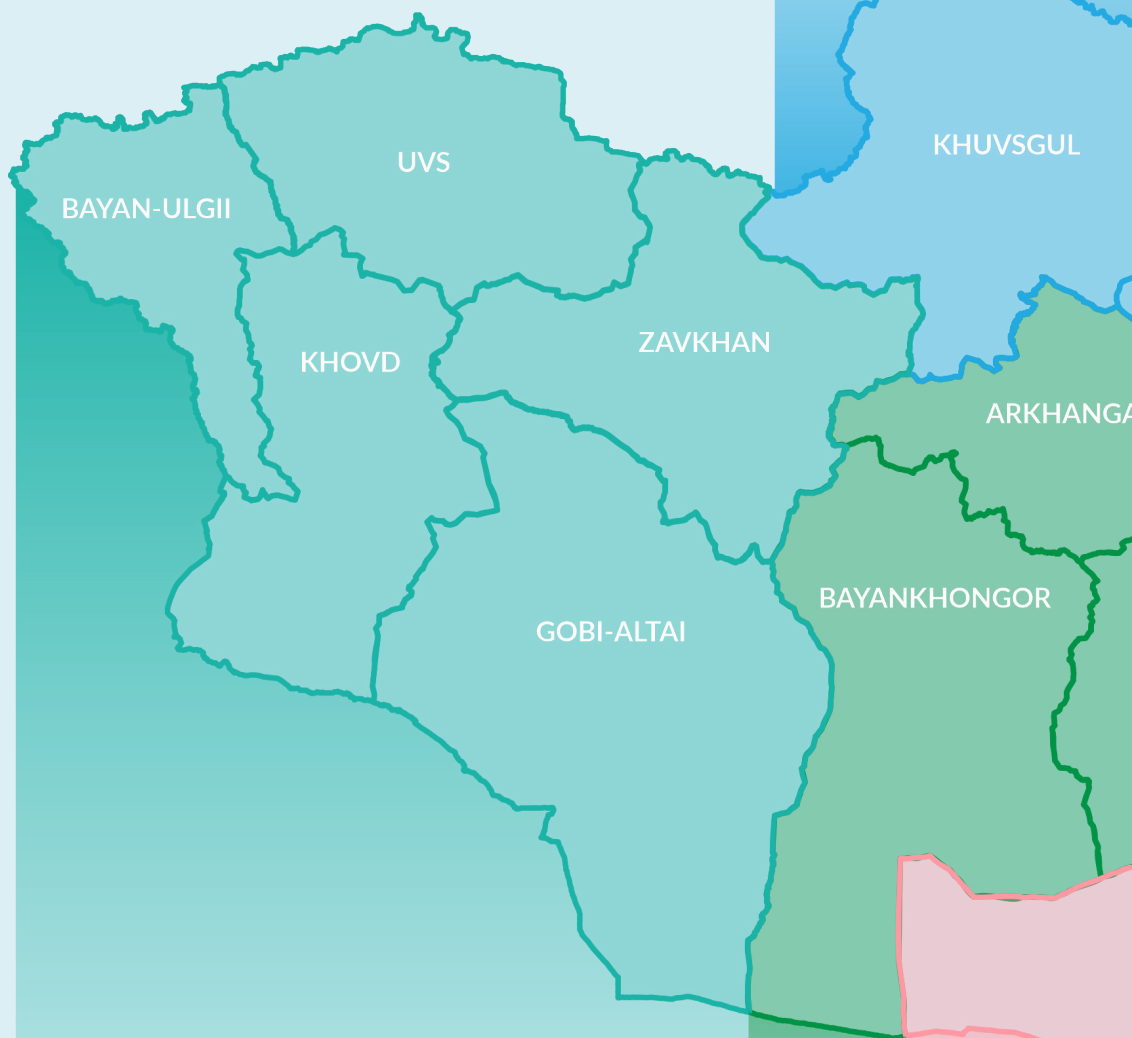
Regional Development
Concept of Mongolia

REGIONAL SYSTEM MAIN SECTORS

THE "REGIONAL DEVELOPMENT CONCEPT OF MONGOLIA" WAS REVISED AND APPROVED BY RESOLUTION NO. 64 OF 2024 OF THE STATE GREAT KHURAL (PARLIAMENT) OF MONGOLIA.

NORTHERN REGION

SPECIALIZED REGION FOR NATURE-BASED TOURISM AND AN INDUSTRIAL SUB-REGION.



WESTERN REGION

SPECIALIZED REGION FOR ENERGY AND A NATURAL TOURISM SUB-REGION

KHANGAI REGION

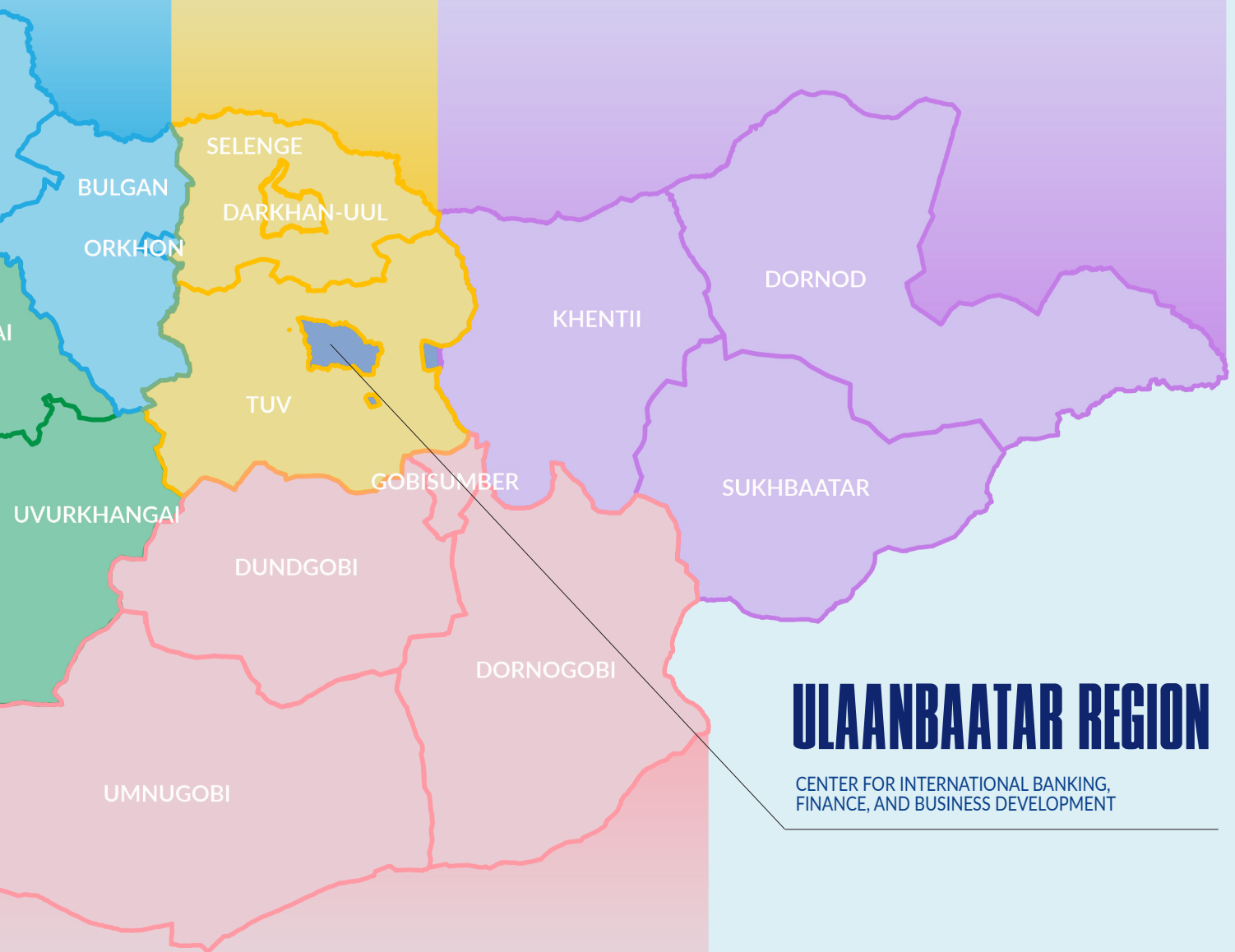
SPECIALIZED REGION FOR TRADITIONAL ANIMAL HUSBANDRY AND A URBAN DEVELOPMENT SUB-REGION

CENTRAL REGION

SPECIALIZED REGION FOR
AGRICULTURE AND AN INDUSTRIAL
SUB-REGION

EASTERN REGION

SPECIALIZED REGION FOR HISTORI-
CAL TOURISM AND AN AGRICULTURAL
SUB-REGION



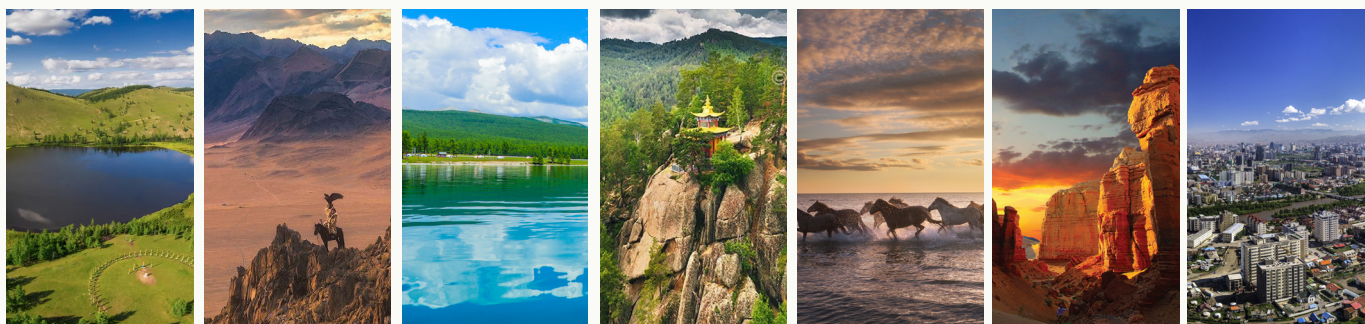
GOBI REGION

SPECIALIZED REGION FOR INDUSTRY AND
GREEN ENERGY SUB-REGION

ULAANBAATAR REGION

CENTER FOR INTERNATIONAL BANKING,
FINANCE, AND BUSINESS DEVELOPMENT

Content



05 EDITORIAL NOTE Regoanal Development magazine is launched	10 MAIN ARTICLE Regional development policy - New development model	28 BUSINESS AND INVESTMENT Public-Private partnership	40 KHANGAI REGION
06 GREETINGS Joint discussion and prioritization of the top 5 projects in each Region	14 INFO	30 Private enterprises sales will be supported by integrating into regional economies and opening new markets.	46 WESTERN REGION
07 GREETINGS The significance of Mongolia's Regional Development Policy	16 DEPUTY PRIME MINISTER S.Amarsaikhan: Regional development represents a key policy for achieving the modern era's renaissance	32 PERSPECTIVES ON POLICY	52 NORTHERN REGION
08 TIMELINE Historical trends and Organizational Structures of Territorial Distribution in Mongolia	22 TOURISM Go Mongolia	34 DEVELOPMENT POLICY D.Erdenebayar: The Regional Development Policy will succeed when all sectors and levels share a unified understanding and work towards the same goal	58 CENTRAL REGION
	26 Regional zoning-development centers	38 DOCUMENT The Regoanal Development policy of Mongolia	64 EASTERN REGION
	30 A Unified Transport and Logistics Network will be Established		70 GOBI REGION
			76 ULAANBAATAR REGION
			82 PUBLIC FEEDBACK Meeting of the Regional Development Council-Regional development policy
			84 ABOUT THE NATIONAL INSTITUTE OF REGIONAL DEVELOPMENT



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REGIONAL DEVELOPMENT MAGAZINE IS LAUNCHED



The Government of Mongolia has established a new development model, defined its regional development policy, and created the corresponding legal framework in a short time. The concept of regional development, which was once on paper, has now come to life and is progressing rapidly. The goal is to develop the country quickly by uniting, cooperating, and specializing at the national, regional, provincial, and soum levels.

Politicians, political parties, the private sector, and scholars agree that “We have created the right development model and have found the right path for progress.” The Mongolian Economy magazine is launching a special edition, “Regional Development,” to support the policy's implementation and provide crucial information for regional development.

In this first issue, we provide information about the regional development concept. We explain what regional development means, the strategies and plans for its implementation, how regions will develop according to their geographical features and differences, what projects and programs will be implemented, what kinds of infrastructure will be developed, and how investments will be attracted.

Through our new magazine, we aim to reach Ulaanbaatar, the 21 provinces, and 330 soums, providing information about the implementation and results of this new

policy to policymakers, the private sector, international organizations, investors, local government officials, managers, employees, and the public. In this regard, we will work with the National Institute of Regional Development which is tasked to ensure the successful implementation of the regional development policy.

The main partner of the “Regional Development” magazine is the National Institute for Regional Development. With a unified understanding and shared information on regional development, this policy has a strong chance of successful implementation. The government plans to deliver accurate information to the public through regional development forums. We embark on this goal, welcoming our readers with the launch of the new magazine. If the regional development policy succeeds, our country will experience rapid growth in a short time. The decentralization of Ulaanbaatar will drive regional development, allowing citizens to live happily in their hometowns without the need to migrate to other places.

We wish all readers of the first issue of the new magazine good health, success, and achievement.

**Editorial of Regional Development
Magazine**

JOINT DISCUSSION AND PRIORITIZATION OF THE TOP 5 PROJECTS IN EACH REGION



Dear Mongolians,
Esteemed readers of 'Regional Development', The Government of Mongolia is proud to present the regional development reforms, a forward-thinking policy aimed at fostering balanced growth across both urban and rural areas. This initiative was shaped through extensive public consultations held in all 21 aimags as well as Ulaanbaatar, ensuring broad and inclusive participation.

The Government of Mongolia declared 2024 as the 'Year of Supporting Regional Development,' and the Regional Development Concept was amended for the first time in 23 years.

The recent constitutional amendments introduced a mixed electoral system, enabling the 2024 State Great Hural (Parliament) elections to be conducted with regionalized and enlarged constituencies. This change has resulted in the formation of Mongolia's first-ever 126-member Parliament, representing a broad spectrum of political parties, coalitions, and a diverse crosssection of society.

Mongolia's long-term development policy, 'Vision-2050,' aims to create economic growth centers, strategic hubs, and clusters; promote ecosystem-based environmental and economic co-management; and develop an optimal economic structure that aligns with population needs, environmental conditions, available resources, and ecological capacity. Ultimately, its goal is to drive sustainable development across the nation's production and service sectors.

The revised Regional Development Concept, adopted through Resolution No. 64 of 2024 by the State Great Hural, outlines a strategic vision for each region based on its unique characteristics, economic potential, and natural resources:

- The 'Khangai' region is designated as a specialized zone for traditional livestock herding and a sub-region for urban development;
- The 'Western' region is positioned as a

diversified energy hub and a sub-region for nature-based tourism;

- The 'Northern' region is identified as a nature tourism-focused zone with an industrial subregion;

- The 'Gobi' region is defined as an industrial growth zone and a sub-region for green energy development;

- The 'Central' region is designated as an agricultural specialization zone with an industrial sub-region;

- The 'Eastern' region is envisioned as a center for historical tourism and a sub-region for intensive agriculture;

- The 'Ulaanbaatar' region is set to be developed as a center for international banking, finance, and business.

As part of its regional development reforms, the Coalition Government has outlined ambitious infrastructure goals in its 2024–2028 Action Program. These include the construction of 4,440 kilometers of highways to connect aimag centers and key border crossings; the development of 3,633 kilometers of new railway lines linking the western and eastern vertical corridors; and the addition of 1,650 megawatts of new energy capacity to meet the country's growing demands.

The Government plans to convene the inaugural Regional Forum by the second quarter of 2025 to collaboratively review and prioritize each region's development plan through 2040, while also identifying the top five priority projects for each region.

I wish all the readers of the Regional Development magazine good health and prosperity, and continued success. May Mongolia prosper beneath the eternal blue sky!

LUVSANNAMSRRAIN OYUN-ERDENE,
PRIME MINISTER OF MONGOLIA

THE SIGNIFICANCE OF MONGOLIA'S REGIONAL DEVELOPMENT POLICY



Dear readers!

The regional development policy of Mongolia is not merely a sector-specific issue but rather a comprehensive strategy aimed at improving the quality of life by ensuring balanced regional growth, sustainable environmental practices, human development, and overall socio-economic progress. Strengthening regional development policies will play a crucial role in fostering economic and social stability, creating a favorable investment climate, and enhancing market competitiveness.

The regional economic development of Mongolia is focused on increasing the gross domestic product (GDP), improving intersectoral coordination, and optimizing the use of regional potential and resources. In this regard, the Government of Mongolia has declared 2024 as the "Year of Regional Development Support," marking the beginning of significant reforms in this domain.

The Parliament of Mongolia has revised and approved the regional development concept, while the Government has designated it as one of the priorities in its 2024-2028 action plan. The National Institute of Regional Development has been established to support policy formulation, conduct research and analysis, and identify investment opportunities within this framework.

Furthermore, the establishment of the Regional Investment and Development Council marks a significant milestone, creating a new organizational framework for collaboration with businesses and investors while ensuring effective policy implementation. The council serves as a key mechanism for transforming regional development policies into concrete actions and increasing public participation in local development.

The economic benefits of regional development should foster growth in every region and create opportunities for every citizen. Accelerating regional development will have a profound impact not only on local economies but also on the country's overall economic stability. This approach will lead to increased job creation in rural areas, reduce excessive labor concentration in urban centers, diversify the national economy beyond its dependence on mining, enhance foreign trade relations, expand the range of export products, accelerate infrastructure development, and strengthen transportation and logistics networks.

This policy serves as a key strategy for the country's sustainable development and economic growth while ushering in a new era of regional progress. Its successful implementation is not solely the responsibility of the government—active participation from the private sector, citizens, and collaboration across all sectors is crucial. By consistently implementing this policy, which integrates economic growth, social development, and environmental sustainability, Mongolia will achieve balanced development, enhance its competitiveness in the global market, and improve the quality of life for its people.

As Mongolia embraces a new development model, the newly launched "Mongolian Economy – Region and Development" magazine aims to bring regional development policies closer to the public. We extend our best wishes for success and prosperity to all our readers!

SAINBUYAN AMARSAIKHAN,
MEMBER OF PARLIAMENT, DEPUTY PRIME
MINISTER OF MONGOLIA

HISTORICAL TRENDS AND ORGANIZATIONAL STRUCTURES



ADMINISTRATIVE AND TERRITORIAL DIVISION OF THE BOGD KHANATE MONGOLIA

1919



THE ECONOMIC ZONING IDEA PROPOSED BY D.DANDAR-BAATAR AND D.SAIN-ER

1997

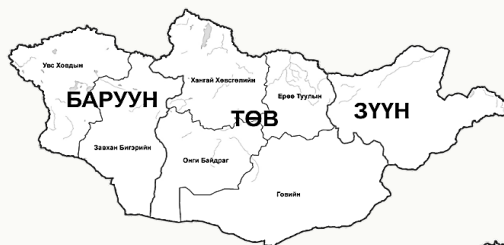


1967



ECONOMIC ZONING SCHEME DEVELOPED BY P.A.ALAMPIEV AND CH.SEREETER

1961



THE "ECONOMIC REGION" MAP DEVELOPED BY B.GUNGAA-DASH

1969



ECONOMIC ZONING IDEA PROPOSED BY M.ENKH-SAIKHAN

1997

OF TERRITORIAL DISTRIBUTION IN MONGOLIA



THE "ECONOMIC REGION" MODEL
APPROVED WITHIN THE FRAMEWORK
OF MONGOLIA'S REGIONAL DEVELOPMENT
CONCEPT

2001



ECONOMIC ZONING MODEL PRO-
POSED BY TS.SUKHBAATAR

2018

2011

THE ECONOMIC ZONING PROPOSED UNDER
THE DEMOCRATIC PARTY'S "MONGOL CITI-
ZEN-2020" PROGRAM



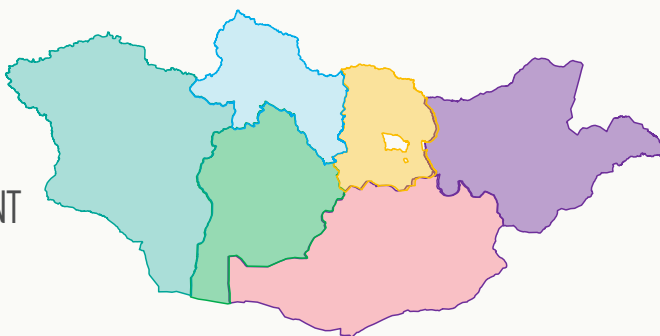
2020



ECONOMIC ZONING MODEL PRO-
POSED BY P.RINCHINBAZAR AND
D.ERDENEBAYAR

Main article

FOR MONGOLIA, HAVING SUCH A GUIDING POLICY DOCUMENT SYMBOLIZES A UNIFIED DIRECTION FOR FUTURE GROWTH, PROVIDING A CLEAR "COMPASS" TO STEER TOWARD A SHARED GOAL.



REGIONAL DEVELOPMENT POLICY - NEW DEVELOPMENT MODEL

Theories of national development have changed worldwide, placing greater emphasis on regional development models. This approach acknowledges that each country has unique geographical characteristics, history, culture, and values, as well as distinct mindsets. Therefore, rather than applying one-size-fits-all policies, countries are encouraged to craft development strategies tailored to their specific characteristics. This theory, which has gained prominence, asserts that the most effective development strategy is to focus on regional development based on geographical features, population distribution, and resource availability.

Mongolia officially adopted its regional development policy in 2011, nearly 20 years after the global rise of regional development theory. However, this policy saw little progress in implementation. Now, 23 years later, in 2023, Mongolia has firmly committed to regional development, with the Parliament approving the "Regional Development Concept of Mongolia." This foundational policy document has clarified the nation's

commitment to pursuing development through a regional lens. This policy has garnered unanimous support from political parties, economists, business leaders, and academics, collectively agreeing on the nation's development trajectory. For Mongolia, having such a guiding policy document symbolizes a unified direction for future growth, providing a clear "compass" to steer toward a shared goal.

Everything is bound by time and unfolds within that time. Over the past 23 years, the regional development policy and related documents have undergone numerous changes, including additions, deletions, and name changes. One political party would come to power, change the name, and treat it as their own, only for another party to come along four years later and change it again. It would not be an exaggeration to say that various development models have been introduced, tested, and implemented, with mistakes made along the way. However, today, Mongolia has confirmed that its new development model is regional development, enshrining it in

the Constitution and conducting parliamentary elections based on a regional structure. As a result, a coalition government formed by the three major political parties has been established, and the state budget and action plans are now framed around regional development. This marks a significant advancement for Mongolia in political, economic, and business terms. As Deputy Prime Minister S.Amarsaikhan has said, "Regional development policy is the most accurate and only solution for the future development of Mongolia."

Why regional development?

The population growth rate is 2.6% in Ulaanbaatar and 1.5% in the provinces. Poverty rates are 21.6% in Ulaanbaatar and 30% in the provinces.

In terms of trade and services, Ulaanbaatar accounts for 84%, while rural areas make up 6%. 96% of the universities are in the capital and 4% is in rural areas.

Seventy-eight percent of



POVERTY RATES ARE **21.6%** IN ULAANBAATAR AND **30%** IN THE PROVINCES.
IN TERMS OF TRADE AND SERVICES, ULAANBAATAR ACCOUNTS FOR **84%**, WHILE RURAL AREAS
MAKE UP **6%**. **96%** OF THE UNIVERSITIES ARE IN THE CAPITAL AND **4%** IS IN RURAL AREAS.

WHY REGIONAL DEVELOPMENT POLICY IS IMPORTANT?

	Population growth /percent/	Poverty /percent/	Household income /₮/	Human Develop- ment Index /value/	PISA Index /gap/
REGIONS	1.5	30%	1.9 MLN ₮	0.76	15 YEAR GAP
ULAANBAATAR	2.6%	21.6%	2.6 MLN ₮	0.83	

TOTAL ROAD

 **78%**
CONGESTED

CAPACITY OF THE MAIN ROAD

 **3**
TIMES OVERLOAD

PM 2.5 POLLUTION

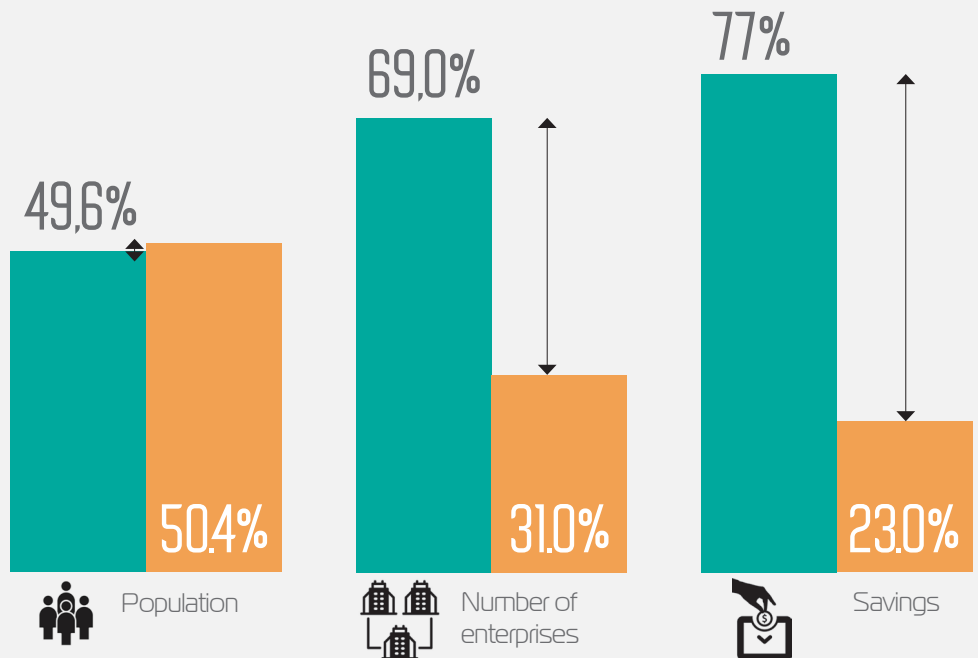
 **27**
TIMES EXCEED THE
SAFETY LEVEL

DAMAGE TOTAL FROM DISASTER

 **47.1**
BILLION MNT



THE REGIONS WILL BE DEVELOPED BASED ON THEIR GEOGRAPHICAL CHARACTERISTICS, WITH PLANS TO DESIGNATE THEM AS WESTERN, EASTERN, KHANGAI, CENTRAL, GOBI, NORTHERN, AND ULAANBAATAR REGIONS. ADDITIONALLY, 91 GROWTH CENTERS WILL BE ESTABLISHED AMONG THE 330 SOUMS.



Ulaanbaatar's roads experience traffic congestion, with main roads carrying three times their capacity. The level of PM 2.5 particulate pollution exceeds safety levels by 27 times.

These figures highlight the current state of our country's development and confirm that Ulaanbaatar has exceeded its development and living capacity. In the regions, population density is lower, and development lags by 1.5 years.

Experts emphasize the need to focus on spatial planning, a critical component of development theory.

"One of the methods of spatial planning that we aim to implement is regional development and planning. Spatial planning promotes development by effectively utilizing the resources of a particular region or area together, and most importantly, it ensures the balanced distribution of development benefits to the public,"

said Dr. Professor V.Batzengel, a faculty member at the National University of Mongolia.

In his speech at the National Forum on Regional Development, Prime Minister L.Oyun-Erdene stated, "Let's change our approach. If we can change our approach and mindset at all levels, we can achieve rapid development in a short period."

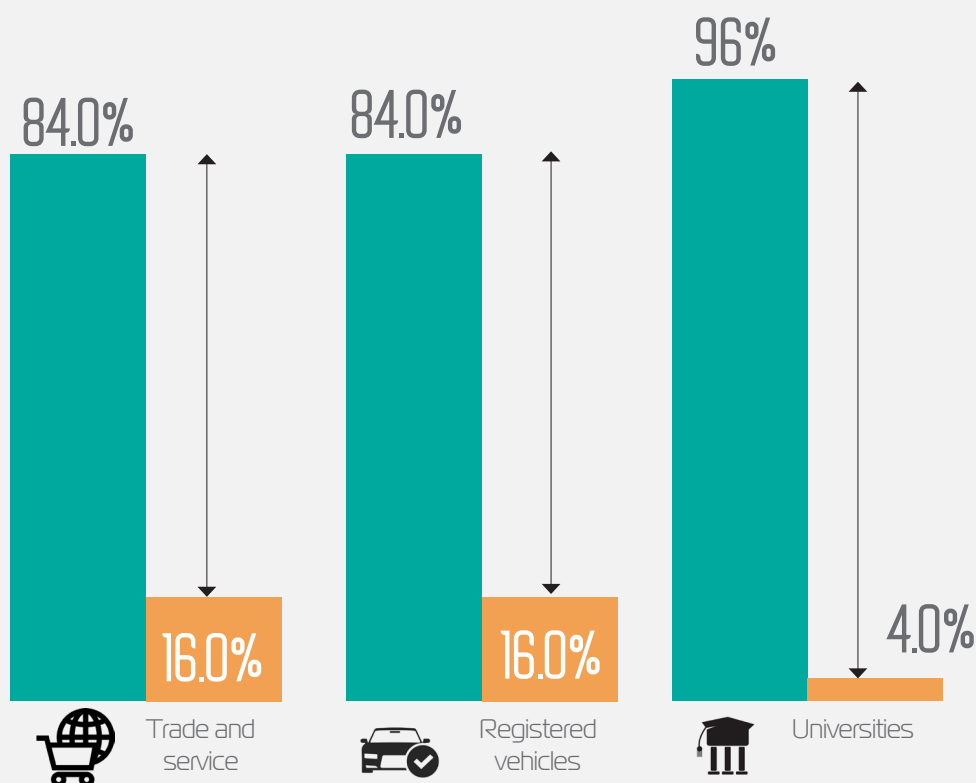
From ancient times, Mongols have had a broad spatial mindset, viewing the world almost as their homeland and home. However, in recent years, our mindset has become relatively narrow, limited to the level of provinces, districts, and soums. One way to overcome this narrow thinking, as pointed out by Professor V.Batzengel, is to understand spatial thinking in a broader sense.

Therefore, we must make changes in our approach and mindset. We are

descendants of a nation that once conquered half the world and included the entire globe in our mindset.

Moreover, the Mongols implemented a form of regional development policy as early as the 13th century, when they expanded their territory across Asia, Europe, and Central Asia. Therefore, it is important to properly implement this regional development policy, which is not new to us, to accelerate the development of our country. To achieve this, it is crucial to stop the division within the country, regions, provinces, districts, and even communities, and embrace a new mindset and approach to development.

We need to align our understanding of the new development model. With a unified concept and information, the policy can be implemented smoothly at all levels. In this context, the National Forum on Regional Development



was recently organized. Around 2,000 participants from cities, provinces, soums and baghs attended this forum and gained a clear understanding of the new development model.

Mongolia's regional development policy divides the country into seven regions. The regions will be developed based on their geographical characteristics, with plans to designate them as Western, Eastern, Khangai, Central, Gobi, Northern, and Ulaanbaatar regions. Additionally, 91 growth centers will be established among the 330 soums.

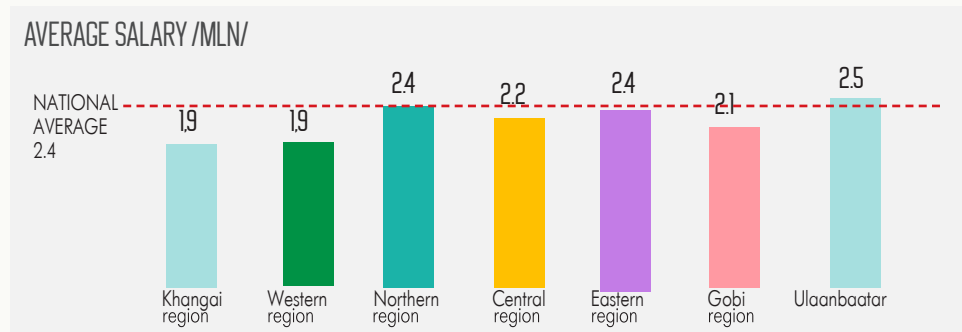
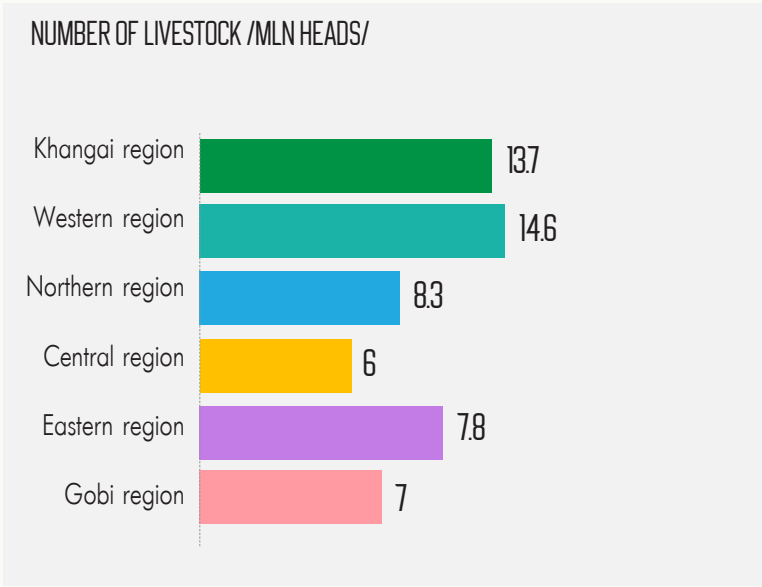
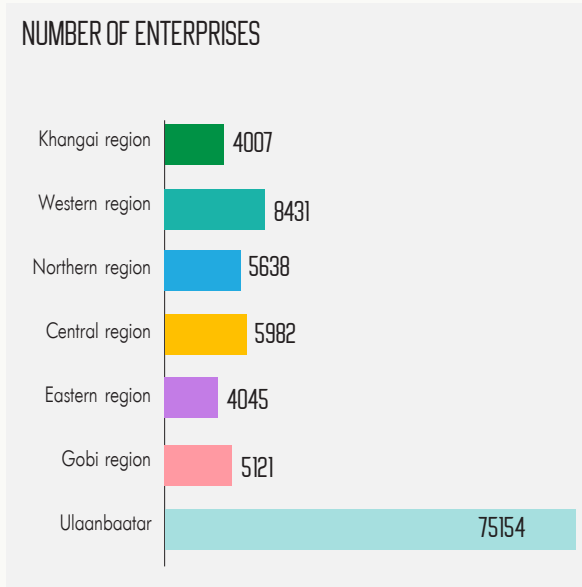
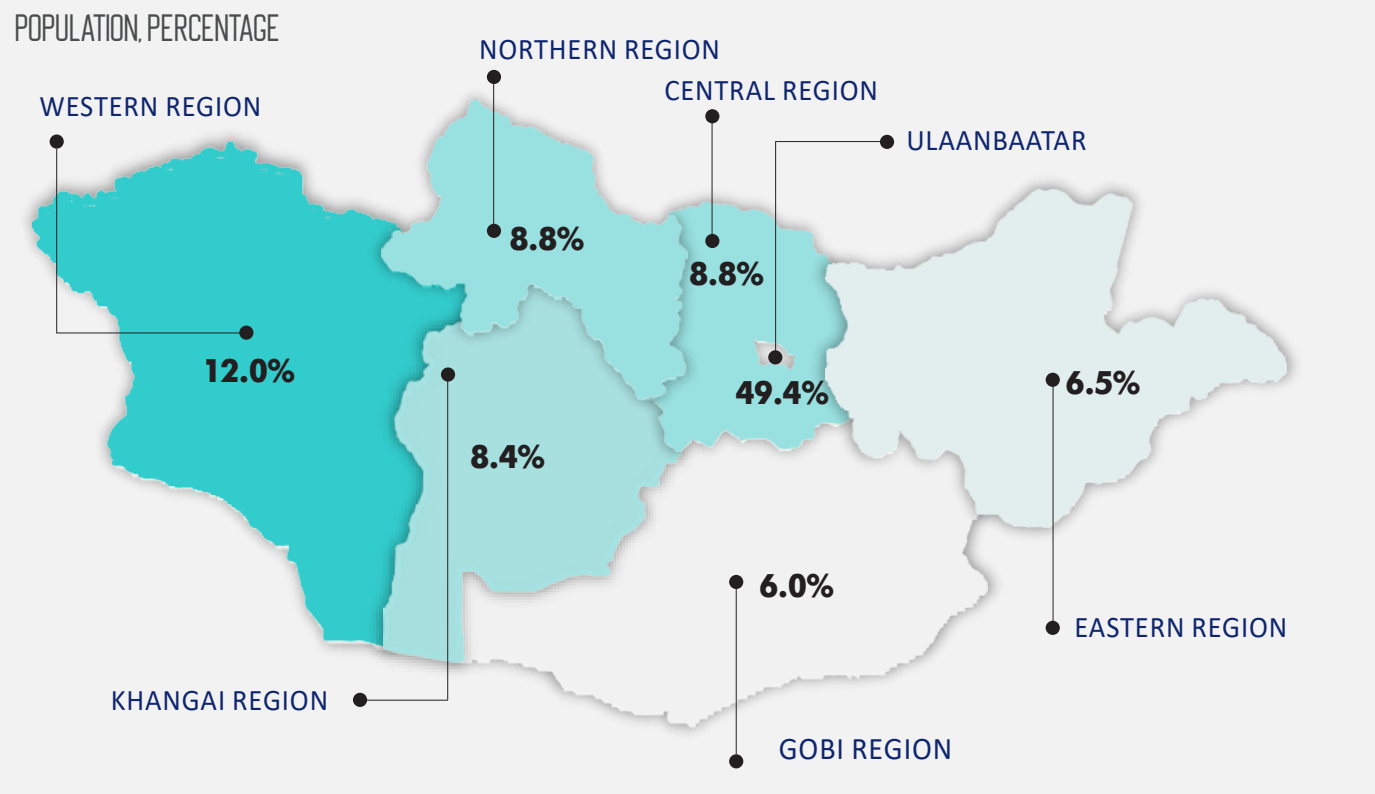
The focus is on identifying and developing the unique strengths of each region, fostering collaboration, diversification, and specialization, and ensuring balanced participation. The involvement of the Parliament, Government, private sector, local communities, and researchers will

be ensured. Government officials highlighted that the main focus will be on supporting the private sector, fostering collaboration, and attracting both foreign and domestic investors, which are key principles of regional development.

"As a researcher, I can conclude that we are on the right path in terms of development theory," said Member of Parliament D.Bum-Ochir.

The ultimate goal of regional development is to reduce the gravitational pull towards Ulaanbaatar and promote the growth of provinces and soums based on their geographic location and cultural characteristics. This will change the mindset of residents who want to move to the capital and create opportunities for them to live and work in their native regions. This is the primary goal of the regional development efforts.

Over the past 30 years, migration has been primarily directed towards the capital. According to the United Nations Development Programme, 60,000 people move to the city every year. As a result, we now have 1.6 million people living in the capital, overburdened and crowded in between the four surrounding mountains. Issues like air pollution, traffic congestion, soil contamination, health problems, energy shortages, poor education, and healthcare service problems have all worsened. Now, the focus is on decentralizing Ulaanbaatar and developing the regions, with the government implementing its legal and policy framework through the Regional Development Policy. Looking back, experts and researchers unanimously agree that this is the most correct and optimal development policy for Mongolia.



Source: NSO

2023

12.27

THE YEAR 2024 HAS BEEN DECLARED THE 'YEAR OF REGIONAL DEVELOPMENT SUPPORT' BY THE GOVERNMENT OF MONGOLIA'S RESOLUTION NO. 481 OF 2023.

2024

A WORKING GROUP HAS BEEN ESTABLISHED BY THE PRIME MINISTER OF MONGOLIA'S ORDER NO. 11 OF 2024 TO REVISE THE 'REGIONAL DEVELOPMENT CONCEPT' AND DRAFT AMENDMENTS TO THE RELEVANT LEGISLATION.

01.16

02.01,02

THE MONGOLIA ECONOMIC FORUM - REGIONAL DEVELOPMENT CONFERENCE WAS ORGANIZED.

BY THE PARLIAMENT OF MONGOLIA'S RESOLUTION NO. 64 OF 2024, THE "REGIONAL DEVELOPMENT CONCEPT OF MONGOLIA" WAS APPROVED.

06.05

06.29

THE 2024 REGULAR PARLIAMENTARY ELECTION WAS HELD USING A REGIONAL DISTRICT SYSTEM FOR THE FIRST TIME.

BY THE GOVERNMENT OF MONGOLIA'S RESOLUTION NO. 33 OF 2024, THE "NATIONAL INSTITUTE OF REGIONAL DEVELOPMENT" WAS ESTABLISHED.

08.14

08.24

BY THE GOVERNMENT OF MONGOLIA'S RESOLUTION NO. 21 OF 2024, THE STAFF OF THE "NATIONAL COMMITTEE FOR REGIONAL DEVELOPMENT" WAS REVISED AND APPROVED.

IN THE FIRST SECTION OF THE GOVERNMENT OF MONGOLIA'S 2024-2028 ACTION PLAN, THE "REGIONAL DEVELOPMENT POLICY" HAS BEEN DESIGNATED FOR IMPLEMENTATION.

08.27

10.08

THE FIRST MEETING OF THE NATIONAL COMMITTEE FOR REGIONAL DEVELOPMENT WAS HELD.

THE "NATIONAL FORUM ON REGIONAL DEVELOPMENT" WAS ORGANIZED IN ULAANBAATAR IN COLLABORATION WITH RELEVANT GOVERNMENT AGENCIES UNDER THE NEW STANDARD SLOGAN.

10.26

11.28

THE "NATIONAL FORUM ON CENTRAL REGION DEVELOPMENT" WAS ORGANIZED IN DARKHAN CITY, DARKHAN-UUL PROVINCE, IN COLLABORATION WITH RELEVANT GOVERNMENT AGENCIES UNDER THE NEW STANDARD SLOGAN.

2025

AT THE EXTENDED MEETING OF THE GOVERNMENT, A DECISION WAS MADE TO ESTABLISH REGIONAL COUNCILS AND ORGANIZE AN EXTENDED MEETING OF THE REGIONAL COUNCILS.

01.14

02.03

AT THE MEETING OF THE NATIONAL COMMITTEE OF REGIONAL DEVELOPMENT, IT WAS DECIDED TO PROMOTE AND ACTIVATE A CAMPAIGN TO SUPPORT AND ENHANCE REGIONAL COOPERATION.

NON-STAFF SCIENTIFIC COUNCIL ESTABLISHED UNDER THE NATIONAL INSTITUTE OF REGIONAL DEVELOPMENT

03.14

04.14

THE INAUGURAL CONFERENCE OF THE KHANGAI REGION WAS HELD

THE INAUGURAL CONFERENCE OF THE NORTHERN REGION WAS HELD

04.28

Main Interview

DEPUTY PRIME MINISTER OF MONGOLIA S.AMARSAIKHAN: REGIONAL DEVELOPMENT REPRESENTS A KEY POLICY FOR ACHIEVING THE MODERN ERA'S RENAISSANCE



Mongolian Economy magazine presents an exclusive interview with Deputy Prime Minister of Mongolia, S.Amarsaikhan, conducted aboard the Samarkand-Tashkent high-speed train in the Republic of Uzbekistan. The first meeting of the Mongolia-Uzbekistan Intergovernmental Commission was held in Tashkent in February 2025, and attended by Deputy Prime Minister S.Amarsaikhan, the head of the Mongolian delegation.

Uzbekistan's capital is Tashkent, while Samarkand is a significant historical and cultural center—especially for us Mongolians, as it was once ruled by our ancestors. Naturally, we began our conversation on this topic.

Mausoleum complex of Timur, known as Tamerlane: Evokes not only a pride in our ancestors but also deep reflection

-We have just visited the mausoleum complex of Timur, known in history as Tamerlane, and are now returning to Tashkent. Could you share your thoughts and impressions of the visit?

-The name Mongol and its history have withstood countless trials and tribulations for thousands of years. Today, the fact that we continue to leave the mark of our homeland, Mongolia, in the chronicles of time under one common roof is a source of great pride for Mongolians. Every time we study the traces, links, and relics of history preserved in many countries around the world as national treasures and sources of pride, it evokes deep reflection. I am sure it does the same for you as well. It constantly reminds, awakens and overwhelms us of how the independence and value

of our homeland have been inherited through the wisdom, resilience, faith, and dedication of our ancestors. This history instills pride, energizes us, awakens our sense of responsibility, and should inspire us to achieve even greater things.

We, the descendants of those who once established the famed Pax Mongolica in half of the world, now live in a time where we must not lose our way, turn against one another, or become pawns in the agendas of others. We are distinguished in the world as descendants of a people who not only recorded their nomadic civilization into history but also passed it down through generations. Therefore, by preserving our traditions of unity and mutual respect within our society, we can safeguard the identity and continuity of Mongolia as a nation. I also believe that we must show the same level of respect and principles when dealing with other nations, and approach all matters with wisdom and a grounded perspective.

Silk Road and ancient “Regional development”

-The Mongol Empire's rulers once conquered and governed this region, establishing it as a key trade hub. Our ancestors were already implementing a regional development strategy and expanding markets centuries ago. Now, after hundreds of years, a Mongolian delegation, led by the Deputy Prime Minister, is here in Uzbekistan to enhance bilateral cooperation and explore trade and business opportunities. Could you elaborate on the key significance of this official working visit?

-Regional development is not a new concept—a prime example of this is the Silk Road, which historically served as the main commercial and trade artery connecting regions. In the 1200s, the sons of Chinggis Khan, Jochi and Chagatai, led the conquest of the Khwarezmian Empire, eventually settling and ruling here. At that time,



Deputy Prime Minister of Mongolia, S. Amarsaikhan, in front of the Mausoleum of Tamerlane in Samarkand, Uzbekistan.

Khwarazm was the heart of Central Asia, the broader region, and the Silk Road itself.

Over the 33 years since Mongolia and Uzbekistan established diplomatic relations, significant progress has been made. Last June, President U. Khurelsukh made the first-ever state visit to Uzbekistan. At the inaugural meeting of this Intergovernmental Commission, several major initiatives and decisions were made, including expanding cross-border cooperation, developing tourism, increasing trade turnover, and broadening market access. In the business sector, particular emphasis is being placed on initiatives that align with "cross-border trade activities of regions."

The Intergovernmental Commission meeting produced the following key decisions:

1. First, a direct Ulaanbaatar-Tashkent flight will be launched in the second quarter of this year. This will create significant new opportunities for businesses and the tourism sector.
2. Second, a new road transport corridor was established. The new route, 1,000 km shorter than the current one via Russia, is between Uzbekistan-Kyrgyzstan-Ürümqi-Khovd-Bulgan border point-Ulaanbaatar. This will drastically reduce transportation costs and time.
3. Third, agricultural cooperation is being actively developed with concrete initiatives. Uzbekistan has signed an agreement to purchase 100,000 sheep from our country, and 7,000 sheep were transported by air last December. Positive news is that some have already started lambing. Going forward, efforts will be made to introduce Uzbek rams to develop a new breed and improve the sheep population of Mongolia.
4. Fourth, Trade and Economic centers will be established. By this June, it was agreed to open Trade and Economic centers in Ulaanbaatar and Tashkent. Over 50 Mongolian entrepreneurs participated in the Mongolia-Uzbekistan Business Forum. More than 10 Mongolian companies have

already started operations in the country. For instance, "Mongol Basalt" is constructing a factory in Tashkent, "Tavanbogd Group" has opened a branch of the NURA Center, and "Voyage Mongolia" has launched a branch office here, among other successful endeavors.

5. Although our country has a small population and a limited domestic market, it has vast natural resources. Therefore, opening new foreign markets is of utmost importance to us. Uzbekistan, with a population of approximately 40 million, experiences an annual population growth of 1-3 million people, and is a landlocked country. The two nations share similar lifestyles and cultural characteristics, facilitating effective communication, and the market is substantial. We believe that our entrepreneurs will seize this opportunity to its fullest potential.

The primary goal of the regional development policy is to expand markets

-Would it be correct to say that the main ambition is not just internal growth but also outward expansion—creating new trade routes and increasing exports?

-Yes, indeed. It has become clear that focusing solely on a single province, soum, or bagh will not lead to meaningful progress. Despite our efforts to grow the economy and increase production, Mongolia still has a limited domestic market. Therefore, we must expand our markets externally to achieve sustainable development.

To do this, we need to strengthen cross-border cooperation with our two neighboring countries and use those connections to access secondary and tertiary markets—such as Uzbekistan, Kyrgyzstan, Kazakhstan, the Eurasian Economic Union (EAEU) member states, and beyond.

As part of the regional development framework, we are dividing Mongolia's

21 provinces and 330 soums into seven economic zones, each specializing in key industries such as manufacturing, tourism, traditional and intensive livestock farming, and renewable energy. 91 development centers will be established across 71 soums. This is a comprehensive policy aimed at developing domestic production and services through economic zones and industrial technology parks, while simultaneously fostering human development, creating new corridors in the external markets, and enhancing our competitiveness.

Our focus domestically is on human development. This includes improving the demographic structure, quality of life, healthcare, education, and social infrastructure of the region's population. Externally, we must expand cross-border and international cooperation, and increase key trade routes. Mongolia is not about just Ulaanbaatar. Therefore, it is crucial to establish resilient, high-quality, and reliable infrastructure in other regions and implement mega-projects. Systematic supports, such as right projects, appropriate investments, and the creation of a favorable environment by the government, will encourage entrepreneurs to invest in these regions, increase their competitiveness, and expand their capabilities.

Private businesses and investors are the driving force of the nation

To be frank, the regional development policy cannot progress without the active involvement of the private sector, as well as both foreign and domestic investment. Companies will not invest in regions where profitability is uncertain. Therefore, we are working hard to create flexible taxation policies, and a favorable and sustainable investment environment.

An Economic Development Council, led by the Prime Minister of Mongolia, has been established to work on



development is not only about geographical location but also a policy to expand and break through the mindset of the people?

-The past 30 years have been marked by a narrow mindset rather than expanding, which has led to the concentration of the population in the capital, urban planning failures, pollution, traffic congestion, and many other negative consequences. People's mindset has also become limited to daily issues, with little opportunity to think on a larger, broader scale. Through regional development, however, we believe that the mindset of citizens can be expanded, and their creative thinking can be enhanced.

Our ancestors pursued a world-class diplomatic policy, initiated trade routes that connected nations, and sent ambassadors to other countries. For instance, Genghis Khan sent his chief envoy with a group of 600 people to Khwarezm to expand trade and markets. A group of 600 people was a major event at the time. However, the history tells us that Khwarezmian rulers killed his envoys, which led to Genghis Khan launching a military campaign. Nonetheless, the ultimate goal of our ancestors' military campaigns was to establish peace and harmony throughout the world.

-Politicians, business leaders, and international organizations support the regional development policy. However, what is the level of understanding among the general public?

-Public participation is the most crucial factor in regional development. The driving force behind this policy is the people, businesses, and organizations. It is urgent to introduce the importance of this policy to the public and incorporate their feedback and new ideas. Comprehensive programs will be implemented to ensure broad participation and active engagement, addressing topics such as "regional development opportunities, what innovations and technologies to introduce, and how citizens can increase their income." For example,

reforms in taxation, investment, and social insurance. For instance, there are discussions on implementing flexible arrangements, such as tax exemptions based on the level of investment for businesses that create a certain number of jobs, as well as reducing double taxation. By providing such advantageous conditions for entrepreneurs, regional development will become a tangible reality and progress forward.

In June 2024, the Parliament approved the updated Regional Development Policy Concept. Additionally, the Law of Mongolia on Regional development management and coordination will soon be revised. The 2025 state budget has been updated specifically to finance regional development projects and their feasibility studies, marking a historic first for Mongolia.

The government is providing free feasibility studies for 91 development centers to be established across 71 soums. This is a huge opportunity for businesses.

We are forming Regional Development Councils. These councils, which include local government officials, members of parliament, business leaders, and investors will work together to prioritize regional policies, investments and development projects

and create mechanisms that ensure their effective implementation.

The issue of regional development has been addressed comprehensively this time. At the government level, there is little resistance, and the majority supports it. Previously, discussions focused on one province or one soum. But now members of parliament are collaborating in a regional issue. The narrow mindset has shifted, and people are starting to look at the bigger picture. Since the regions each have their unique characteristics, the opportunity for competition has emerged, which is crucial. For instance, the Gobi region, with its vast energy resources, is aiming to build renewable energy plants to initially meet domestic needs and eventually export. Similarly, the Western region is focusing on establishing meat, wool, and leather processing industries, with plans to expand markets through neighboring countries.

Public participation and mindset shift

-Our scholars have said, 'Our ancestors once encompassed the world in their mind, but we have become increasingly narrow-minded.' Do you believe that regional

competitions for projects supporting innovation, technology, and regional development, starting from debates and discussions, will be announced to the public, and will begin nationwide in March. Additionally, essay writing contests, debates, and innovation and technology competitions will be organized among students. Discussions will also be held at the provincial and local levels. In doing so, we aim to avoid repeating the past mistake of discussing policies at the top without effective implementation at the grassroots level.

One of the main reasons regional development has not materialized before is the lack of a connecting framework. To address this, we established the National Institute for Regional Development. This institute serves as the brain behind the policy, acting as a bridge between the government and local authorities. Additionally, a council of researchers will be established under the institute. This will establish a framework where the policy continues uninterrupted, ensuring the preservation of continuity, even in the face of changing political circumstances.

Next 3-4 years will be critical

- What projects are included in the government's plan for the next 3-4 years?

- I envision the next 3-4 years as a critical period for ensuring the proper direction of the regional development policy, keeping it on track without deviation. It will involve the establishment of infrastructure and development centers connecting each region, while intensifying external cooperation with neighboring countries and other nations.

- Regional development will be implemented through tax policy, and efforts to attract investment will be strengthened.

- The 60 billion MNT has been allocated for major projects, including business centers, tourism hubs, and science and innovation development centers.



- Each region will distinguish itself through its cultural heritage, lifestyle, arts, and sports events, aimed at attracting tourists, developing production and services, and creating brand products.

-Micro, small, and medium enterprises will be integrated into cluster systems to facilitate their access to domestic and international markets. Favorable conditions, including tax exemptions for 5-10 years, will be created for businesses operating in special and free zones of the regional development.

Belief for the next 30 years

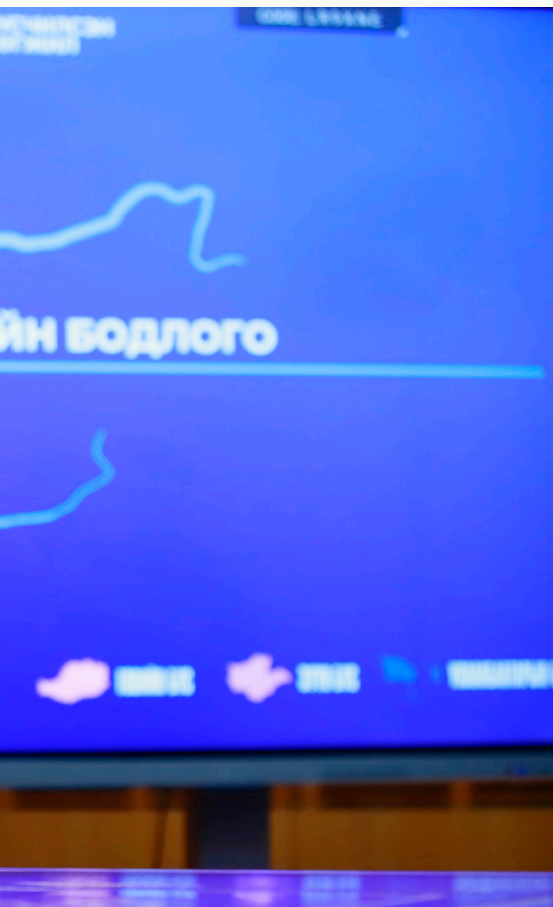
-We have a history of frequently changing policies due to election cycles, which has had a negative impact on development. Can we be confident that regional development will not fall victim to this pattern once again?

-The right policy must be sustainable. After many years of back-and-forth, we

have now defined the Vision 2050, the New Recovery Policy, and the Regional Development Policy. Following this, we conducted the parliamentary election based on regions. This was an effort to minimize the influence of small constituencies and narrow interests rooted in the mindset of local provinces, soums, and baghs. If we reverse this now, we will be starting everything from scratch. Such a regression would lead to greater setbacks and significant losses. We must improve and expand this policy, transitioning to a national-level electoral system. Policies mustn't be made for small territories but for the entire country, with politicians setting national-level goals. This shift will become a major driver for the development and renaissance of the modern era. Mongolia is now at the starting point of its historic development.

-What is your belief for the next 30 years of Mongolia's development?

-I'm very optimistic about it. The policy and goals for regional



development are the best solutions we've gained through the hard lessons of life. After enduring multiple crises in the post-COVID economy and geopolitical turmoil, along with the closure of neighboring borders, we've lived through very challenging times. In the end, I believe every Mongolian has realized that we need to develop independently. This shift in understanding, I think, has raised the bar for societal expectations significantly. Policies like the recovery of border ports, major railway projects, need to increase export volumes, projects like Food Revolution and White Gold, initiated by the President, and ensuring our economic security – these are all an integral part of the regional development policy. If we spend the next 3-4 years effectively, our economy will grow rapidly, building on strong momentum. Looking 30 to 50 years ahead, I firmly believe Mongolia can emerge as a more powerful, open, and sustainable development model country, leading in regional growth.

Challenges of the modern era and external factors

In the face of increasing international instability, war, peace, and security concerns, we must be more strategic and insightful. The rapidly changing world and the unpredictable geopolitical tensions make it important to acknowledge the policies and principles that Mongolia's President, Parliament, and Government have been following in recent years have been spot on. Minister of Foreign Affairs is also doing excellent work.

Relations with our eternal neighbors, not by choice, but by destiny, Russia and China - have always been a central pillar of our foreign policy. Alongside this, expanding and strengthening strategic and comprehensive partnerships with third neighbors will align with Mongolia's core interests. Moving forward, Mongolia must remain free from narrow self-interests or baseless criticism and continue to develop a more intelligent, flexible, inclusive, and research-backed policy that will ensure our national survival and prosperity.

Recently, there have been efforts to sow division and create misunderstandings, not only with our two neighbors but also with our third neighbors. These tactics aim to undermine and divide our country. If we allow ourselves to be swayed by malicious provocations or emotional reactions, we risk severing our friendly relations with our traditional neighbors and closing the door on meaningful engagement with third neighbors. This would eliminate any opportunities to be recognized in the global arena, to develop alongside the world. If we coexist peacefully, with respect and mutual trust, we will earn the respect and trust of other nations as well. We are a people united by a common goal: the development and progress of our country. Therefore, strengthening our internal capabilities, evolving, and rising again must be in the collective interest of all. This is why I say that "regional development is the modern policy of

renaissance." It is the right and only path for Mongolia to progress alongside the rest of the world.

At the end of the conversation...

The high-speed train travels between Samarkand and Tashkent in two hours. By the time our conversation concludes, the train arrived at Tashkent's station.

As a journalist with 25 years of experience in covering the economy, I find myself deeply satisfied. The reason is that I was discussing the future development of Mongolia with the country's Deputy Prime Minister, at the very heart of Central Asia, where our ancestors once conquered and established their presence 700-800 years ago.

It is a natural course of history that great empires rise and fall, making way for new nations to emerge, and life continues to evolve. However, it is impossible not to feel a sense of pride when we see the direct legacy of the Mongol Empire, which once ruled much of the world, still standing as an independent nation in the heart of Central Asia. Now, it is time for us to let go of narrow, critical mindsets and begin thinking on a broader scale, aligning ourselves with global development and striving to rise together with the world.

Minister S.Amarsaikhan aptly noted, "Regional development is about expanding markets and is a policy for modern-day renaissance". In the 13th century, Mongolian Khans expanded their markets into Central Asia through the Silk Road, improving the lives of their people. Today, the government's policies are focused on regional and global outreach. This approach is not only the most viable path for Mongolia's development, and as a journalist, I also want to emphasize that regional development is the key foundation for future hope and growth.

D.Bekhbayar
Uzbekistan. Samarkand-Tashkent,
February 2025

Tourism



THE REGIONAL DEVELOPMENT POLICY AIMS TO ATTRACT LARGE FLOWS OF TOURISTS TO MONGOLIA, WHERE THEY CAN EXPLORE THE NOMADIC HERITAGE, STUNNING NATURE, WILD ANIMALS, AND IMMENSE HISTORICAL MONUMENTS FROM EVERY CORNER OF THE WORLD.

Tourism is a key development sector for Mongolia. Therefore, the government has declared 2023-2025 as the 'Visit Mongolia Year.' In 2023, for the first time in its history, Mongolia welcomed 650,000 tourists, generating over 1.0 billion USD in revenue, marking a remarkable achievement for the sector. With 1.3 billion USD in revenue, tourism ranks second only to the mining sector. This highlights the immense potential of tourism and its significant role in the economy.

Our beautiful, pristine nature attracts foreign tourists like a magnet. Additionally, we have a rich history and cultural heritage to be proud of. The difficult and harsh paths traversed by our ancestors have left us with immense historical and cultural treasures and heritage. By leveraging this heritage, promoting it in an environmentally friendly way, and attracting foreign tourists, we can create rapid growth for the economy.

According to the regional development policy, the tourism sector will also be developed based on geographical features. This includes special tourism zones and parks, such

Go Mongolia





UPCOMING PROJECTS

- Special tourism zones around Lake Khuvsgul
- "Cradle of Central Asian history and culture" complex
- Complex based on the cultural heritage created by Undur Gegeen Zanabazar
- Cross-border tourism development zone centered on Buir Lake and its historical and cultural resources
- "Film and content production complex"
- Special zone based on the ecosystems of the Altai-Khangai Mountains,Uvs Lake Basin, and the Great Lakes Depression
- Eco-park based on the natural and cultural heritage of the Altai Mountains
- Special tourism zone centered on paleontological resources at Tsagaan Suvarga, Dundgobi province
- Cultural and natural heritage complex based on the sacred mountains in Dariganga soum, Sukhbaatar province
- "Nomads" World cultural festival special Zone
- Khushig valley tourism special zone

as the Lake Khovsgol tourism zone, the Central Asian Historical and Cultural Center, the Nomads World Cultural Festival, and the special tourism zone in the Khushig Valley.

Mongolia is the second-largest country in the world in terms of paleontological discoveries. It is the land of giant prehistoric creatures such as Tarbosaurus, Protoceratops, Velociraptor, Oviraptor, and many others. Mongolia is set to unlock the full potential of this invaluable resource. The regional development policy aims to attract large flows of tourists to Mongolia, where they can explore the nomadic heritage, stunning nature, wild animals, and immense historical monuments from every corner of the world.

In recent years, the Mongolian government has encouraged tourists to visit Mongolia under the "Welcome to Mongolia" slogan. This

year, a global marketing campaign has begun under the "Go MonGolia" slogan, and the development of the "Why You Should Visit Mongolia" branding is underway.

Internationally renowned media outlets have named Mongolia as one of the top 10 destinations to visit, highlighting the top 10 reasons to travel to Mongolia. CNN, Financial Times, and The Washington Post, along with over 40 other media outlets, have featured stories and broadcasts about our country. As a result, thousands of tourists visited Mongolia in 2023 and this year.

In addition to its non-renewable natural resources from mining, Mongolia is now focusing on utilizing its inexhaustible natural resources, attracting tourists, and defining its policy to rapidly advance the country. Go MonGolia.

NATIONAL TREASURE



Globally ranked **5th** for paleontological discoveries



REGIONAL ZONING-DEVELOPMENT CENTERS

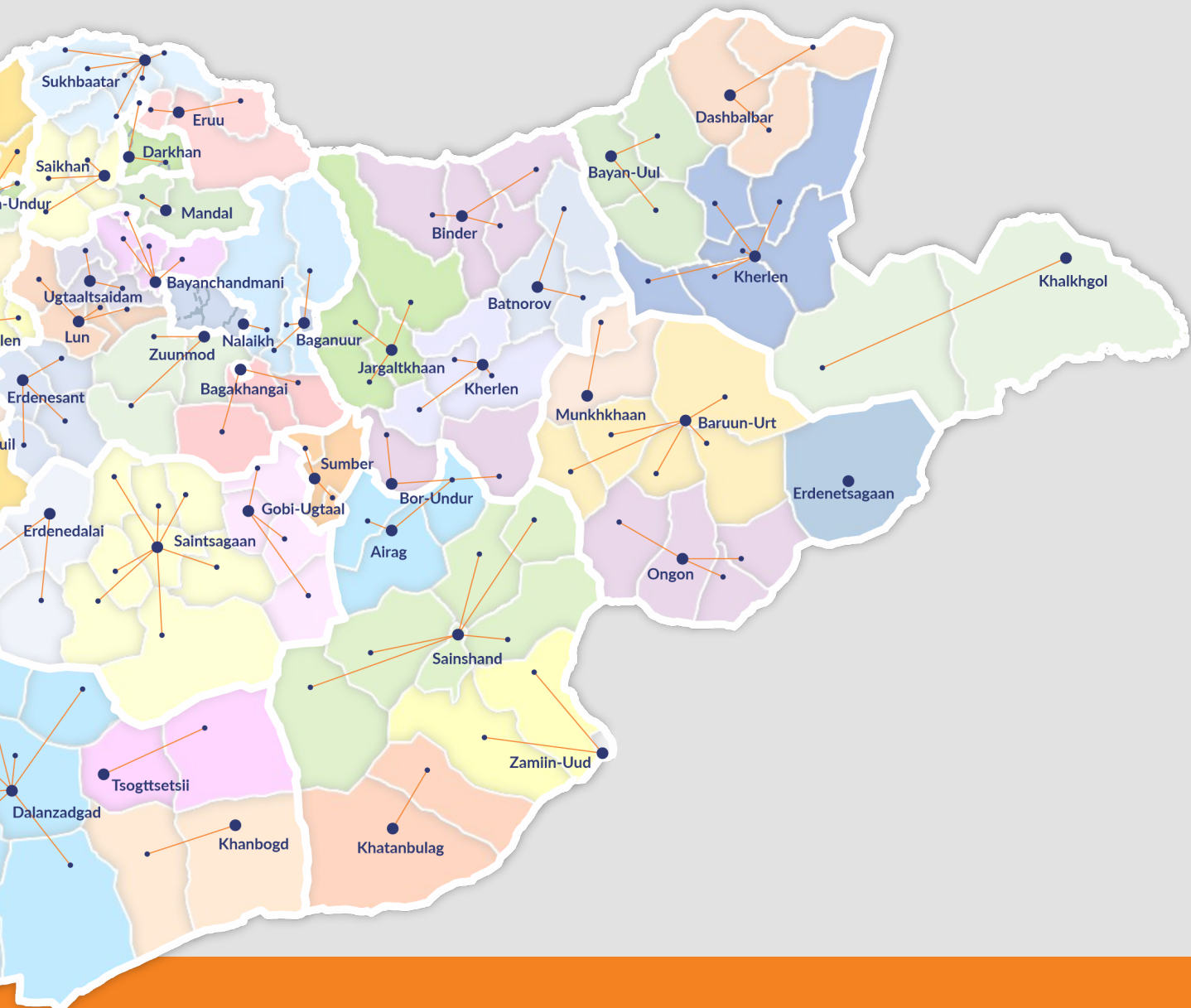


21 + **70**
PROVINCES SOUMS

91
REGIONAL DEVELOPMENT
CENTERS

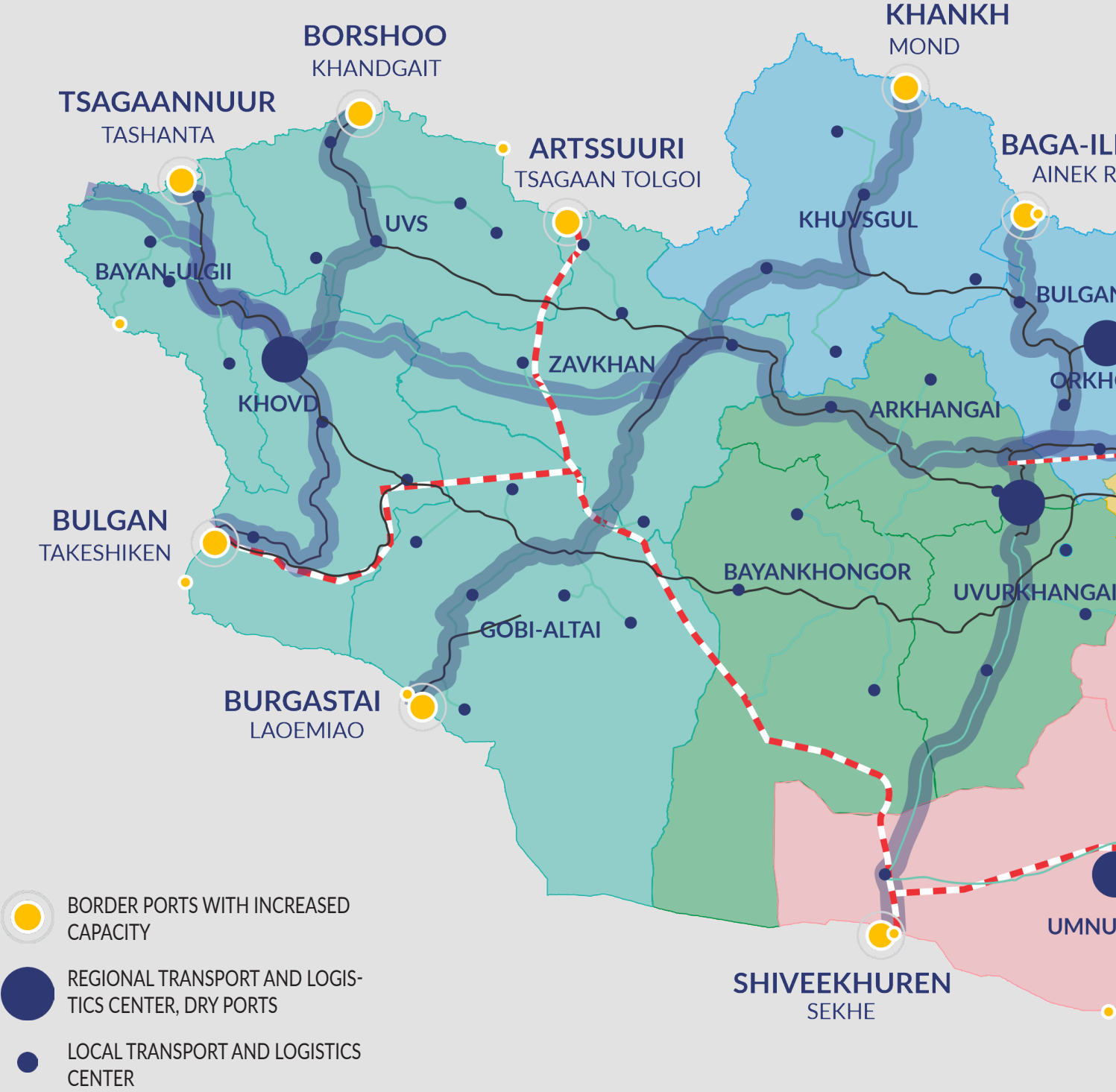


PRIVATE ENTERPRISES AND COOPERATIVES THAT INTEGRATE PRODUCTION, SERVICES, TRADE, EXCHANGE, AND TRANSPORT LOGISTICS INTO A COMPREHENSIVE VALUE CHAIN AND DEVELOP THEM BASED ON THE CLUSTER PRINCIPLE WILL RECEIVE PRIORITY SUPPORT IN REGIONAL DEVELOPMENT CENTERS.

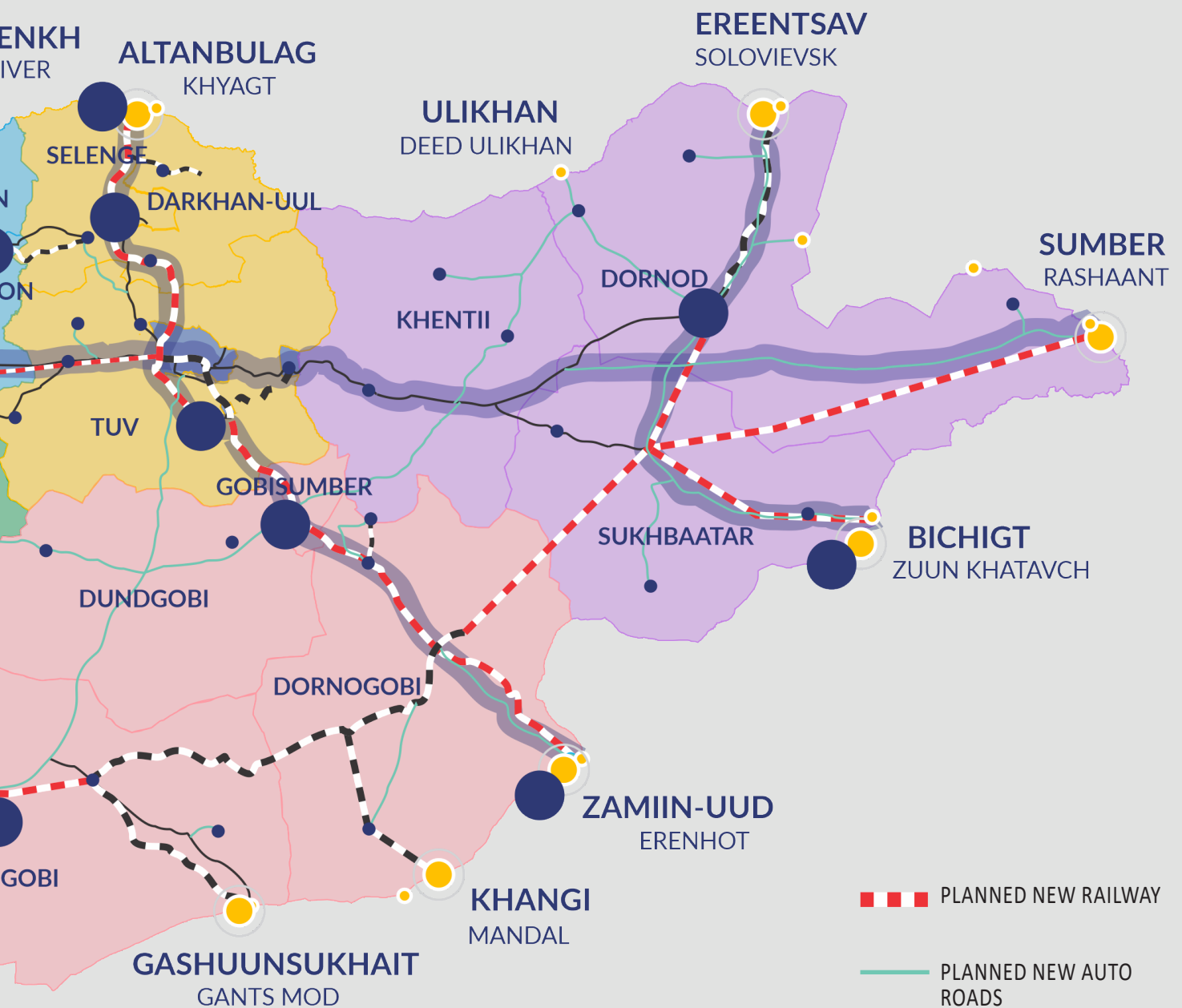


- ✓ A REGIONAL BRAND WITH GEOGRAPHICAL INDICATION
- ✓ RAW MATERIAL AND PRODUCT PROCUREMENT, SORTING, PROCESSING, AND PRODUCTION
- ✓ TRANSPORTATION, LOGISTICS, TRADE AND SERVICE CLUSTER

A UNIFIED TRANSPORT AND LOGISTICS NETWORK WILL BE ESTABLISHED



INTERNATIONAL AND REGIONAL TRANSPORT AND LOGISTICS CENTERS, ALONG WITH PRIMARY LOCAL LOGISTICS HUBS FOR GOODS SUPPLY, WILL BE ESTABLISHED AT KEY POINTS IN BORDER CROSSINGS, FREE ZONES, AND ECONOMIC CORRIDORS, AND CONNECTED VIA ROAD AND RAIL.



PUBLIC-PRIVATE PARTNERSHIP

POLICYMAKERS EMPHASIZE THAT THE REGIONAL DEVELOPMENT POLICY WILL RELY HEAVILY ON THE PRIVATE SECTOR.



The main goal of the Regional Development Concept is to support private sector sales by opening up domestic and international markets through public-private collaboration.

Over the past 30 years, the government has played a significant role in national development, but for the next 30 years, greater private sector participation will be key.

LOCAL PRODUCTION AND TECHNOLOGY PARK

HARD INFRASTRUCTURE SUPPORT:

- Heating supply
- Electricity, telecommunications, and water supply
- Sewerage and market connectivity

SOFT INFRASTRUCTURE SUPPORT:

- Soft loans
- Marketing and sales assistance
- Feasibility studies, design and planning, brand development, and standardization
- Innovation and technology transfer
- Breeding and selection
- Genetic resources
- Development of new cooperatives
- Government procurement

This principle is highlighted as a cornerstone of the new development policy.

The regional development policy is entirely focused on supporting businesses and the private sector, as well as attracting both domestic and foreign investment. It outlines that development projects and programs for regional growth will be implemented through public-private partnerships. This can be interpreted as the government's commitment to fostering a favorable business environment on a regional basis.

To align with the economic priorities of the regions, the policy aims to create a favorable legal environment by supporting manufacturers and service providers through tax and investment policies. It seeks to develop small and medium enterprises (SMEs) by supporting

cooperatives and manufacturers through the New Cooperative Movement, and by promoting start-ups and innovation projects to bring them into economic circulation.

The government has announced plans to implement 14 mega projects, which will be developed and implemented in line with regional development policies. These 14 mega-projects include heavy industries, steel, iron, and copper manufacturing facilities, as well as energy and transportation infrastructure. They represent large-scale investment opportunities to be implemented through both domestic and foreign funding, as well as public-private partnerships. (For detailed information on the projects, investment plans, and regional policies, refer to the article Policies and Plans for Regional Development.)



Small and medium enterprises (SMEs) tend to grow around large-scale factories and corporations. Similarly, the 14 mega projects are expected to stimulate business activity in their respective regions, boosting economic growth and creating opportunities for citizens to enjoy better living standards. Additionally, the government aims to provide conditions for businesses to activate, revive, merge, cooperate, and specialize. In other words, the state is committed to establishing a robust legal environment for business operations and providing both soft and hard infrastructure. This intention is clearly outlined in the Regional Development Policy, with efforts underway to amend and update various laws accordingly.

To accelerate regional development and achieve economic growth, it is essential to support the private sector. Enterprises operating in free zones, special zones, and industrial technology parks will benefit from various tax incentives and rewards. There is also a strong emphasis on creating an organized system for exporting goods produced in industrial technology parks and developing international-standard sales channels to support businesses' growth.

The Regional Development Policy includes provisions to develop heavy industry. For example, a copper processing plant in Erdenet, a steel processing plant in Darkhan, an industrial technology park in Khutul (Selenge province), and a glass factory in Baganuur.

A new tax policy based on the principles of regional development will be implemented, including the following measures:

Support for processing industries and introduce a differentiated tax policy, tailored to the unique characteristics of each region.

Customs duties on processing industry equipment will be waived, and value-added tax (VAT) regulations will be adjusted. (Restrictions will remain in place for sectors such as alcohol and tobacco.)

Investors and enterprises that donate or invest in the social sector will be exempt from up to 1% of their annual sales revenue.

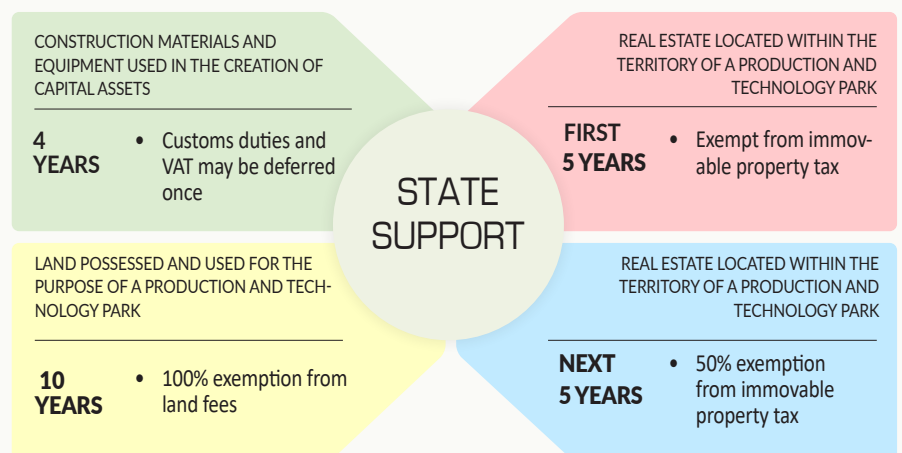
The regional development policy will be aligned with the development strategies of other countries, particularly Mongolia's two neighbors. To this end, the government plans to recover and rapidly develop border ports to facilitate smoother foreign trade flows. Additionally, efforts to establish free trade agreements with certain countries will continue. Currently, Mongolia has trade agreements with Japan, the European Union, South Korea, China, and India under the Asia-Pacific Trade Agreement. Negotiations for agreements with Russia, China, and South Korea are also underway.

Additionally, aligning Mongolia's development with programs and projects such as the Eurasian Economic Corridor and the Belt and Road Initiative, integrating into regional economic frameworks, and opening up markets to support

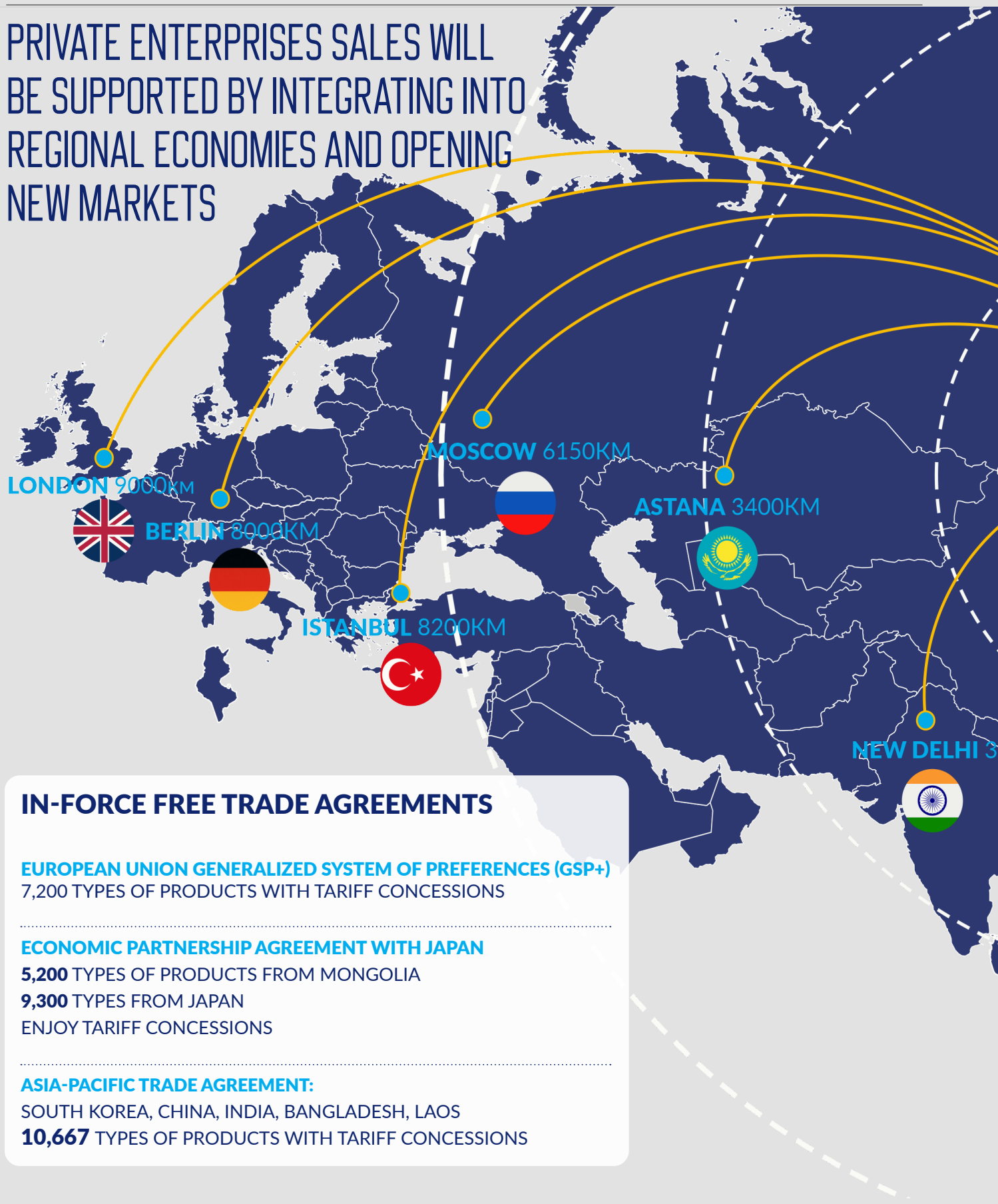
HEAVY INDUSTRY TECHNOLOGY PARKS

- Erdenet - Copper processing complex
- Darkhan - Steel processing complex
- Selenge – Khutul industrial and technology Park
- Bor-Undur – Eastern region Industrial and technology park
- Glass factory in Bagakhangai, Industrial and technology park in Baganuur
- Gobi-Altai – Lime and magnetite production facility
- Bayankhongor – Khangai region Industrial and technology park
- Dornogobi – Oil refinery
- Umnugobi – Coal-Chemical complex
- Gobi region Industrial and technology parks (Altanshiree and Gerelt-Gobi)

the private sector are seen as key drivers for Mongolia's rapid progress. This forms the essence of the new development policy.



PRIVATE ENTERPRISES SALES WILL BE SUPPORTED BY INTEGRATING INTO REGIONAL ECONOMIES AND OPENING NEW MARKETS

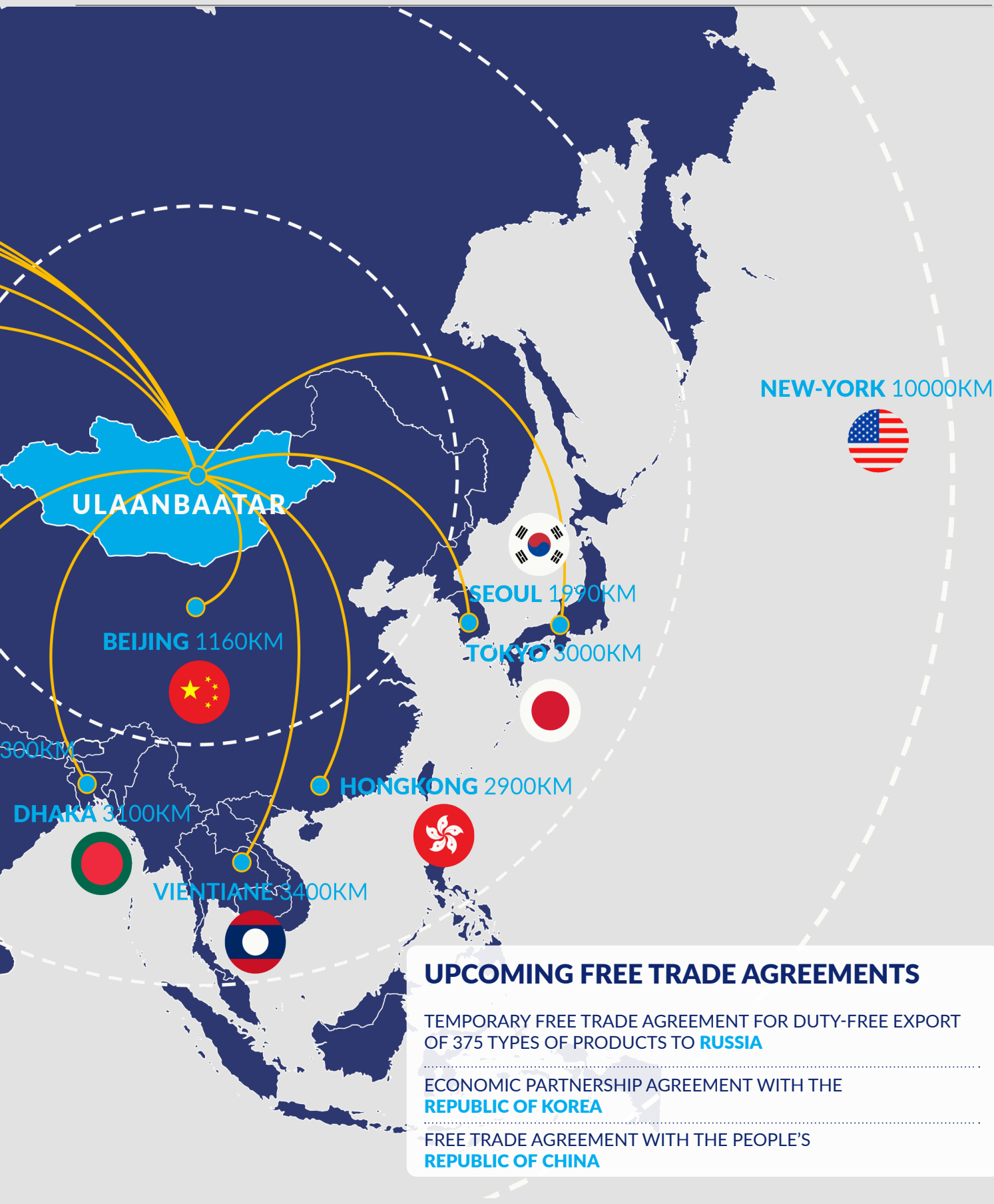


IN-FORCE FREE TRADE AGREEMENTS

EUROPEAN UNION GENERALIZED SYSTEM OF PREFERENCES (GSP+)
7,200 TYPES OF PRODUCTS WITH TARIFF CONCESSIONS

ECONOMIC PARTNERSHIP AGREEMENT WITH JAPAN
5,200 TYPES OF PRODUCTS FROM MONGOLIA
9,300 TYPES FROM JAPAN
ENJOY TARIFF CONCESSIONS

ASIA-PACIFIC TRADE AGREEMENT:
SOUTH KOREA, CHINA, INDIA, BANGLADESH, LAOS
10,667 TYPES OF PRODUCTS WITH TARIFF CONCESSIONS



Perspectives on Policy



U. Khurelsukh,
President of Mongolia

The national initiatives and programs launched by the President of Mongolia, such as "Billion Trees," "Food Revolution," "White Gold," "Healthy Mongolian People," and "Outreach 2100," must align closely with the "Regional Development Concept" to ensure that Mongolia's progress is accessible and beneficial to all its citizens.



L. Oyun-Erdene,
Prime Minister of Mongolia

The Mongolian government has changed its approach to regional development and has adopted new policies and concepts. Now, we must shift our mindset. I am confident that implementing regional development policies will start a migration from cities to rural areas, not the other way around.



L. Gantumur,
Chief Deputy Prime Minister and Minister of Economy and Development of Mongolia

Regional development policy will be the government's top priority in the coming years. It's time to implement specific policies and laws for each region and put them into action.



D. Amarbayasgalan,
Speaker of the State Great Khural

Each province and soum should create development policies and models tailored to their resources, ensuring all citizens have equal opportunities to live and prosper. This is the core aim of regional development policy. Therefore, it is the essential responsibility of parliament to ensure equitable access to social services, infrastructure, and markets across regions through budget policies, while also enhancing the legal framework.



S. Amarsaikhan,
Deputy Prime Minister of Mongolia

The regional development policy is the most effective and the only solution for Mongolia's future progress.



T. Dorjkhand,
Deputy Prime Minister of Mongolia

The regional development potential lies in creating markets or human concentration, followed by infrastructure such as roads and energy. The foundation for their implementation is regional development.



N.Uchral,
*Minister of Mongolia,
Head of the Government
Secretariat*

The Government of Mongolia has implemented the "E-Cabinet" system to quantitatively assess public service performance and monitor the quality of life in provinces, soums, and local areas in real time, enabling swift and effective action when needed.



V.Battsege,
*Director of the Urban and
Regional Development
Research Institute under
the National University of
Mongolia,
Doctor, Professor*

Regional development is a unique spatial planning approach rooted in Mongolia's tradition of open, shared land use, and successfully applied by developed countries to achieve tangible results. It offers an effective way to organize territory for addressing sustainable development challenges.



R Rinchinbazar,
*Professor at the
National University of
Mongolia, Doctor of
Science*

Economic zoning focuses on optimizing territorial organization, strategically positioning industries and sectors, establishing integrated infrastructure networks, and promoting regional diversification and connectivity. This ensures balanced living and working conditions for citizens across different areas. Additionally, it involves government-led spatial development, planning, and coordination, with mechanisms in place to uphold justice.



N.Togtokh,
*Former member of
Parliament, Distin-
guished scholar of
Science, Ph.D.*

Mongolia's Regional Development Concept, based on an integrated network of transit infrastructure corridors, represents a contemporary version of the "Traditional State Policy of Mongolia" that dates back to the era of Chinggis Khan.



G.Battuvshin,
*Regional studies
expert, Doctor,
Professor*

I am very pleased that Mongolia is making regional development a central focus of its national agenda. In every country, some areas inevitably lag behind others in key development indicators. Therefore, it is essential to implement targeted government policies and encourage greater private sector involvement in underdeveloped regions to help balance development levels. Simply put, regional development is about using local resources more efficiently to improve the well-being of citizens across all regions.



D.Erdenebayar,
*Director of the National
Institute of Regional
Development, Ph.D.,
Associate professor*

From the standpoint of development philosophy and national values, regional development is the most effective solution for Mongolia—a nation rich in history, culture, and natural resources, where people live in harmony with and deeply respect the environment.

D.ERDENEBAYAR: THE REGIONAL DEVELOPMENT POLICY WILL SUCCEED WHEN ALL SECTORS AND LEVELS SHARE A UNIFIED UNDERSTANDING AND WORK TOWARDS THE SAME GOAL

We interviewed D.Erdenebayar, the Executive Director of the National Institute of Regional Development. In this discussion, we explored the scientific basis of regional development policy, the integration of theory and practice, and global regional development policies and their interconnections.

D. Erdenebayar is a seasoned expert in regional development, dedicated to transforming research into effective state policies and practical applications. He holds a Ph.D. with a dissertation on "Optimizing Investment Allocation Based on Economic Zoning."

-How should we understand the essence of the regional development policy?

-From the national interest perspective, regional development means taking a comprehensive approach to territorial spatial planning and development. It involves the optimal and effective utilization of each region's resources and potential for a common national goal, as well as establishing mechanisms for specialization, diversification, cooperation, and collaboration among regions. It also aims to ensure the fair distribution of natural wealth and properly assess population migration's positive and negative impacts. Ultimately, it seeks to eliminate regional disparities and reduce spatial



inequality at the national level.

As Mongolia transitioned to a market economy, a large portion of the population began migrating from rural areas to cities and settlements, causing significant challenges. This made it necessary to establish a new territorial spatial organization system that supports the development of the modern network of transportation and energy and market infrastructure.

For example, as of 2024, 70% of the total population resides along the central development axis, and nearly 50% of the population lives in the capital city, which occupies only 0.3% of the country's territory. The migration toward the capital has not slowed down. As a result, most provinces and soums have limited

capacity for independent economic development and competitiveness. Population, production, and services have become overly concentrated in a few major urban centers, deepening the development gap between urban and rural areas.

In general, there is a natural tendency for population growth to follow the development of production, services, and infrastructure. Therefore, establishing basic infrastructure plays a crucial role in narrowing the economic divide between urban and rural areas. It supports regional development, ensures alignment with urban planning, helps build supply chains, and reduces dependence on a single central hub.

-What were the theoretical and methodological foundations of the Regional Development Concept approved by Parliament in 2024?

-To fully understand the essence of economic zoning, to develop sound policies, and to implement them consistently, it became essential to draw upon scientific achievements in the field of regional development.

The theoretical and conceptual framework for addressing the practical challenges of regional development—originating from the classical parliamentary system established in Europe in the 17th century—has long been studied at the intersection of various disciplines in the natural and social sciences. Since the 1930s, intensive research has been conducted on fields such as economic regionalization, regional development theories, the concept of cumulative regional growth, agglomeration theory, growth pole or gravitational theories, location theory, and systems approaches.

In our case, we have continuously conducted research and analysis to determine which theoretical and methodological approaches could be applied effectively. When drafting policy documents, we actively incorporated the aforementioned theoretical approaches and tools. Today, the world is shifting from an industrialized society to an information-based, globalized society driven by scientific and technological revolutions. A defining characteristic of this era is that national development tends to cluster around specific "development centers." Therefore, it has become necessary for us to define a new development model tailored to the unique characteristics of our country, based on spatial or regional scientific research.

Therefore, the goal of the Regional Development Concept is to ensure, at the national level, the territorial

integrity of the country, socio-ecological balance across the land, and economic independence. It also aims to promote mutually beneficial partnerships and cooperation with neighboring and regional countries in alignment with Mongolia's geographic position.

At the regional level, it seeks to create a geographic foundation for the development of clearly defined clusters—comprising organizations, companies, and enterprises—that operate under a unified policy and are closely interlinked through diverse market channels. In the business sector, the goal is to fully utilize natural and raw material resources through cross-sectoral collaboration, develop value-added production and services, and establish efficient sales and supply chains for both domestic and international markets. For the population, the vision is to enable people to freely choose where to live and work, to collectively and creatively manage natural and social wealth, to share the benefits fairly and equitably, and to live comfortably in a healthy and safe environment. Ultimately, the concept seeks to make economic growth inclusive and accessible to everyone.

From this perspective, the "Regional Development Concept" approved last year serves as the legal foundation for implementing a state policy that is well-aligned with natural and climatic zones of Mongolia's vast territory, ecological capacity and resilience, the traditions of nomadic civilization, the customs of various ethnic groups, and the interests and needs of citizens to cooperate, live, and work together.

-Could you briefly introduce the process through which the Regional Development Concept was developed—its timeline, and how it became a priority of state policy?

-Until the 1960s, Mongolia had not addressed regional development

comprehensively or implemented specific policies related to regionalization. Starting in 1961, the country began exploring regional development based on a zonal system, identifying macro-regions and using them as a methodological foundation to create general development schemes for regional planning, industrial development, and settlement through to 1990 and 2000. Several five-year development plans were also formulated using this approach.

In 2001, the first Regional Development Concept was officially approved, legally establishing a system of regionalization and adopting regional development programs and plans. However, with the adoption of the Law of Mongolia on Development policy and planning and its management in 2015, it became necessary to update and align existing national and sectoral policy documents with this law. This initiated the revision of the regional development policy starting in 2017.

As part of this process, numerous meetings and consultations were held with a wide range of participants. For instance, under Prime Ministerial Order No. 165 issued in 2017, the first working group was established. Between 2017 and 2023, the first draft of the new Regional Development Concept was developed with the involvement of international organizations like Japan's JICA, as well as domestic and foreign scholars and experts. Additionally, by another Prime Ministerial decree, urban and rural recovery working groups were formed in 2022–2023. Preliminary discussions on regional development were held during the "Mongolian Economic Forum" and at investment forums across all 21 provinces and the capital. Discussions at the regional level were conducted in the Eastern, Western, Northern, Khangai, Central, and Gobi regions. From around 700



participants, over 440 proposals and recommendations were collected (including duplicates), which played an important role in refining the policy.

Incorporating these broad, multi-stakeholder suggestions into the policy draft, the final version of the Regional Development Concept was submitted to Parliament and approved on June 5, 2024, under Parliamentary Resolution No. 64. Thus, after 23 years, Mongolia has established a new regional development policy.

-Given Mongolia's past challenges in implementing regional development policies, many are now asking: what makes this time different? Can the new policy truly succeed?

-There are many reasons why previous efforts fell short. For example, regional planning was not aligned with sectoral policies. Regionalization wasn't implemented as an integrated system in coordination with population settlement patterns, urban development, and land use master plans. Issues of investment efficiency

and impact were neglected, and limited resources were often spread thinly and inefficiently. However, there are several key reasons to believe that the current policy can be successfully implemented this time.

First, in the country's long-term development policy, "Vision-2050," regional development policy has been included as a dedicated chapter. **Second**, the government has declared 2024 as the "Year of Regional Development Support," which is a significant step for those working and conducting research in this field. During this time, major efforts have been made to reform the legal and policy environment. **Third**, the 2024 parliamentary elections were conducted using a regional district model, which is expected to give strong momentum to policy implementation. **Fourth**, the process of establishing institutions that support this policy through inclusive stakeholder participation is underway. For example, newly established Regional Councils and our institute—which has the key responsibility of providing professional and methodological

support for implementing regional development policy—are part of this institutional framework.

Fifth, the regional development policy is not only an important component of the Government's Action Plan for 2024–2028 but is also one of the main priorities of the integrated budgetary policy, aimed at implementing comprehensive regional development reforms.

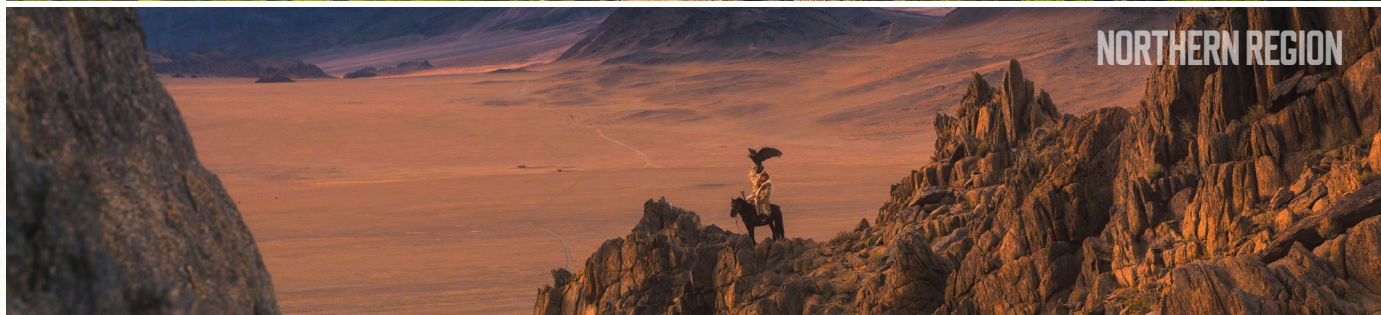
Lastly, it should be emphasized that a national development policy is not something that the government can do alone. It requires collaboration, mutual support, and understanding among the state, citizens, and businesses. When the state supports the private sector, it helps expand business operations and increase employment, which in turn reduces unemployment and poverty. Citizens with better livelihoods and successful private sector actors become a driving force of the national economy. Therefore, to successfully implement the regional development policy, there must be a shared understanding and unified vision across all sectors and all levels.



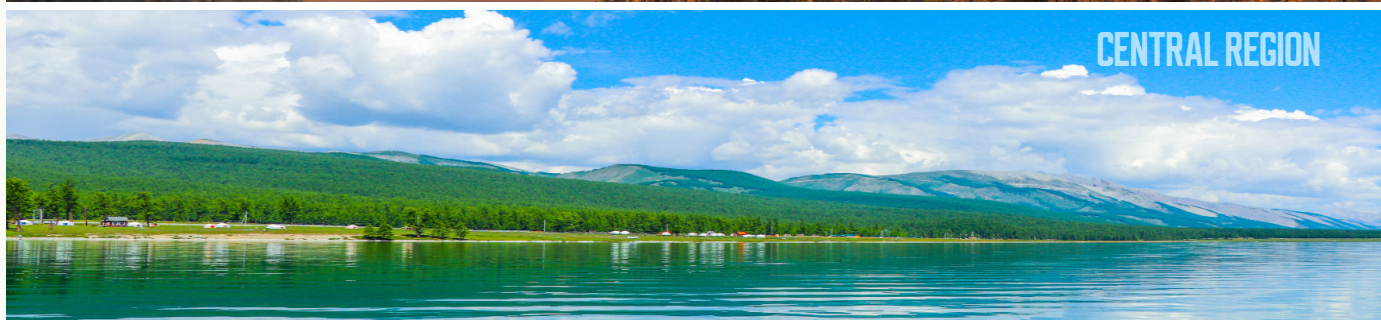
KHANGAI REGION



WESTERN REGION



NORTHERN REGION



CENTRAL REGION



EASTERN REGION



GOBI REGION

THE REGIONAL DEVELOPMENT



THE 'REGIONAL DEVELOPMENT CONCEPT OF MONGOLIA' WAS REVISED AND APPROVED BY RESOLUTION NO. 64 OF THE STATE GREAT KHURAL (PARLIAMENT) OF MONGOLIA ON JUNE 5, 2024.



KHANGAI REGION

The development goal of the region is to promote Mongolia's history, statehood, and cultural heritage worldwide. Centered around the unique natural features of the Orkhon Valley and Khangai Mountains, the region will specialize in tourism and processing industries, becoming the "Cultural heartland of global nomadic civilization and a hub for creative and cultural industries."

WESTERN REGION

The development goal of the region is to connect with the markets of Central Asian countries, the Russian Federation, and the People's Republic of China. It will focus on special interest tourism based on the World Heritage Site ofUvs Nuur Basin, the pristine landscapes of the Altai and Khangai Mountains, and the historical and cultural heritage of diverse ethnic groups. Leveraging its livestock and agricultural resources, the region will develop eco-friendly industrial clusters to become a "Sustainable development region."



NORTHERN REGION

The development goal of the region is to expand economic relations with the Russian Federation and European countries. It will focus on tourism, health resort, and heavy industry, leveraging the ecosystem of Lake Khuvsgul and the Selenge River Basin, along with the region's natural, historical, and cultural heritage, to establish itself as a "Tourism and industrial development region."

Mission statement

We aim to promote balanced regional development by upholding national culture, preserving natural landscapes and ecosystems for future generations, fostering green production through economic diversification, specialization, and integration, achieving regional economic cohesion, and ensuring sustainable, organized population settlements with a competitive edge.

Regional System

Mongolia will be developed through a regional system consisting of the Khangai, Western, Northern, Central, Eastern, Gobi, and Ulaanbaatar regions. The following provinces and cities will be part of each region:

- Khangai region - Arkhangai, Bayankhongor, Uvurkhangai provinces;
- Western region - Bayan-Ulgii, Gobi-Altai, Zavkhan, Uvs, Khovd provinces;
- Northern region - Bulgan, Orkhon, Khuvsgul provinces;
- Central region - Darkhan-Uul, Selenge, Tuv provinces;
- Eastern region - Dornod, Sukhbaatar, Khentii
- Gobi region - Gobisumber, Dornogobi, Dundgobi, Umnugobi provinces;
- Ulaanbaatar region - Ulaanbaatar city and its satellite cities.



THE REGIONAL DEVELOPMENT CONCEPT WILL BE IMPLEMENTED IN THE FOLLOWING PHASES:
PHASE I: 2024-2030
PHASE II: 2031-2040
PHASE III: 2041-2050

POLICY OF MONGOLIA

CENTRAL REGION

The development goal of the region is to expand economic relations with other countries, connect to an integrated logistics network, and focus on traditional livestock farming, intensive agriculture, and processing industries. It aims to fully meet domestic needs and establish itself as a "Producer and exporter of healthy food."

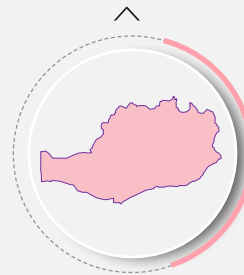


EASTERN REGION

The development goal of the region is to expand economic relations with Northeast Asian countries and establish itself as an "International trade, transport, and logistics region." This will be achieved by leveraging the natural ecosystem of the Khentii Mountains and Eastern Mongolia, the World Heritage Site of Burkhan Khaldun, and the statehood, history, and cultural heritage of Genghis Khan. The region will focus on tourism, traditional and intensive livestock farming, agriculture, and mining and processing industries.

GOBI REGION

The development goal of the region is to expand economic relations with the People's Republic of China and South Asian countries, focusing on high-tech mining and heavy industries. The region will leverage the pristine natural environment of the Gobi, its historical and cultural heritage, and paleontological resources to develop tourism. It aims to establish itself as the "Region contributing to the National Wealth Fund."



ULAAANBAATAR REGION

Ulaanbaatar will expand economic relations with Central and Northeast Asian countries and develop into a city with a balanced structure of population, production, services, and the environment, featuring hubs with 20-minute access to services. It will become a "Center for international banking, finance, and business."

DEVELOPMENT OBJECTIVES OF THE REGIONS

Main development goals for the regions:

- Based on modern theoretical trends in regional development;
- Identify the unique characteristics and advantages of each region;
- Define the economic roles of regions and local areas effectively;
- Use, protect, and rehabilitate natural resources in a sustainable, beneficial, and inclusive manner;
- Support industries and services through cooperatives, diversification, specialization, and clustering policies;
- Introduce advanced technology and innovation in the regions;
- Implement strategic projects that ensure cross-regional and inter-sectoral coordination in phases;
- Allocate state budget investments, foreign loans and aid, local budgets, public-private partnership investments, and other resources effectively;
- Implement a distinct taxation and financial policies;
- Encourage collaboration and cooperation among stakeholders in regional development;
- Develop integrated logistics networks, ports, free zones, and special zones.
- Establish an integrated and intelligent infrastructure network.
- Join the regional economic integration and expand markets.
- Develop modern new settlements and cities.
- Promote employment and reduce unemployment and poverty.
- Develop competitive regions with favorable conditions for living, working, and conducting business.



KHANGAI REGION

The development goal of the region is to promote Mongolia's history, statehood, and cultural heritage world-wide. Centered around the unique natural features of the Orkhon Valley and Khangai Mountains, the region will specialize in tourism and processing industries, becoming the "Cultural heartland of global nomadic civilization and a hub for creative and cultural industries."



ARKHANGAI,
KHORGIO

An aerial photograph of a city development project. A river flows from the top left towards the center. The city is built on a grid of land parcels, with a central circular park area. The text "MAJOR DEVELOPMENT PROJECT" is overlaid on the left side of the image, with a horizontal line extending from the end of the text across the middle of the image.

MAJOR DEVELOPMENT PROJECT



NEW KHARKHORUM CITY

REGIONAL DEVELOPMENT POLICY

**SPECIALIZED REGION FOR TRADITIONAL ANIMAL HUSBANDRY
AND A URBAN DEVELOPMENT SUB-REGION**

MAJOR PROJECTS AND INITIATIVES FOR IMPLEMENTATION

KHANGAI REGION

NEW KHARHORUM CITY

New Kharhorum City, will be developed in the Orkhon Valley, designed to complement the capital and manage the centralization of governance.

A training, research, and production complex will be built in New Kharhorum city.

An "Orkhon Valley" high-tech, innovation, and business development center will be established in New Kharhorum city.

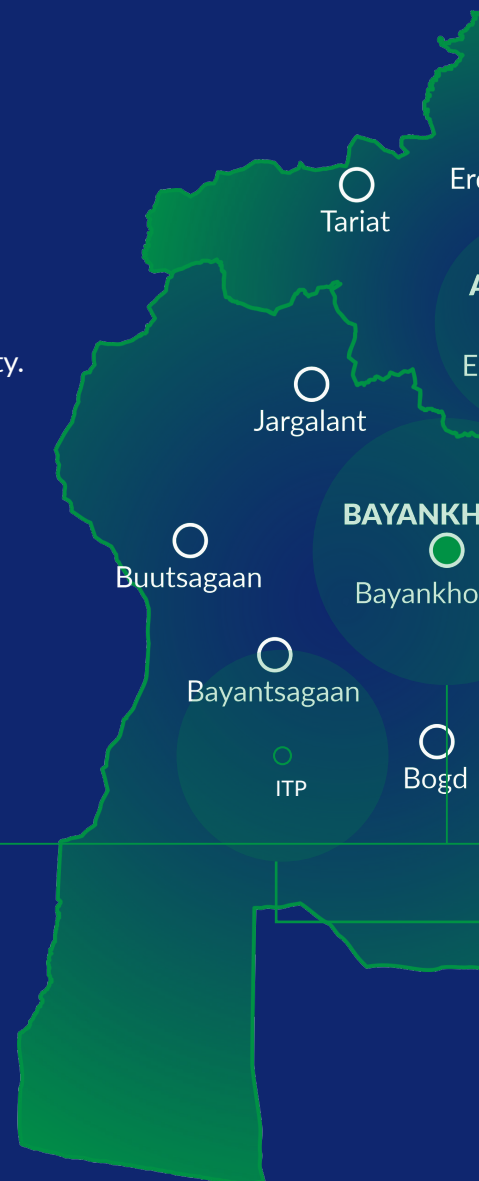
A regional transport and logistics center will be established in New Kharhorum city.

CULTURE, TOURISM SPECIAL ZONE AND GEOPARK

Tourism based on the history, culture, and spa resorts of the Orkhon River basin and the Khangai Mountain ecosystem will be developed in conjunction with traditional and restorative medicine.

In Uvurkhangai province, cultural tourism and creative cultural industries will be supported, based on the works of the Undur Gegeen Zanabazar and cultural heritage.

In the vicinity of Ugii Lake in Arkhangai province, an integrated cultural tourism complex called "The Cradle of Central Asian History and Culture" will be established through a public-private partnership, leveraging archaeological resources.



TOTAL 29 PROJECTS

Transportation and
logistics

8

Urban development, port
and development

7

Culture and
tourism

6

Education and
health

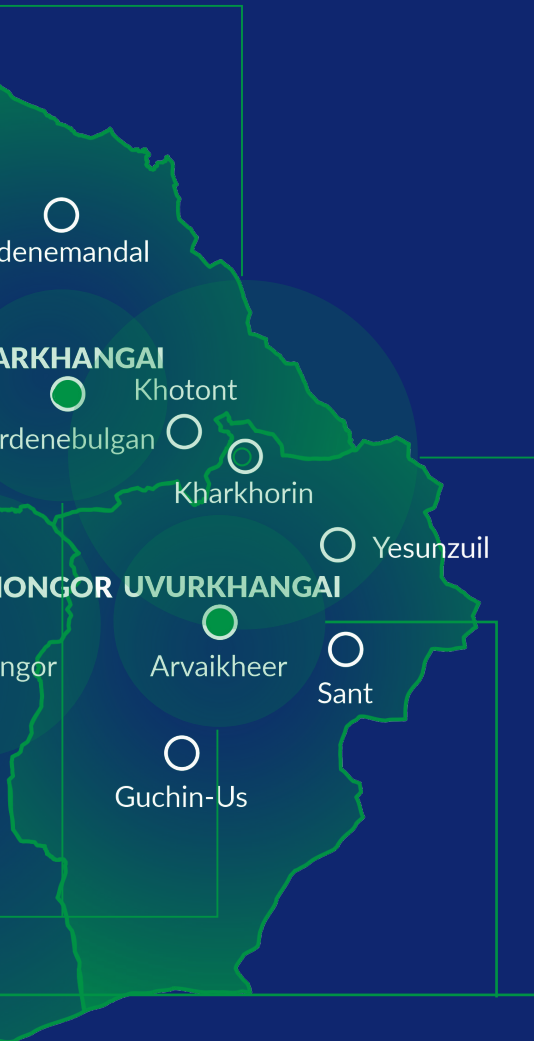
4

Energy

4

Production and
service

2



A 500 kV overhead power transmission line and substation will be built along the Ulaanbaatar-New Kharhorum-Uliastai route.



4E category airport will be built in New Kharhorum City

HEAVY INDUSTRY TECHNOLOGY PARK

Private enterprises establishing coal-power, metal processing, and related supporting industries will receive support in the Khangai region.

A construction materials supply center will be established in Uvurkhangai province to meet the regional infrastructure development needs.

WESTERN REGION

The development goal of the region is to connect with the markets of Central Asian countries, the Russian Federation, and the People's Republic of China. It will focus on special interest tourism based on the World Heritage Site ofUvs Nuur Basin, the pristine landscapes of the Altai and Khangai Mountains, and the historical and cultural heritage of diverse ethnic groups. Leveraging its livestock and agricultural resources, the region will develop eco-friendly industrial clusters to become a "Sustainable development region."



BAYAN-ULGII
ALTANTSUGTS SOUM

An aerial photograph of a vast desert landscape. A large, deep blue reservoir is the central feature, surrounded by arid, yellowish-brown terrain. In the foreground, there are rocky, undulating hills. The background shows distant, hazy mountains under a blue sky with scattered white clouds. The text 'MAJOR DEVELOPMENT PROJECT' is overlaid in white, bold, sans-serif font on the left side of the image, with a horizontal white line extending to the right.

MAJOR DEVELOPMENT PROJECT

An aerial photograph showing a large concrete dam structure situated in a dry, hilly landscape. A winding river or canal flows from the reservoir behind the dam, curving through the foreground. The surrounding terrain is arid and rocky, with some sparse vegetation. In the background, a vast body of water (the reservoir) stretches towards the horizon under a blue sky with scattered clouds. A white horizontal line is positioned to the left of the text.

TAISHIR AND DURGUN HYDROPOWER PLANTS

REGIONAL DEVELOPMENT POLICY

SPECIALIZED ENERGY REGION AND A NATURAL TOURISM SUB-REGION

MAJOR PROJECTS AND INITIATIVES FOR IMPLEMENTATION

WESTERN REGION

CULTURAL AND TOURISM SPECIAL ZONE, GEOPARK

A special zone for nature-based adventure tourism, special interest tourism, and border-area tourism will be established, based on the ecosystems of the Mongol Altai Mountains, Khangai Mountains, the Uvs Lake Basin, and the Great Lakes.

An eco-park will be established in Erdeneburen soum of Khovd province, based on the natural and cultural heritage of the Mongol Altai Mountains.

ENERGY

A 90 MW hydropower plant will be built in Erdeneburen, Khovd province, with the aim of regulating the central energy system's operation.

A 15 MW solar power plant will be built in Govi-Altai province.

A 100 MW hydropower plant, responsible for regulating the central energy system's operation, will be built in the Western region.

A 100 MW thermal power plant will be built in the Western region.

A 30 MW thermal power plant will be built in Zavkhan province.

500 kV and 220 kV overhead power transmission lines and substations will be constructed.

LIGHT AND FOOD PRODUCTION AND TECHNOLOGY PARK

Private enterprises establishing a light industry and technology park in Khovd province will be supported.



TOTAL 38 PROJECTS

Transportation and logistics

9

Urban development, port and development

7

Culture and tourism

4

Education and health

5

Energy

9

Production and service

4



The airports in Uvs and Khovd provinces will be upgraded to a 4C category.

TRANSPORT AND LOGISTICS CENTER, DRY PORT AND BORDER POINTS

A regional transport and logistics center will be established in Khovd city, with a dry port built based on it.

The classification of the Bulgan, Artssuuri, and Burgastai border points will be upgraded, and their throughput capacity will be increased.

HEAVY INDUSTRY TECHNOLOGY PARK

Private enterprises establishing limestone and magnesite plants in Gobi-Altai province to meet the needs of the construction and mining sectors will be supported.

A construction materials supply center will be established in Khovd province to meet the regional infrastructure development needs.

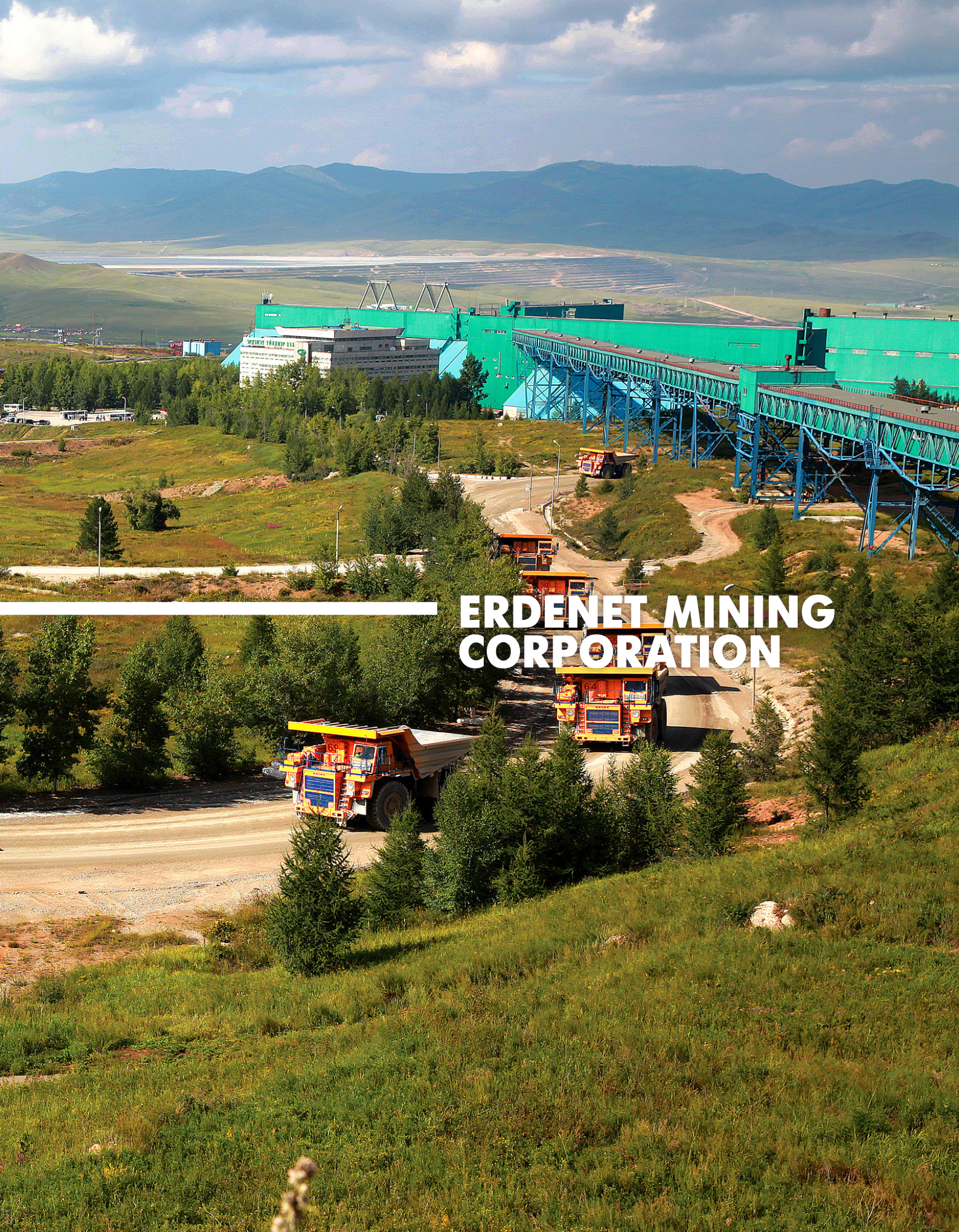
NORTHERN REGION

By expanding economic relations with the Russian Federation and European countries, the region will become a "Tourism and Industrial Development Zone" specializing in tourism, recreation, and heavy industry, based on the ecosystem of Lake Khuvsgul and the Selenge River basin, as well as its natural, historical, and cultural heritage.





MAJOR DEVELOPMENT PROJECT



ERDENET MINING CORPORATION

REGIONAL DEVELOPMENT POLICY

” SPECIALIZED TOURISM REGION AND INDUSTRIAL SUB-REGION ”

MAJOR PROJECTS AND INITIATIVES FOR IMPLEMENTATION

NORTHERN REGION

CULTURAL AND TOURISM SPECIAL ZONE, GEOPARK

Considering the region's natural and geographical characteristics, cross-border and transboundary tourism will be developed. A special tourism zone based on the ecosystem of Lake Khuvsgul will be established through public-private partnerships.

A "Blue Pearl" natural science museum complex will be built in Khatgal village, Khuvsgul province.

ENERGY

A 310 MW hydropower plant will be built on the Eg River in Bulgan province as a primary source for regulating the operation of the central energy system.

The Khuvsgul province airport will be upgraded to a 4C category.

Regional data center will be established in Murun.



In line with the region's leading economic sectors and labor market demand, vocational and technical education institutions in the provinces will be specialized. Additionally, an intersectoral training and production center will be established in Khuvsgul and Bulgan provinces.

TOTAL 22 PROJECTS

Transportation and logistics

5

Urban development, port and development

5

Culture and tourism

4

Education and health

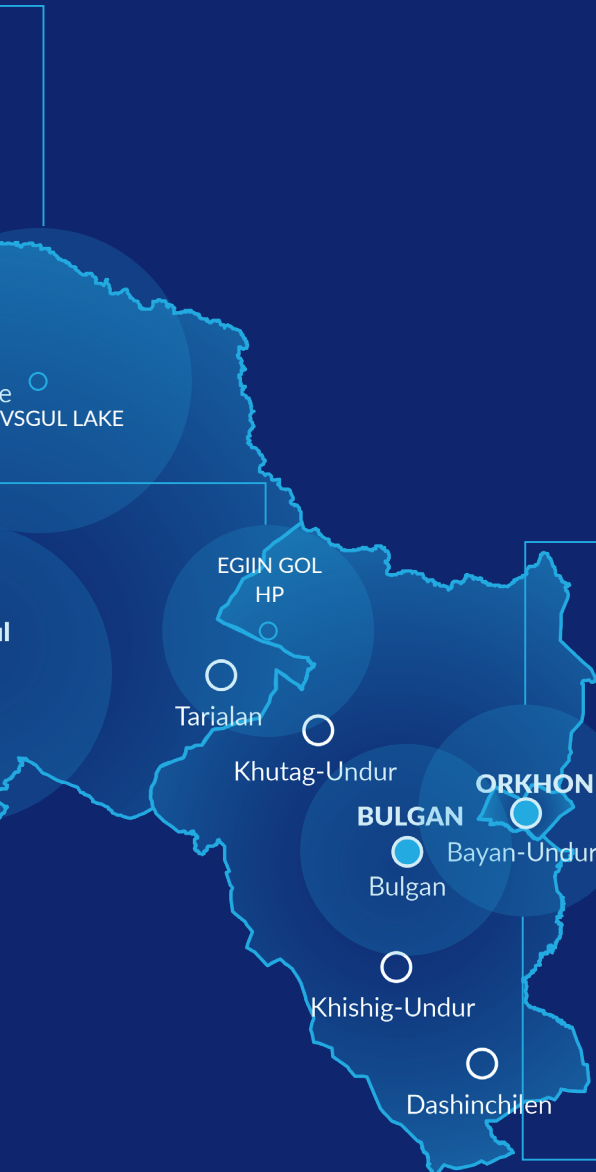
5

Energy

1

Production and service

2



A "Training, Research, and Production Complex" will be established in Orkhon Province in line with the region's leading economic sectors and labor market demand.

TRANSPORTATION AND LOGISTICS HUB, BORDER POINTS

A regional transportation and logistics center will be established in Erdenet City.

The Khankh and Baga-Ilenh border crossings will be expanded, increasing their capacity.

HEAVY INDUSTRY TECHNOLOGY PARK

A production and technology park will be established in Orkhon province, featuring a copper processing plant, metallurgical-chemical plants, and other related facilities.

CENTRAL REGION

By strengthening economic ties with other countries and integrating into a unified transport and logistics network, the region will diversify through traditional livestock farming, intensive agriculture, and processing industries, ensuring self-sufficiency and establishing itself as a “Healthy food producer and exporter zone.”



AGLAG BUTEEL
MONASTERY



MAJOR DEVELOPMENT PROJECT



AGRICULTURE

REGIONAL DEVELOPMENT POLICY

SPECIALIAZED AGRICULTURE ZONE AND INDUSTRIAL SUB-REGION

MAJOR PROJECTS
AND INITIATIVES FOR
IMPLEMENTATION

CENTRAL REGION

FREE ZONE

KHUSHIG VALLEY FREE ZONE

It will be developed as a hub for key sectors, including an international financial center, a tourism complex, and an information technology cluster.

DRY PORT

A dry port will be established in the Altanbulag and Khushig Valley free zones, leveraging logistics centers for cargo transport and construction materials.

CULTURE AND TOURISM SPECIAL ZONE, GEOPARK

A special tourism zone will be established in Khushig Valley to develop urban tourism and international events, leveraging the ecosystem of the Tuul River basin and Bogd Khan Mountain.

MOVIE AND CONTENT PRODUCTION COMPLEX

A "Movie and Content Production Complex" will be built in Khushig Valley, based on the training, research, and production hub planned for the area.

LIGHT AND FOOD INDUSTRY TECHNOLOGY PARK

Private sector initiatives to establish a light and food industry technology park in Darkhan-Uul province will be supported.



TOTAL 34 PROJECTS

Transportation
and logistics

7

Urban development, port
and development

6

Culture and
tourism

4

Education and
health

5

Energy

7

Production and
service

5

ANBULAG FREE ZONE

Eruu

UL
khan

ndal

ndmani

TUV

○ KHUSHIG VALLEY

Zuunmod



A thermal power plant will be built as a regional energy supply source

HEAVY INDUSTRY TECHNOLOGY PARK

DARKHAN - STEEL PROCESSING COMPLEX

A manufacturing and technology park will be established, featuring metal processing, metal product manufacturing, and auxiliary industries.

SELENGE - KHUTUL INDUSTRIAL AND TECHNOLOGY PARK

A manufacturing and technology park will be developed, focusing on non-metallic mineral product manufacturing and related industries.

EASTERN REGION

The region will expand economic relations with Northeast Asian countries and establish itself as an "International trade, transport, and logistics region." This will be achieved by leveraging the natural ecosystem of the Khan Khentii Mountains and Eastern Mongolia, the World Heritage Site of Burkhan Khaldun, and the statehood, history, and cultural heritage of Genghis Khan. The region will focus on tourism, traditional and intensive livestock farming, agriculture, and mining and processing industries.





DORNOD, BUIR LAKE

An aerial photograph of a mountainous landscape. In the foreground, a large, dark blue lake is situated on a green hillside. To the left of the lake, there is a smaller, circular pond. The surrounding terrain is covered in lush green grass and scattered trees. In the background, rolling hills and mountains are visible under a bright blue sky with scattered white clouds. The text "MAJOR DEVELOPMENT PROJECT" is overlaid in white, bold, sans-serif font on the left side of the image, with a horizontal white line extending to the right from the end of the text.

MAJOR DEVELOPMENT PROJECT



TOURISM

REGIONAL DEVELOPMENT POLICY

” SPECIALIZED TOURISM REGION AND INTENSIVE AGRICULTURE SUB-REGION ”

MAJOR PROJECTS
AND INITIATIVES FOR
IMPLEMENTATION

EASTERN REGION

CULTURE AND TOURISM SPECIAL ZONE, GEOPARK

A special tourism zone will be established in Dornod Province to develop cross-border and transboundary tourism, leveraging historical and cultural resources as well as Buir Lake.

In Dariganga soum, Sukhbaatar Province, a natural and cultural heritage complex will be built around the sacred mountains.

Tourism infrastructure will be developed to connect historical sites such as Burkhan Khaldun in Khentii, Buir Lake in Dornod, and Altan Ovoo in Sukhbaatar Province.

A "Training, Research, and Production Complex" will be established in Dornod Province in line with the region's leading economic sectors and labor market demand.



DRY PORT

A dry port will be established based on the transportation and logistics centers in Choibalsan City and Bichigt border port.



TOTAL 29 PROJECTS

Transportation and
logistics

6

Urban development, port
and development

7

Culture and
tourism

6

Education and
health

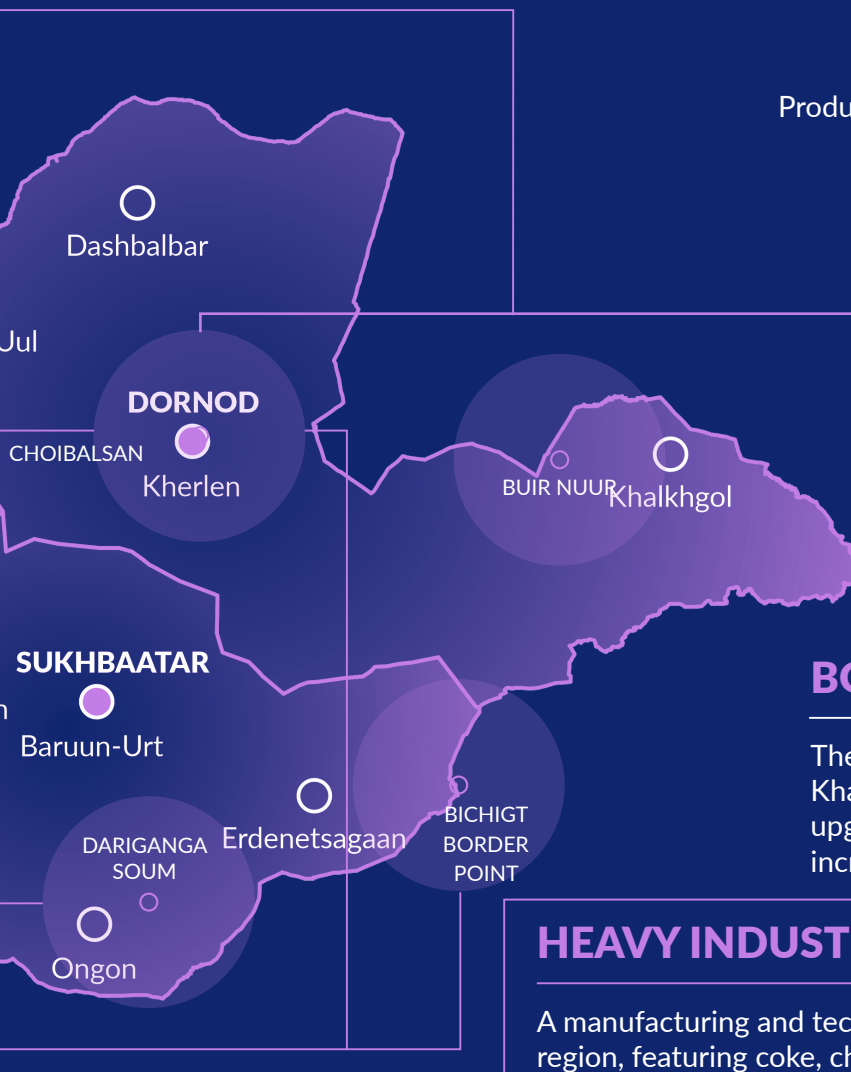
5

Energy

2

Production and
service

3



The Dornod province airport will be upgraded to a 4C category.

BORDER POINTS

The classification of the Ereen Tsav, Sumber, Khavirga, and Bichigt border posts will be upgraded, and their throughput capacity will be increased.

HEAVY INDUSTRY TECHNOLOGY PARK

A manufacturing and technology park will be established in the eastern region, featuring coke, chemical products, coal-energy plants, and other supporting industries.

GOBI REGION

The region will expand economic relations with the People's Republic of China and South Asian countries, focusing on high-tech mining and heavy industries. The region will leverage the pristine natural environment of the Gobi, its historical and cultural heritage, and paleontological resources to develop tourism. It aims to establish itself as the "Region contributing to the National Wealth Fund."



UMNUGOBI,
NEMEGT, KHERMEN TSAV

MAJOR DEVELOPMENT PROJECT





OYUTOLGOI

REGIONAL DEVELOPMENT POLICY

SPECIALIZED INDUSTRIAL REGION AND GREEN ENERGY SUB-REGION

MAJOR PROJECTS
AND INITIATIVES FOR
IMPLEMENTATION

CULTURE AND TOURISM SPECIAL ZONE, GEOPARK

A special tourism zone based on paleontological resources will be established near Tsagaan Suvar-ga in Dundgobi Province through a public-private partnership.



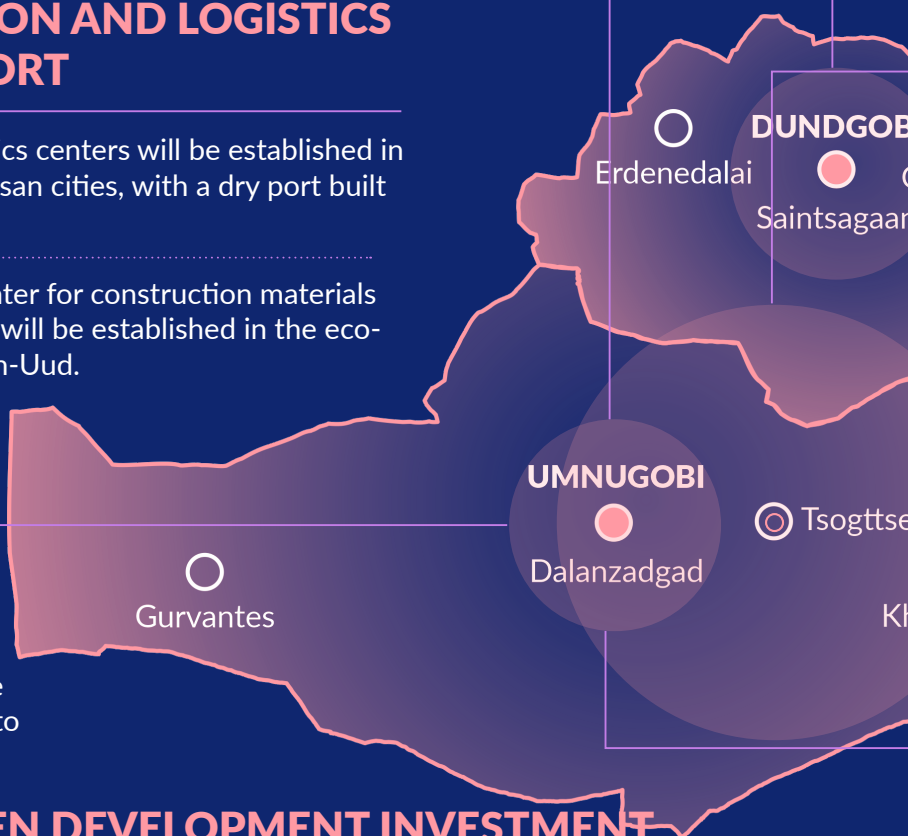
TRANSPORTATION AND LOGISTICS CENTER, DRY PORT

Transportation and logistics centers will be established in Dalanzadgad and Choibalsan cities, with a dry port built based on these centers.

A supply and logistics center for construction materials and raw material imports will be established in the economic free zone of Zamiin-Uud.



The Umnugobi province airport will be upgraded to a 4D category.



REGIONAL GREEN DEVELOPMENT INVESTMENT PROGRAM FOR PROVINCES AND SOUMS

In regional development centers, agricultural and food production will be supported through the development of integrated clusters that include engineering infrastructure, services, trade, exchange markets, transportation, and logistics complexes.

TOTAL 38 PROJECTS

Transportation and logistics

9

Urban development, port and development

8

Culture and tourism

5

Education and health

5

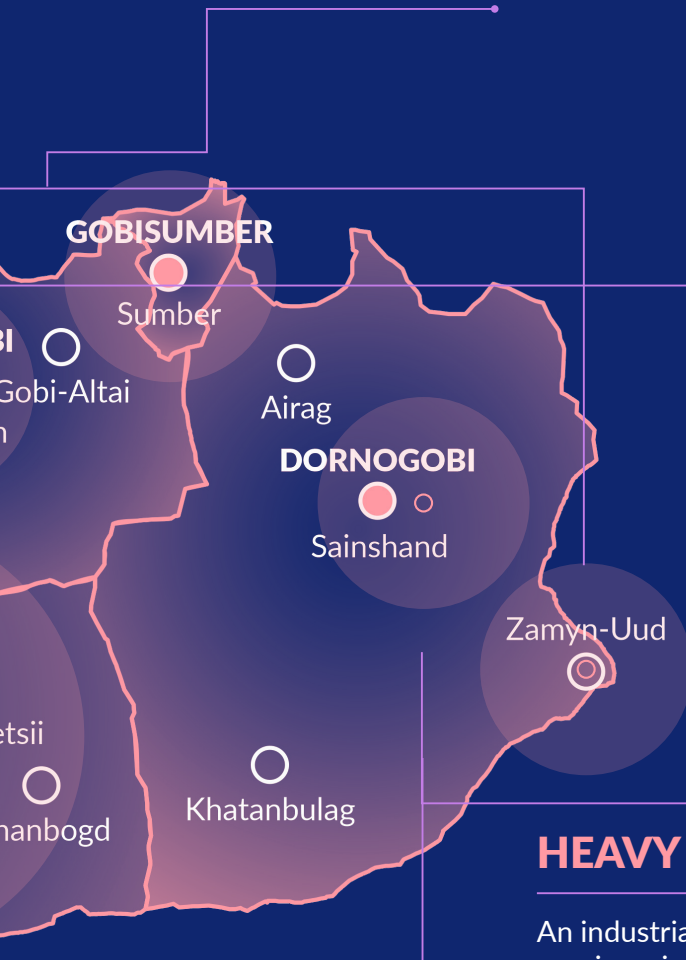
Energy

6

Production and service

5

A "Training, Research and Production Complex" will be established in Umnugobi Province, aligned with the region's leading economic sectors and labor market demands.



The "Orkhon-Ongi" and "Kherlen Toono" projects will be implemented in phases to supply water to the Gobi region.

ENERGY

A 450 MW thermal power plant will be built in Tavan-tolgoi, Umnugobi Province.

Solar and wind power plants, each with a capacity of up to 100 MW, will be constructed.

BORDER POINTS

The classification of the Gashuunsukhait, Shiveekhuren, and Khangai border checkpoints will be upgraded, and their throughput capacity will be increased.

HEAVY INDUSTRY AND TECHNOLOGY PARKS

An industrial and technology park will be established in Umnugobi province, including coal-energy, metallurgical coke, and other related industries.

A petroleum and chemical products plant, along with other related industries, will be built in Altanshireet soum of Dornogobi Province.

Private sector initiatives for establishing heavy industry and technology parks in the Gobi region will be supported.

ULANBAATAR REGION

Economic relations with Central and Northeast Asian countries will be expanded, transforming the city into an "International Banking, Finance, and Business Development Hub" with a well-balanced structure of population, industry, services, and environment, as well as service centers accessible within 20 minutes.



ULAANBAATAR REGION

20 MINUTE CITY



The capital city of Ulaanbaatar will be divided into the following 14 independent cities: Khan-Uul City-Yarmag City-Buyant-Ukhaa City-Songinokhaikhan City-Tolgoit City-Bayankhoshuu City-Unur City-Bayangol City-Chingeltei City-Selbe City-Sukhbaatar City-Dari-Ekh City-Bayanzurkh City-Amgalan City.

A unified standard leveraging big data and digital planning will be implemented across these cities to ensure all citizens have access to public services within 20 minutes.

ULAANBAATAR WILL BE RESTRUCTURED INTO **14** INDEPENDENTLY DEVELOPED SATELLITE CITIES



REGIONAL DEVELOPMENT POLICY

**SPECIALIZED INTERNATIONAL BANKING, FINANCE,
AND BUSINESS DEVELOPMENT REGION**

MAJOR PROJECTS AND INITIATIVES FOR IMPLEMENTATION

ULANBAATAR REGION

FREE ZONES

"NALUU-UKHAA" SPECIAL ECONOMIC ZONE

A cluster-based approach will be used for international transport logistics, import-substituting construction material production, trade, and services.

"AGROCITY" SPECIAL ECONOMIC ZONE

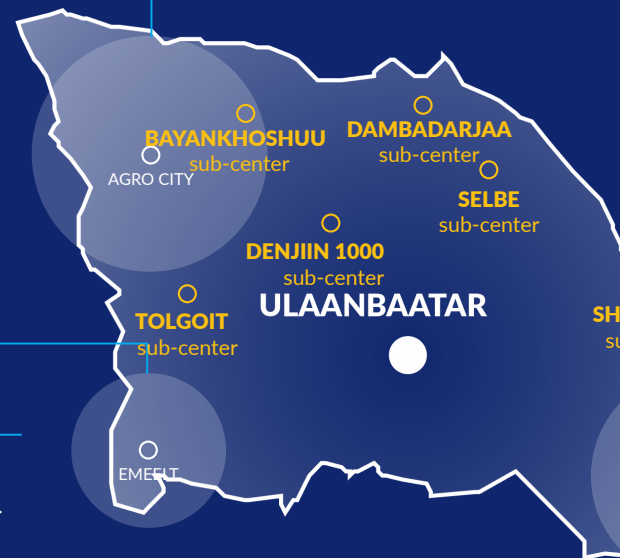
Operations will commence in the Agrocitv Special Economic Zone, featuring a winter greenhouse cluster capable of storing 45,000 tons of vegetables.

ECO-INDUSTRIAL PARK

The "Emeelt Eco Industrial Park" will be established to improve the primary processing of livestock raw materials and increase the production of value-added products.

"NOMAD" WORLD CULTURE FESTIVAL SPECIAL ZONE

The goal of regional development is to expand economic relations with Central and Northeast Asian countries, transforming the city into an "International Banking, Finance, and Business Development Hub" with a well-balanced structure of population, industry, services, and environment, as well as service centers accessible within 20 minutes.



TOTAL 29 PROJECTS

Transportation and logistics

2

Urban development, port and development

8

Culture and tourism

3

Education and health

3

Energy

5

Production and service

8



Ulaanbaatar's thermal power plants will be upgraded and expanded.



KHUSHIG VALLEY TUNNEL



NEW RING ROAD HIGHWAY PROJECT IN ULAANBAATAR



HEAVY INDUSTRY TECHNOLOGY PARK

A heavy industry and technology park will be established in Baganuur city.

A glass factory will be built in Bagakhangai district, based on its mineral and raw material resources.



Public feedback

MEETING OF THE REGIONAL DEVELOPMENT COUNCIL- REGIONAL DEVELOPMENT POLICY

Following the parliamentary and local elections, a new government was established, promptly formulating its policy agenda and swiftly commencing its operations. Within the framework of the Regional Development Concept, the National Institute for Regional Development organized the national forum titled “Regional Development – A New Standard.”

This forum was organized in connection with the recent appointments of new members of Parliament, government officials, and local authorities. Its primary aim was to eliminate differing interpretations of regional development and to promote

a unified understanding moving forward. The forum brought together representatives from the public and private sectors, international organizations, all 21 provinces, and over 100 soums, totaling approximately 1,800 participants. More than 20 discussions were held across seven regions.

The Government’s core policy for the 2024–2028 period is Regional Development. Prime Minister L. Oyun-Erdene emphasized, “Over the next four years, our government will prioritize the Regional Development Policy above all else.”

Over the past 30 years,

misunderstandings and miscommunication in government policy and implementation have led to issues such as a lack of policy continuity and delays in execution. Therefore, before embarking on the implementation of a major national policy, the Government aims to provide clear information and align understanding of regional development among policymakers, the private sector, international organizations, and local authorities.

Deputy Prime Minister S. Amarsaikhan delivered the keynote address on the objectives and implementation of the Regional



Development Policy. He summarized the core message of his presentation in very simple terms as follows:

This includes the following key points:

- *Expand and accelerate local economic growth*
- *Strategically distribute the population and increase employment*
- *Implement policies that ensure equitable, inclusive, and sustainable development*
- *Develop local areas that meet a new standard of quality of life*
- *Ensure fair and inclusive distribution of national wealth*
- *Restore private sector confidence and promote active participation*
- *The keynote also emphasized that Mongolia must pursue its development model for the next 30 years based on new standards. Where there are standards, there is development, security, and public satisfaction.*
- *Therefore, the presentation aimed to highlight the importance of*

developing local areas in line with international benchmarks and modern standards.

- *Furthermore, in order to accelerate the implementation of the Regional Development Policy, the Government has issued specific resolutions and directives to relevant ministries and agencies.*

For example, at its meetings held on January 14 and January 22, 2025, as well as under Resolution No. 01 of the National Council for Regional Development dated February 3, 2025, the Government decided to organize the “Expanded Meeting of the Regional Councils” and a range of multi-stakeholder initiatives to promote and activate regional cooperation. Governors of provinces and the capital city have been tasked with organizing these initiatives aimed at strengthening interregional collaboration and generating momentum at the local level.

In accordance with these official decisions, Regional Councils will be established in each region. Governors of the respective provinces will chair the council on a rotating basis, each serving a one-year term in alphabetical order.

The primary objective of the Regional Council is to support the implementation of the Regional Development Policy by drafting and promoting the development plans for their respective regions. The council will consist of provincial governors, Members of Parliament elected from the region, scholars and PhD holders, as well as representatives from the private sector.

Under the Government Resolution, each region is to organize an Expanded Meeting of the Regional Council. In addition, efforts are underway to:

- *Develop a general plan for each region within the framework of the Regional Development Policy through to 2040*
- *Identify five priority projects to be implemented in each region*
- *Gather stakeholder feedback on the revised draft of the Law on Regional Development Governance and Coordination*

A Regional Development Movement Will Be Launched Across the Regions

By organizing a wide range of multi-stakeholder initiatives and activities in each region in line with the Regional Development Policy, this new development model will be effectively grounded in reality. It will also help raise public awareness and understanding of the policy. Altogether, these efforts will play a significant role in accelerating the successful implementation of the Regional Development Policy.

NATIONAL INSTITUTE FOR REGIONAL DEVELOPMENT



The National Institute for Regional Development was established under the jurisdiction of the Deputy Prime Minister of Mongolia (responsible for regional development and emergency management) pursuant to Government Resolution No. 33 dated August 14, 2024.

MISSION STATEMENT

To foster the balanced development of competitive regions by:

- Honoring national cultural values
- Preserving the natural environment and ecological balance for future generations
- Advancing diversified, specialized, and cooperative green production
- Promoting regional economic integration
- Ensuring stable, systematic settlement and population distribution across the country

FUNCTIONS OF THE INSTITUTE

The National Institute for Regional Development is responsible for:

- Coordinating the implementation of Mongolia's Regional Development Concept, regional development programs, and the Government's action plans and policies
- Ensuring coherence and alignment among participating institutions and sectoral activities
- Providing professional support and technical assistance to stakeholders involved in regional development



Staff of the National Institute of Regional Development

As such, the Institute plays a central role in organizing and supporting the effective implementation of Mongolia's regional development agenda.

WITHIN ITS MANDATE, THE INSTITUTE CARRIES OUT THE FOLLOWING ACTIVITIES:

- Provide professional support and assistance to coordinate the activities of government and relevant agencies at the national level in implementing Mongolia's Regional Development Concept;
- Organize research and analysis necessary for the development and implementation of regional development programs and medium-term policy documents; create, manage, and disseminate a digital information database;
- Participate in drafting legislation under the Regional Development Concept; make policy and planning alignment proposals; and organize stakeholder consultations;
- Based on the results of ongoing long- and medium-term policies, propose necessary resources—both financial and human—for future planning and submit them to the relevant authorities;
- Consolidate and evaluate the outcomes of regional development activities implemented by central and local government bodies, and report to the Deputy Prime Minister of Mongolia;
- Organize the development of feasibility studies and design documents for relevant projects and programs supporting the Regional Development Policy, and ensure their implementation;
- Lead public awareness and advocacy campaigns to promote understanding and engagement in the Regional Development Policy and its implementation.