



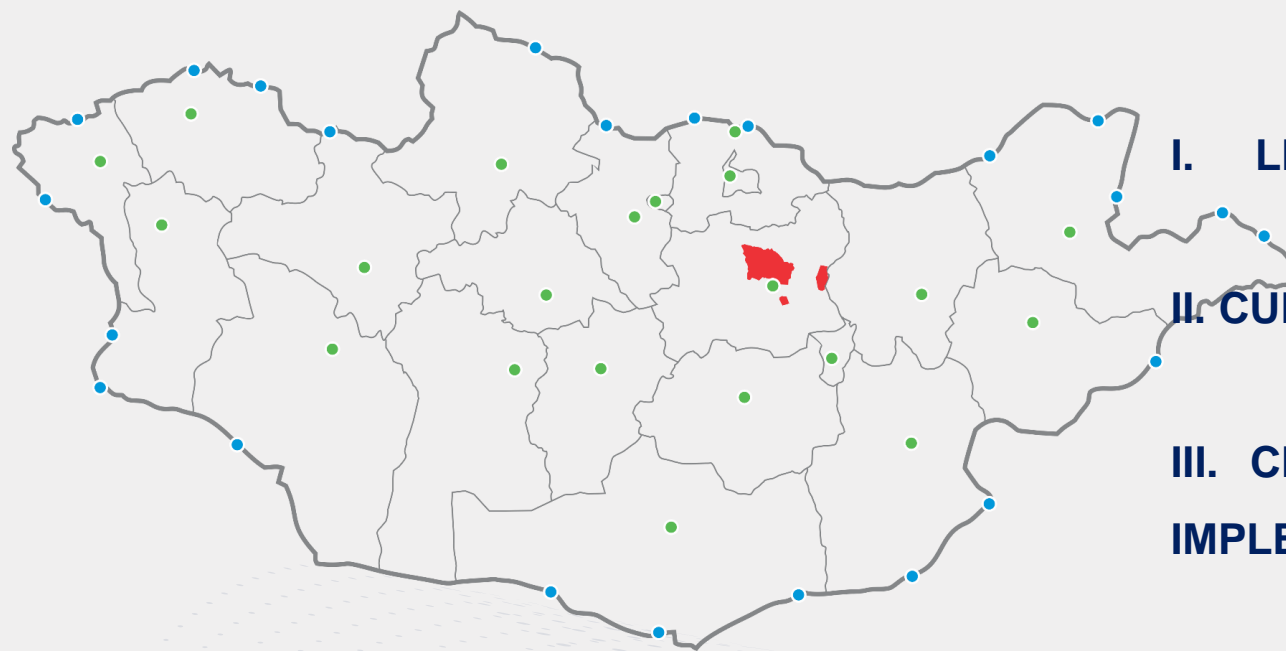
ЭДИЙН ЗАСАГ,
ХӨГЖЛИЙН ЯАМ

Border port development, free zone policy department



“INTRODUCTION” 2022

CONTENT



I. LEGAL ENVIRONMENT, INVESTMENT

II. CURRENT SITUATION AND INVESTORS'S ACTIVITY

III. CHALLENGES AND PROJECTS REQUIRED TO BE IMPLEMENTED



LAW AND LEGISLATION

1995 APPROVED THE CONCEPT “ON THE ESTABLISHMENT OF A FREE ECONOMIC ZONE” IN MONGOLIA.

2002 LAW ON THE LEGISLATION OF ALTANBULAG TRADE FREE ZONE.

2015 AMENDED THE LAW “ON FREE ZONES” HAVE BEEN APPROVED.

2021 AMENDED AND RESTATED THE LAW “ON FREE ZONES” HAVE BEEN APPROVED.

POLICY DOCUMENT






VISION 2050
MONGOLIA'S LONG-TERM DEVELOPMENT POLICY

FIVE-YEAR GUIDELINE FOR THE DEVELOPMENT OF
MONGOLIA IN 2021-2025

ACTION PLAN OF THE GOVERNMENT OF MONGOLIA
FOR 2020-2024

REVIVAL POLICY AND ACTION PLAN FOR ITS
IMPLEMENTATION

I. INFRASTRUCTURE

| | |
|----------------------------------|--|
| SEWEAGE I |  LENGTH OF THE ENGINEERING FACILITY TO SUPPLY 6300 M3 OF CLEAN WATER PER DAY IS 1666KM |
| POTABLE WATER I |  WASTEWATER PUMPING STATION HAS THE CAPACITY TO SUPPLY 5700 CUBIC METERS OF WASTEWATER PER DAY TO THE TREATMENT PLANT IN THE SUKHBAATAR SOUM, AND THE LINE LENGTH IS 36KM |
| FLOOD PROTECTION CANAL I |  FLOOD DRAINAGE FACILITY HAS A CAPACITY OF DRAINING 15 CUBIC METERS OF FLOOD WATER PER SECOND AND THE TOTAL LENGTH OF THE LINE IS 9.4 KM |
| ROAD I |  IMPROVED UNPAVED ROAD 10.9 KM |
| POWER SUPPLY EXTENSION WORK I |  3.8 KM LONG 6KV TEMPORARY POWER SUPPLY LINE HAS A CAPACITY OF 2610 kWa |

II. INVESTMENT BUSINESS ENTITIES



10

ENTERED INTO A
COLLABORATION
AGREEMENT

ALLOCATED 128,4 HECTARES OG LAND, 147 UNITS
OF LAND IN 7 REGIONS

INFORMATION REGARDING BUSINESS
ENTITIES WITH REGULAR OPERATIONS
AS OF 1 SEPTEMBER 2022



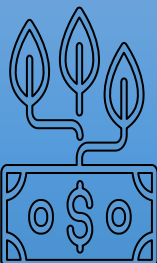
126

CITIZENS AND
BUSINESS ENTITIES
POSSESSING AND
USING LAND



136

CITIZENS AND
BUSINESS ENTITIES
REGISTERED IN THE
FREE ZONE



BUSINESS ENTITIES
INVESTED IN THE FREE
ZONE- 54

MADE INVESTMENT OF-
12.9 BILLION MNT



TOTAL OPERATING
BUSINESS ENTITIES-30



PERMANENT
EMPLOYEES OF THE
SHOP-67



PORTERS COUNTED
DUPLICATED-1131



SPECIAL PERMIT TO SELL
ALCOHOLIC BEVERAGES-21



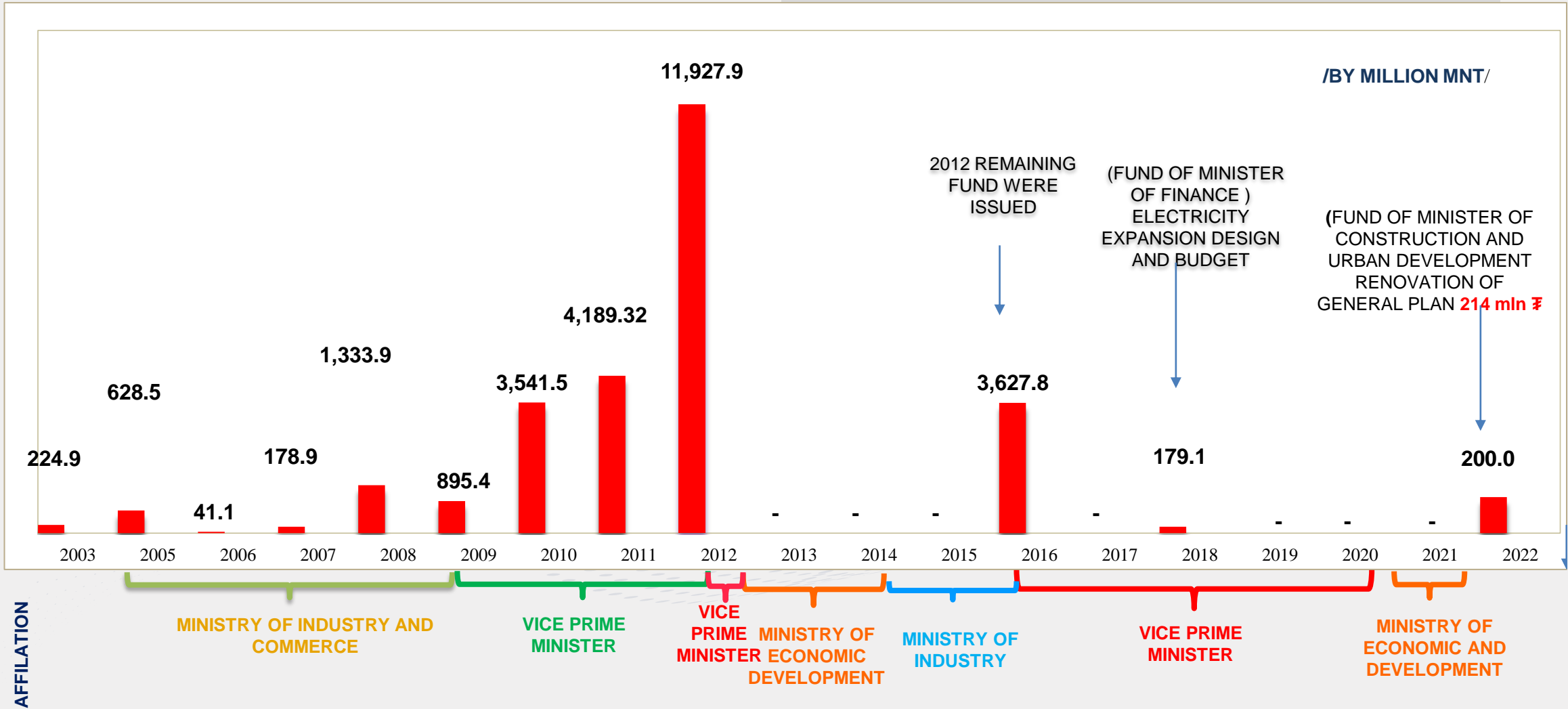
SPECIAL PERMIT TO
SELL ALCOHOLIC
CIGARETTES-18



ЭРҮҮЛ МЭНДИЙН ҮЙЛ
АЖИЛЛАГАА ЯВУУЛАХ
ТУСГАЙ ЗӨВШӨӨРӨЛ-2

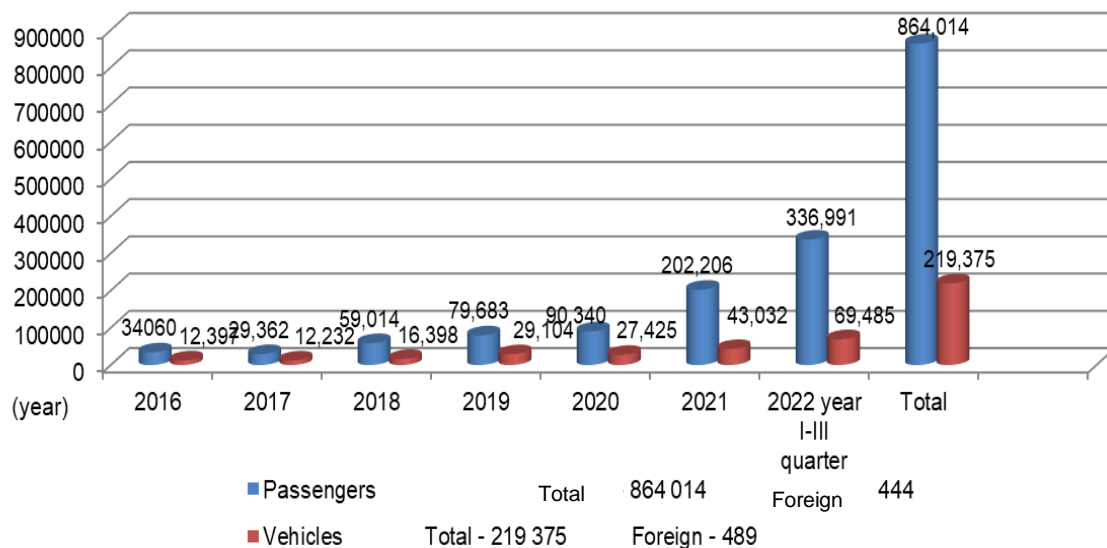
I. STATE BUDGET INVESTMENT

TOTAL FUNDING 26.7 MLD.MN

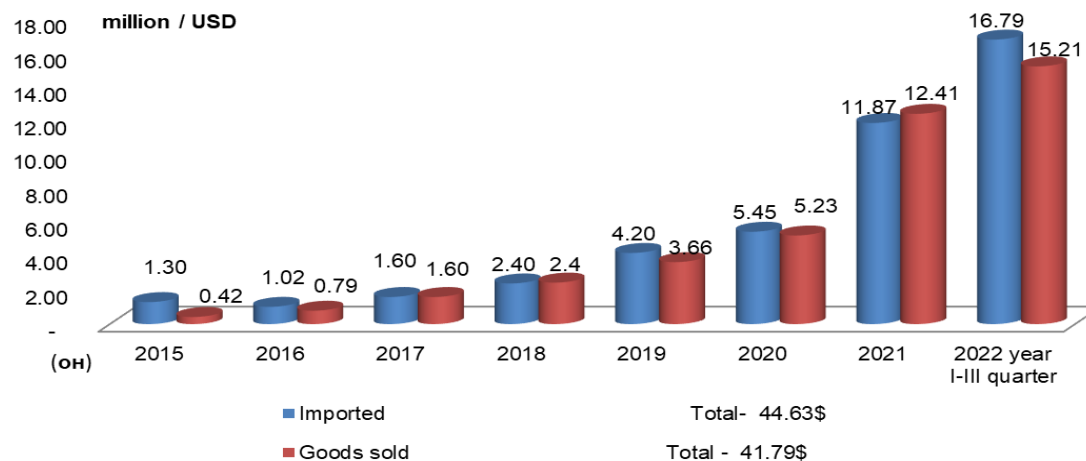


II. STATISTICAL NEWS

STATISTIC OF PASSENGER AND VEHICLE /By year/



TURNOVER DATA /By year/



COMPARING THE
DAY OF 31.08.2022
WITH THE PERIOD
OF 2015

PASSENGERS
/14 TIMES/

VEHICLES
/9 TIMES/

COMPARED TO
2015 AND 2022

IMPORTED
/9 TIMES /

GOODS SOLD
/26 TIMES /



II. AMOUNT OF TAXES CENTRALIZED TO THE STATE BUDGET

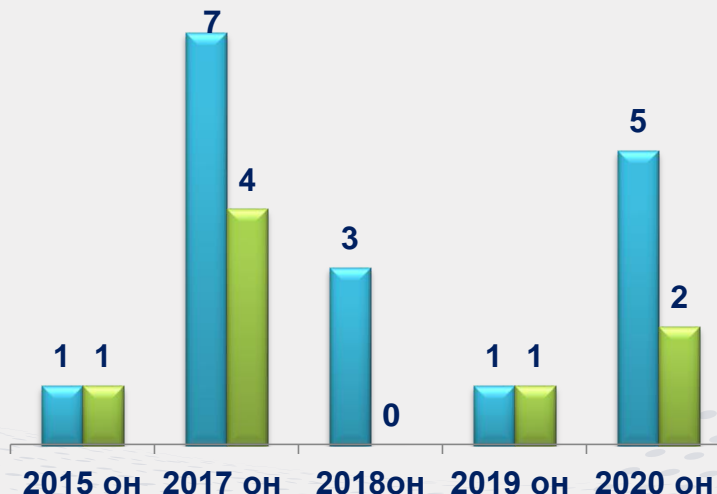
AUCTION

| PART | AUCTION PRICE | THE FINAL PRICE |
|-------------|----------------------|----------------------|
| I | 2,906,400 ₮ | 50,600,000 ₮ |
| I | 2,906,400 ₮ | 61,000,000 ₮ |
| I | 3,084,000 ₮ | 55,000,000 ₮ |
| VI | 24,000,000 ₮ | 25,000,000 ₮ |
| VI | 24,000,000 ₮ | 26,000,000 ₮ |
| VIII | 48,000,000 ₮ | 85,000,000 ₮ |
| IX | 12,800,000 ₮ | 13,800,000 ₮ |
| Нийт | 117,696,800 ₮ | 316,400,000 ₮ |

Number of participating companies - 87
Winner - 9
Contracted - 7

PROGRCT SELECTION

- PROJECT WITH TOTAL PARTICIPATION
- WINNING PROJECT



Number of companies that submitted their projects- 17
Projects successfully selection-10
Contracted - 5

LAND FEE

AS OF 2008-2022.08.30

1,496,254,810 ₮



CORPORATE INCOME TAX, HEALTH AND SOCIAL INSURANCE PREMIUMS, PERSONAL INCOME TAX

2,060,392,917 ₮



PROJECT SELECTION

/7 TIMES/

2015-2020



AUCTIONS AND SELECTIONS

/1 TIME/

2021

337,468,772 ₮



LAND FEE AND SPECIAL PERMIT

2021

577,969,526 ₮

II. WORKS IN PROGRESS



General planning revision

Within the framework of the “Revision of the General Planning of the Altanbulag Free Zone” work, selection process of a contractor has commenced. In addition, as Altanbulag soum in Selenge aimag is working on the “Revision of Soum General Plan”, coordination of these two operations is being ensured. The progress of the work is 40 percent complete.



Power supply expansion work

Construction and expansion of the 35/10 kVa substation for electricity supply is underway. The work is being carried out with 50 percent completion within the approved budget of 2022.



“Knowledge exchange program” of South Korea or KSP

Research work of the “Altanbulag Transport and Logistics Center Feasibility Study” project has been completed. The research project “Supporting the stable and efficient operation of free zones in Mongolia” is being implemented in cooperation with relevant organizations.

III. ISSUES TO BE SOLVED

| No | ISSUES TO BE SOLVED | EXPECTED OUTCOMES AND SIGNIFICANCE |
|----|---|--|
| 1 | With regard to the amendments to the Law on Free Zones, the new “regulations for Free Zones” will be developed and approved. | As result of the approval of this regulation, cooperation of the free zones with other government agencies, legal entities, and enterprises will be improved. |
| 2 | Pursuant to implementation of the new revival policy, the work of laying a line from the heat supply source of Altanbulag soum to the free zone, which will be built within the framework of the “Model soum” project will be jointly resolved. Altanbulag Port, Altanbulag soum, and Altanbulag free zones will have integrated centralized heat supply. | As Altanbulag soum, Altanbulag Port, and “Altanbulag” free zone will have heat supply sources comprehensively at once, efficiency will be increased, and harmful impacts on the environment will be reduced. |
| 3 | Electricity supply expansion works will be executed. | As result of completion of the power supply expansion, Altanbulag soum, Altanbulag Free Zone, and Altanbulag Port will have reliable electricity supply. |
| 4 | 13.8 km long roads inside the zone and 0.81 km paved auto road in the collar zone will be included and its financing issues will be resolved. | As soon as the financing issue is resolved, fundamental issues of developing infrastructure and transport logistics of the free zone will be resolved. |
| 5 | To resolve clean water supply and sewage disposal systems of Altanbulag soum, Altanbulag Port, and Altanbulag free Zone all at once. To commission sewage and clean water networks. | Waste water disposal system and clean water supply system built in the free zone will be fully capable of solving the challenges faced by the soum, port and free zone. As a result of connecting pipelines to business entities, issues of water supply and sewerage will be completely solved. |

III. THE SOLUTION OF THE REQUIRED QUESTIONS

THE SOLUTION OF THE REQUIRED QUESTIONS.

Construction of 0.81 km paved road in “Altanbulag” free zone collar



4,400.0 /mln.MNT/

To resolve the financing of the construction of 13.8 km of paved road within the “Altanbulag” free zone

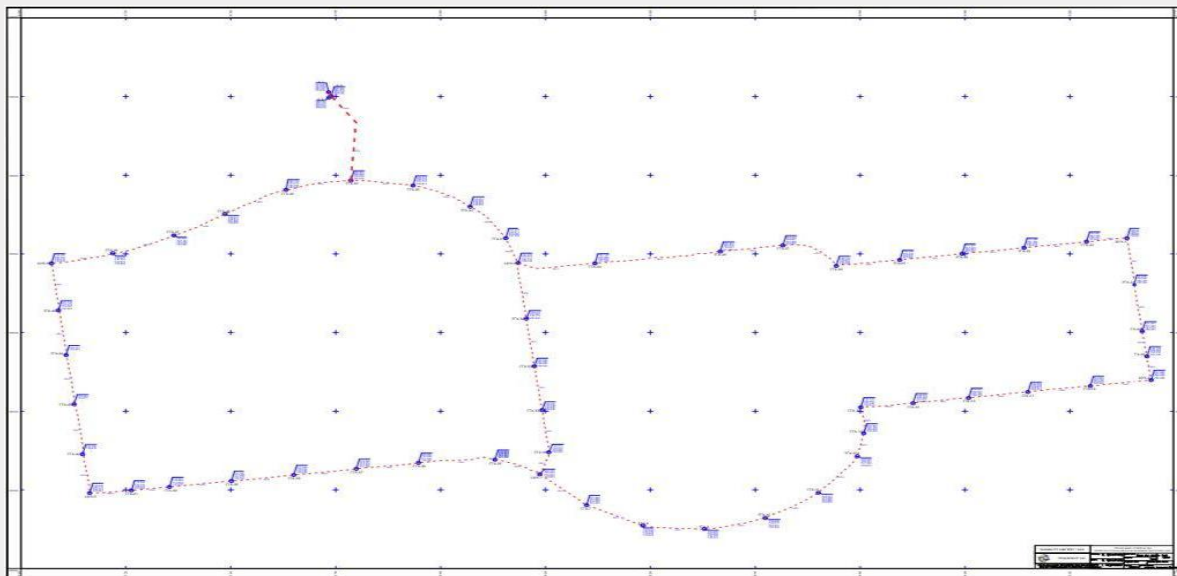


43.000.0 /mln.MNT/

III. THE SOLUTION OF THE REQUIRED QUESTIONS

THE SOLUTION OF THE REQUIRED QUESTIONS

The “Altanbulag” one will be connected to the Unified Customs Tele Monitoring System



2,128.5 /mln.MNT/

Construction work of the main canalization facility of "Altanbulag" free zone association



553.9 /mln.MNT/



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ХӨГЖЛИЙН ЯАМ

THANK YOU FOR YOUR ATTENTION

2022.09.27