



**Trade Policy Review Body
17 and 19 March 2021**

TRADE POLICY REVIEW

MONGOLIA

MINUTES OF THE MEETING

Chairperson: H.E. Mr Harald Aspelund (Iceland)

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1 INTRODUCTORY REMARKS BY THE CHAIRPERSON

1.1. The third Trade Policy Review of Mongolia was held on 17 and 19 March 2021. The Chairperson, H.E. Mr. Harald Aspelund (Iceland), welcomed the delegation of Mongolia, headed by H.E. Ms. Battsetseg Batmunkh, Minister for Foreign Affairs; H.E. Ambassador Mr. Lundeg Purevsuren, Permanent Representative of Mongolia to the WTO; the rest of the delegation from Ulaanbaatar; and the discussant H.E. Ambassador Dr. Rashidi Said (Malaysia).

1.2. The Chairperson was pleased that, in addition to physical presence, the meeting also benefited from the Interprefy online connection, allowing for a wider participation of the Membership, in particular of officials who could not make the journey from Ulaanbaatar given the current circumstances.

1.3. I would also like to inform you that, as indicated in the addendum to the Airgram, there will be a second agenda item at the end of the session on Friday, namely the election of a new Chairperson of the TPRB.

1.4. The Chairperson recalled the purpose of TPRs and the main elements of procedures for the meeting. The report by Mongolia is contained in document WT/TPR/G/406, and that of the WTO Secretariat in document WT/TPR/S/406.

1.5. Questions by the following delegations were submitted in writing before the deadline: Chile; Canada; the European Union; Malaysia; Japan; the United States; Thailand; and China. The following delegations submitted written questions after the deadline: the Russian Federation; Indonesia; Turkey; the Republic of Korea; the United Kingdom; Peru; Iceland; and Kazakhstan.

1.6. Since its last Review in 2014, Mongolia has maintained a relatively open trade regime and continued its economic and trade growth over the period. As highlighted in its last Review, Mongolia had a high reliance on the mineral sector for both its economy and exports. It had faced a number of challenges due to its harsh climate, underdeveloped infrastructure, and landlocked status. Thus, Members had encouraged Mongolia to make improvements in several areas, including the investment climate, government procurement, minerals policy, standards, applied rates that exceeded bound rates, and institutional issues such as time and cost of approvals for investment and other bureaucratic processes. Many of these elements are also highlighted in the reports today.

1.7. The Chairperson focussed on some economic developments since its previous Review. Mongolia continued to have steady and continued growth during 2014-19 but the economy contracted in the first part of 2020 due mainly to the impact of the COVID-19 pandemic. While services remained the dominant contributor to GDP, their importance fell over the period from 51% to 45% of GDP, while that of mining, the second largest contributor, increased from 18% to 26%. Thus, Mongolia remained heavily reliant on the mining sector, not only for its GDP but also for trade. Exports remained more heavily concentrated in 2019 compared to 2014 both in terms of products, i.e. mining at 84%, and markets, i.e. China, accounting for 89%.

1.8. As all Members knew, this Review was taking place at a time when the world had witnessed an unprecedented crisis, with COVID-19 having a significant impact on the economy and trade of many Members, including Mongolia. As a response to the pandemic, Mongolia adopted its first relief package in April 2020 to provide support for those affected by the economic downturn. This included aid to the cashmere industry, and border measures such as temporary VAT and duty exemptions.

1.9. Mongolia's trade policies remained broadly unchanged during the period under review. However, there were a few notable developments. These concerned the conclusion of Mongolia's first free trade agreement with Japan in 2015, and Mongolia's accession to the Asia-Pacific Trade Agreement (APTA) in January 2021. As a landlocked country, Mongolia also welcomed the developments in the trade-facilitation area, as it remained an issue of national importance. Transit transportation and border cooperation with neighbouring countries were of particular significance.

1.10. Mongolia made several efforts to improve its investment climate since the last Review, with policy initiatives to increase domestic and foreign investment and restore foreign investor confidence. A One-Stop Service Centre to facilitate the delivery of public services to investors was established in 2019, the Investor Protection Council was established in 2016 to oversee the legal

rights and interests of investors, and efforts were underway to diversify investment to non-mining sectors.

1.11. The agriculture sector also remains important for the Mongolian economy and trade. During the review period, it accounted for between 11% and 13% of GDP and between 25% and 30% of employment. Mongolia remained a net exporter of many livestock products including wool and cashmere, but was a net importer overall due, in part, to its climatic conditions, whereas agricultural imports were significant for fruits and vegetables, tobacco, and dairy products. The sector also continued to be impacted by several non-tariff measures.

1.12. Mongolia improved its standards/technical regulations and sanitary and phytosanitary regimes since the last Review, with new laws, regulations, and initiatives. However, there remained concerns, such as alignment to international standards and lack of notifications.

1.13. An examination of the advance questions submitted for this Review showed the wide range of topics of interest to Members, including: investment; customs procedures; exports; TBT; SPS; government procurement; intellectual property; agriculture; and services. The Chairperson was sure that these topics and themes, and many others, would be touched upon in greater detail at the deliberations today and on Friday.

1.14. In total, Mongolia received about 320 advance written questions from 16 delegations for this Review. Prior to this meeting, Mongolia already provided written replies to all advance questions. The Chairperson was sure that Members would join him in commending Mongolia for its efforts in this respect.

1.15. This meeting was a good opportunity for Members to discuss in greater detail issues of interest to them and of systemic importance to the multilateral trading system. It was also an opportune moment for Mongolia to update the Membership on the impact of COVID-19 on its economy and measures it had taken in response, given that the documentation prepared for this Review might not cover all measures taken. The Chairperson looked forward to a fruitful exchange.

1.16. The Chairperson closed his introductory remarks by wishing Mongolia a very successful third Trade Policy Review.

2 OPENING STATEMENT BY THE REPRESENTATIVE OF MONGOLIA (H.E. MS. BATTSETSEG BATMUNKH)

2.1. I am pleased to lead the Mongolian delegation to the third Review Meeting of Mongolia's Trade Policy by the World Trade Organization (WTO).

2.2. First of all, I would like to convey our appreciation to the WTO Secretariat for preparing a detailed report on Mongolia's trade policy, and His Excellency Harald Aspelund, the Ambassador of Iceland for chairing this meeting, and His Excellency Rashidi Said, the Ambassador of Malaysia for taking up the task of a discussant.

2.3. My delegation wishes to extend our gratitude to the Member countries for their interests and questions in relation to the Government trade policies and the policy measures taken in the key economic sectors, its legal environment and the objectives set forward in this regard.

2.4. To date, Mongolia has received around 300 questions and I believe that inquiring Member countries have received the responses to their questions, which have been prepared and sent through the Secretariat.

Impact of the COVID -19 pandemic effect

2.5. The COVID-19 pandemic lockdowns in Mongolia's trading partners and the related business contraction of economic entities caused a severe negative impact on the country's economic growth with a GDP decline by 5.3% in 2020. In particular, mining, service industry, air transport and tourism sectors have been hit severely by the pandemic.

2.6. The revenues generated by the mining sector to the State budget decreased by 14.0% by the end of 2020, and the foreign direct investment in Mongolia decreased by USD 581.2 million in 2020.

2.7. Although Mongolia's total foreign trade turnover decreased by 6.4% in 2020 in comparison with the previous year, the trade balance showed a surplus of USD 2.3 billion which had a positive effect on the balance of payments.

2.8. Mongolia's mineral export revenue accounts for about 90% of total export revenue, and the implementation of the "Green Gateway" provisional regime with China to restore coal export, which had slowed due to the pandemic, has helped to restore mineral exports and generate the surplus in trade balance.

2.9. On 29 April 2020, the State Great Khural (Parliament) of Mongolia passed the Law on Prevention of COVID-19 pandemic and alleviating its socio-economic impacts. The Government has taken a series of steps since early 2020 to reduce the impacts of the pandemic and revitalize the economy through the supports to businesses.

2.10. "A stimulus package of 10 trillion MNT in protecting public health and economic revitalization" has been approved by the Government in 2021 and is now under the implementation. The package is designed to support small and medium enterprises, service industry, agriculture and non-mining export, employment opportunities and housing and to facilitate the implementation of mega projects of strategic importance.

Economic situation of Mongolia

2.11. The GDP growth had reached 7.9% in 2014 when Mongolia's trade policy was reviewed for the second time. The growth figure fell down to 1.2% in 2016 which wrought by the global financial and economic crisis, precisely, due to the decline in extractive commodities, an overly optimistic outlook for mining revenues, and a sharp increase in public spending on loans.

2.12. Since 2016, the Government and the Bank of Mongolia jointly implemented an "Economic Recovery Program" aimed at macroeconomic stabilization, restructuring the economy, easing the debt burdens, and ensuring stable growth. As a result, the real GDP growth rate accelerated to 5.3% and 7.2% in 2017 and 2018, respectively. However, the dwindling world market prices of

commodities together with the lower quality of the major mineral commodities slowed down the economic growth 10 to 5.1% in 2019.

2.13. Since 2017, the Government, jointly with the IMF, implemented a 3-year "Extended Fund Facility" during which the economic recovery accelerated, the inflation rate remained near the target, and the official foreign reserve exceeded USD 4.2 billion. During 2016-2019, the foreign reserve increased 3.4 times and the confidence of foreign investors in Mongolia's economy started to return.

2.14. Mongolia was covered by the "Rapid Finance Instrument" provided by the IMF to its members to support their efforts to fight the COVID-19 pandemic and to revive their economies.

2.15. In order to finance domestic securities and to respond to the troubled budgetary and financial situation, the Government issued "Dim Sam", "Mazaalai", "Khuraldai", "Gerege" and "Nomad" bonds between 2015-2020.

2.16. Total foreign trade turnover reached a record high of USD 13.7 billion in 2019, and the balance of exports and imports has been positive since 2014. The Government's policy towards diversification of economy and promotion of non-mining exports had resulted in non-mining export production reaching USD 2.9 billion or 11% of total exports in the period from 2016 to 2019.

2.17. In order to reduce the economic vulnerability which caused by the dominance of a single-mining sector, the Government has been consistent in diversifying the economy, promoting trade and investment in other economic sectors, and creating a favourable legal environment.

2.18. In this regard, the Government approved the Mongol Export Program in 2018, which gives priority to the value-added and competitive exports, facilitating trade and expanding export markets. The Export Promotion Council was established in 2019 to ensure cross-sectorial coordination in the implementation of Mongol Export Program.

2.19. In addition, with the support of the Geneva-based International Trade Center, the Mongolia's Trade and Investment Roadmap was developed in 2019. The Roadmap identified 1/ export of the products of animal origin; 2/ service industry including information and communication technology and tourism; and 3/ natural resources, including renewable energy and processed minerals as potential sectors for export and investment in medium term. In order to support export and investment in these sectors, the Government focuses on export funding, quality standards, skill development and marketing.

2.20. Mongolia stands for the principle of impartiality in terms of investors' treatment. To promote the investment efficiency, the Government provides common legal guarantee and protection to the investor's rights, properties and prioritizes stable tax environment for investment. In this context, I would like to emphasize that the Investor Protection Council, the Public-Private Consultative Committee and the One-Stop Service Center were respectively established between 2016 to 2019.

2.21. Improving the legal environment for trade and bringing it into line with the WTO principles is a priority policy of the Government, and in accordance with the WTO Agreement on Safeguards, the Cabinet adopted the Regulation of Safeguards early this year.

2.22. Within the framework of the Government policy to join the regional economic and trade integration, Mongolia established in 2016 the "Economic Partnership Agreement between Mongolia and Japan" (EPA) and acceded to the "Asia-Pacific Trade Agreement" (APTA) in 2019. The Government is currently conducting a joint study to explore the possibility of concluding a free trade agreement with the Eurasian Economic Union and the Republic of Korea.

2.23. Mongolia is allowed to use the Generalized System of Preferences (GSP+) of Australia, the United States, Canada, the European Union, Japan, New Zealand, Norway, and Switzerland. From 1 January 2021, Mongolia has become eligible for the preferential treatment provided by the UK. It should be noted that there is a need to increase the country's export capacity and the range and quantity of products that meet the standards of the export markets in order to take full advantage of these preferential benefits.

2.24. As one of the initiators and founders of the International Center for Landlocked Developing Countries (ICLLDC), Mongolia was a key in bringing the agreement of the Center's establishment into force and in 2018 the Center was officially launched in Ulaanbaatar.

2.25. In 2016, Mongolia acceded the UN Intergovernmental Agreement on Dry Ports. Mongolia is also preparing to accede to the Asia-Pacific General Agreement on Facilitation of Cross-Border Paperless Trade in order to reduce the cost and time of cross-border trade.

Mongolia and the World Trade Organization

2.26. As a landlocked developing country, located between the large economies, Mongolia strongly supports and believes in principles and benefits of a rules-based multilateral trading system, which plays an important role in the global economy.

2.27. Mongolia believes that constructive dialogue and engagement of developing Members is essential in addressing the challenges facing the multilateral trading system and coming to the collective solution. In this context, Mongolia supports the reforms which are necessary to keep the relevance of the WTO and change our approach from debate to delivering results, proposed by the new Director General Ms. Ngozi Okonjo-Iweala.

2.28. As a Member of the WTO, Mongolia participates and contributes to the works of the Organization. Mongolia served as the Chairman of the Council of the Trade Related Intellectual Property Rights, and recently served as the Chairman of the Council of the Trade in Goods, coordinating the Asian Group of Developing countries and the Group of Landlocked Developing Countries in Geneva.

2.29. Mongolia ratified the WTO Agreement on Trade Facilitation in 2016 and the Agreement on Trade in Civil Aircraft in 2018.¹ The National Trade Facilitation Committee was established in 2017 and the National Road Map on Trade Facilitation was adopted accordingly. Mongolia also joined the Agreement Establishing the Advisory Centre on WTO Law in 2020.

2.30. In conclusion, I am pleased to summarize that Mongolia has pursued an open and transparent trade and investment policies during the reporting period which prioritized export promotion, trade facilitation, regional trade, and economic integration. In his regard, please allow me to extend our appreciation to the WTO, our development partners and international organizations for their support and assistance.

2.31. Thank you for your kind attention.

¹ Regarding the Agreement on Trade in Civil Aircraft, the situation with respect to ratification is as explained in paragraph 2.25 of WTO document WT/TPR/S/406.

3 STATEMENT BY THE DISCUSSANT

3.1. Thank you, Chair. Good morning to those of you in Geneva and good evening to those delegation in Ulaanbataar.

3.2. Let me begin by welcoming the delegation of Mongolia to its third Trade Policy Review, headed by Her Excellency Mrs Battsetseg Batmunkh, Minister of Foreign Affairs and to extend my personal appreciation for the remarkable work accomplished by my distinguished colleague, Ambassador Lundeg Purevsuren and his competent team.

3.3. I would also like to thank Mongolia and the Secretariat for the high-quality reports, which will serve as a valuable basis for our discussions during this two-day review. It is an honour and a privilege for me to be the discussant for this Review.

3.4. This Review takes place under unprecedented and challenging circumstances caused by the COVID-19 pandemic that affects trade, global economy, and this is a real test to multilateral trading system. Despite these challenges, today's review shows Mongolia's strong commitment that it has put to the Trade Policy Review Mechanism.

3.5. My role as a discussant is to make a constructive contribution to our discussion, particularly the development since the last review. My comments will have three parts: I will first focus on Mongolia's macroeconomic and trade environment; second, I will touch on trade and investment policies; and lastly, on the issues raised by Members.

Macroeconomic environment

3.6. Let me start my comments by highlighting a few points related to Mongolia's macroeconomic and trade environment. Since Mongolia's previous Review in 2014, it appears from the Secretariat's and the Government's reports that Mongolia generally maintains an open trade and investment regime.

3.7. The country's GDP continued to grow between 2014 and 2019, with the exception between 2015 and 2016, where the growth rate declined to 2.4% in 2015 and further declined to 1.2% in 2016 due to a worsening external environment characterized by the global economic slowdown and sharp drop in commodity prices. However, its economy had shown improvement where the GDP grew between 5.1% and 7.2% between 2017 and 2019. In term of value added, the share of services in GDP has declined during the period under review. However, the share of mining in GDP has grown steadily from 18.2% to 26%.

3.8. On external sector, we could observe from the reports that Mongolian trade was very much relying on exports of commodities such as coal and copper ore, which constituted more than half of the Mongolia's USD 7.6 billion in export earnings. On imports, machinery; electrical; and transport equipment remained the Mongolia's main import items since its last Review. On the direction of trade, China remained Mongolia's main trading partner, constituted close to 90% of its export earnings and 33.2% of its imports in 2019.

3.9. It is important to observe that the mining sector continued to become the main source of national revenue to support Mongolia's socioeconomic development. The Secretariat's and the Government's reports point out that macroeconomic shocks such as Covid-19 pandemic, low import demand from main trading partners, and low commodity prices have severely impacted macroeconomic stability with the balance of payments coming under pressure. This underscores the need for a more diversified economic structure. I commend the authority's efforts to diversifying its export products and restructuring the economy to reduce its dependency on mineral resources.

3.10. Like many other Members, the impact of COVID-19 has been severe to Mongolian economy. The Government introduced stimulus packages to sustain the economy that involved both fiscal and monetary policies. In this regard, I also noted that the Government had adopted its first relief package in April 2020 to support the most affected sectors, maintain the employment and ensure financial stability due to economic slowdown.

Trade and investment policy

3.11. Now, turning to the developments related to trade and investment policy. The Government introduced several policy instruments: (1) the Action Plan of the Government for 2016-2020; (2) the Sustainable Development Vision 2030; and (3) Action Plan of the Government 2020-2024, among others.

3.12. Mongolia plays an active role in the WTO and has long been a strong supporter of the multilateral trading system. Mongolia actively participates in the group of landlocked countries and small and vulnerable economies (SVE). I must praise the dedication of Ambassador Lundeg Purevsuren as the coordinator for the Asian Group of Developing Countries (AGDC) and congratulate him for being elected as the Chair of Council for Trade in Goods for 2021.

3.13. Trade facilitation is worth to be highlighted during this Review. Mongolia as a landlocked country views the transit and border cooperation with neighbouring countries are of the utmost importance. The Parliament of Mongolia had ratified the WTO Trade Facilitation Agreement on 24 November 2016 and thereafter, notified its instrument of ratification the WTO on 28 November 2016. The reports also highlight Mongolia has been committed to implementing the TFA and I applaud the establishment of the National Trade Facilitation Committee for this purpose.

3.14. New developments could also be seen during the review period on Mongolia's participation in regional and preferential trade arrangements. The Mongolia has signed its first FTA with Japan in 2015. The Secretariat's report also highlights that Mongolia has also concluded its Asia-Pacific Trade Agreement (APTA) negotiations in December 2019. It worth to highlight that Mongolia has acceded to APTA in September 2020, which represents the first Mongolia's FTA with developing countries. It is also noted that the Government is studying the possibility of bilateral free trade agreements with several other countries such as with China, Republic of Korea, and Eurasian Economic Union (EAEU).

3.15. According to the Secretariat report, Mongolia's tariff regime did not change significantly since the last review with the average bound at 17.6%. The average applied remains low with 94% of the tariff lines are at 5%. The overall average rate increased slightly at 0.3 percentage point to 5.3%, mainly because of the increase in tariffs on spirit and tobacco.

3.16. Mongolia considers the foreign direct investment (FDI) is an important tool for its development. In this regard, the Government introduced several policy initiatives to increase domestic and foreign investment and restore investor's confidence. These include the establishments of the One-stop service Centre to facilitate public services delivery to investors and Investor Protection Council to protect legal rights of investors.

Issues raised by Members

3.17. Now, turning to my third part on sectoral policies and measures including the issues raised by Members on that regard. This Review has attracted comments and questions from 16 Members with approximately 300 questions. I will only highlight several key issues.

3.18. Concerning Mongolia's SPS regime, it is noted from the Secretariat report that Mongolia faced challenges in ensuring its SPS requirements are fully harmonized with international SPS standards. Some Members asked questions on the lack of risk-based assessments. I commend Mongolia that it has started to work on improvements in infrastructure and capacity of many SPS laboratories with the assistance of international institutions.

3.19. Members also followed Mongolia's competition policy issues with great interest. A new development since its last Review was the amendments made to its Competition Law in 2019, which seeks to ensure fair market competition and prohibit any activities impeding competition. I noted that from the questions raised by Members and the replies, there are no natural monopoly entities in the sector of finance, fuels and oil products, shopping centers and the coal market.

3.20. Although the economy is essentially market-driven, the report also shows that the state ownership continues to be prevalent as there were 105 state-owned enterprises in Mongolia with a significant number concentrated in strategic sectors of energy, mining, and transport sectors. This was slightly higher than last review i.e., 98 SOEs.

3.21. Mining is a strategic sector of the Mongolia's economy. The Secretariat's report shows that the mining sector accounted for 23.2% of GDP, 75.8% of FDI, 90.1% of exports, and 70% of foreign investment stocks. One new development since its last Review was the amendments to Mineral Law in 2019. Specific to this sector, Members submitted several questions about treatments on foreign entities in terms of land rights in mining.

3.22. The agriculture sector becomes an important sector to Mongolia's socio-economic development, absorbed close to one third of total employment and 10.9% of its GDP in 2019, although these were slightly lower than in 2013. I welcome the efforts to making the agriculture as part of its diversification strategy to alleviate heavy reliance on mining sector. I also noted that Mongolia has developed the Food and Agriculture Policy 2015 aims to increase the productivity and improve the competitiveness of the sector.

3.23. On Mongolia's subsidy programs in the agriculture sector, some Members referred to Mongolia's subsidy programs in various forms and sought clarifications on how the Government is planning to reduce these trade distorting subsidies. Other question includes Mongolia's subsidies notification obligation and I thank for the support the WTO Secretariat's has provided to Mongolia so that it can improve its notification commitment.

3.24. On services, it should be noted that although the share of financial services is relatively high in GDP and open to foreign investment, there are no foreign banks established in Mongolia. The discussions in this Review may offer greater understanding in this regard since some Members have raised questions on financial sector of Mongolia.

3.25. There are other sectors such as manufacturing, which can be much relevant from the perspective of diversified economic activities.

Conclusion

3.26. To conclude, the key assessments that I would like to share from both review reports and the Government statement are, in the short-term, Mongolia needs to restore macroeconomic stability in collaboration with the international community at large. In the longer term, Mongolia needs to develop a more diversified and resilient economy. This, in turn, will require (i) well-targeted sectors or sub-sectors through right policy formulations; (ii) infrastructure investments and regional integration to improve connectivity and access to more external markets; and (iii) developing skilled workforce to support these structural adjustments. The authorities may want to consider these for future analysis.

3.27. Before I end, let me express my appreciation to all the replies that Mongolia has provided. Let me wish this Trade Policy Review produces results that benefit both the Government and the people of Mongolia.

3.28. Again, I thank for this opportunity and I wish Mongolia success during its third Trade Policy Review. Thank you, Mr. Chair.

4 STATEMENTS BY MEMBERS

CANADA

4.1. We would like to express our appreciation to Mongolia's Government and the Secretariat for their high-quality reports.

4.2. We would first like to acknowledge Mongolia's efforts to minimize the negative impacts of the COVID-19 pandemic while working closely with regional and international partners to ensure the continuous free flow of essential goods. Canada is proud to stand with Mongolia as a friend as we work towards an inclusive and sustainable global economic recovery.

4.3. I would now like to highlight areas where Mongolia is making significant progress.

4.4. Canada welcomes Mongolia's pursuit of more open and inclusive trade. We also welcome Mongolia's acceptance of the Trade Facilitation Agreement, and its support for the full implementation of the Buenos Aires Declaration on Women's Economic Empowerment. We encourage Mongolia to participate actively in the implementation of the 2nd phase of the Buenos Aires Declaration.

4.5. We applaud Mongolia's efforts to negotiate trade and investment agreements during the review period. As Mongolia's leading investor in the mining sector, Canada was particularly pleased to conclude the Canada-Mongolia Foreign Investment Promotion and Protection Agreement (FIPA).

4.6. Canada commends Mongolia for its ambitious Vision 2050 Development Plan, which aims to strengthen good governance, citizen-based government services and implement economic policies that strengthen Mongolia's potential, including increasing economic integration, nurturing the development of current and aspiring women-owned businesses and fighting against climate change.

4.7. We congratulate Mongolia on efforts to strengthen governance practices. The implementation of the Civil Service Law, which will help create a more stable, impartial professional and citizen-centred civil service, including the establishment of gender quotas for administrative posts. In addition, E-Mongolia's initiative will enhance public services. We encourage Mongolia to continue building towards a highly skilled and gender balanced public service. Canada stands by to assist these efforts.

4.8. Along with these promising initiatives and progress, there remain areas that would benefit from further focus by Mongolia:

4.9. Canada acknowledges the changes made by Mongolia to attract more foreign investment in the mining sector such as the establishment of the Investors' Protection Council and One Stop Service Centre. However, efforts to enhance regulatory certainty and reduce investment risk are still necessary. Predictability, transparency and reliability are core elements of a solid investment environment, which must be supported by the rule of law and independence of the judiciary, and we encourage Mongolia to continue pursuing comprehensive measures that make the country a more preferred destination for FDI.

4.10. Canada welcomes Mongolia's participation in the WTO's Micro, Small and Medium-sized Enterprises (MSMEs) Informal Working Group, and the Joint Statement Initiatives on Electronic Commerce, and on Investment Facilitation. Moving forward, Mongolia could also consider joining the Joint Statement Initiative on Services Domestic Regulation. Canada also encourages Mongolia to address its outstanding notifications, including on agriculture domestic support, agriculture export subsidies, and its new and full subsidy notifications, which are critical to providing transparency and predictability to all Members. We wish to acknowledge Mongolia's expression of interest to join the Agreement on Trade in Civil Aircraft and reiterate our willingness to work with Mongolia on its accession.

4.11. Canada has submitted written questions that reflect our interests and concerns regarding a number of trade-policy related measures. We look forward to Mongolia's responses and more generally to a constructive exchange of views on all aspects of Mongolia's trade policy. We wish Mongolia a productive and useful Trade Policy Review.

EUROPEAN UNION

4.12. On behalf of the European Union, I would like to welcome the Mongolian delegation led by H.E. Mrs. Battsetseg Batmunk, Minister for Foreign Affairs, Head of delegation. I would also like to thank the WTO Secretariat and the Government of Mongolia for their reports and the discussant, H.E. Dr. Rashidi Said (Ambassador of Malaysia) for his contribution.

4.13. Mongolia has been a persistent and continuous supporter of the multilateral trading system and has pursued a liberal trade policy since joining the WTO in 1997. Open trade has, in fact, been a continuous key feature in Mongolia's history. The East-West Mongol trade routes became the fabled Silk Road, which for the first time linked Europe to Asia, allowing the free flow of ideas, technologies and goods mainly from Europe to Europe, from Asia to Europe and sometimes in the other direction but we were a grateful receiver of all that came our way from Asia. The stability brought by Mongol rule opened these ancient trade routes to a largely undisturbed exchange of goods between the peoples of Asia and Europe. Aside from facilitating trade, the Mongol influence also improved the communication along the Silk Road by establishing a postal relay system.

4.14. Since joining the WTO, Mongolia has pursued rigorous market-oriented reforms and is now one of the most open economies in the world.

4.15. The EU's bilateral relationship with Mongolia has also developed positively since the last TPR with the EU-Mongolia Partnership and Cooperation Agreement (PCA) entering into force in 2017. The Agreement provides a comprehensive framework for enhancing relations in political, economic, and sectoral areas such as agriculture, people-to-people exchanges, research and innovation, environment, culture, and education.

4.16. The EU is Mongolia's fourth largest trading partner and our exports have grown steadily in the last years, reflecting positive changes in Mongolian business environment.

4.17. We are fully supportive of Mongolia's efforts to continue to diversify its economy with the special incentive arrangement under the EU Generalized System of Preferences plus (GSP+). Its utilisation rate stands at around 84%, but there is room for improvement.

4.18. Further facilitation of the exports of non-mineral products will contribute to an even greater diversification of the Mongolian economy. Capacity building is an essential issue, and the EU is supporting Mongolia through the dedicated trade-related development assistance (TRAM – "Trade-Related Assistance to Mongolia"), which has delivered promising results in trade policy, trade facilitation and export promotion.

4.19. In the participation with the EBRD, the EU is supporting the development of small and medium-sized enterprises (SMEs) in Mongolia. The support focuses on improving access to finance and transfer of know-how. As a part of the EU COVID-19 response package in Mongolia, we have secured a further grant of EUR 11 million for the next phase of this project, focusing on minimizing the long-term impact of COVID-19 related slowdown for Mongolian SMEs.

4.20. EU priorities are to create and promote a level playing field and opportunities for exporters from both countries and EU investors in Mongolia by supporting the development of a predictable business and investment environment. We would like to underline the need for increased transparency of the procedures that have been put in place in Mongolia. This includes in particular transparency of the government procurement, investments laws and regulations, and requirements for imported goods.

4.21. In our experience, foreign investors are usually not treated on the same footing as domestic ones. Moreover, frequent amendments of investment laws and regulations prevents the development of a stable and predictable environment for foreign investors in Mongolia.

4.22. We would like also to stress the importance to secure the independence of the judiciary and the fight against the corruption: both these two principles of good governance are put on an equal footing in our bilateral agreement. In this context, the EU follows closely the implementation of the Laws on the Legal Status of Judges, Public Prosecutor's Office and Anti-corruption, which, while

ensuring the independence and integrity of judges and prosecutors, have a critical impact on the business climate.

4.23. We are interested to hear more on Mongolia's plans to establish a new Ministry of Planning and Economic Development and its role in trade policy making and implementation.

4.24. We are also looking forward for Mongolia's replies to our questions on the new alcohol law. We support the efforts to establish a regulatory framework and the aim to limit alcohol consumption and promote a healthier way of life. However, we are concerned that the draft law is not compatible with the WTO rules and obligations. It seems to grant less favourable treatment to imported goods and foreign producers than to domestic goods and domestic producers and seems to impose unjustifiable technical barriers to trade. The EU would like also to invite Mongolia to notify this law and other outstanding regulations to the relevant WTO committees.

4.25. Finally, let me use this opportunity to congratulate H.E. Mr. Lundeg Purevsuren, Mongolia's Permanent Representative and Ambassador, on his recent appointment as a Chair of the Council for Trade in Goods and wish him every success.

4.26. In conclusion, on behalf of the EU, I wish Mongolia and the colleagues in Ulaanbaatar a very productive and successful Review.

JAPAN

4.27. Let me first extend a warm welcome to this third TPR meeting to the distinguished delegation of Mongolia headed by H.E. Mrs. Battsetseg Batmunkh, Minister for Foreign Affairs. We sincerely appreciate the dedicated efforts made by Mongolia and the WTO Secretariat to prepare the insightful reports shared with the Members in advance of today's Review. And we are also grateful to the discussant, H.E. Dr Rashidi Said, Ambassador of Malaysia, for his insightful remarks.

4.28. Mongolia is an important trading partner for Japan, as is clear from the fact that our two countries have been developing a strategic partnership since 2013. Japan has been consistently supporting Mongolia's transition to a democracy and market economy since the country began its process of democratisation in the 1990s. In 2020, trade between our two countries reached a value of USD 360 million in total. At the same time, our FDI amounted to a total of USD 950 million in 2020.

4.29. Mongolia has concluded two free trade agreements with seven Members. In June 2016, as a first EPA for Mongolia, the Japan-Mongolia EPA came into effect. This EPA has significantly contributed to a favourable relationship between our two countries and the strengthening of our strategic partnership. Since the enactment of the Japan-Mongolia EPA, the volume of bilateral trade has been increasing steadily. We commend the steps taken by Mongolia towards greater trade liberalization and we believe that Mongolia's efforts and cooperation under these RTAs will complement the reinforcement of the Multilateral Trading System.

4.30. Japan appreciates Mongolia's joining of the Trade Facilitation Agreement (TFA) in 2016 and its participation in the Joint Statement Initiative (JSI) on e-commerce and investment facilitation towards further trade facilitation. We expect Mongolia to continue actively engaging in both multilateral and plurilateral frameworks under the WTO to further strengthen the Multilateral Trading System.

4.31. When it comes to domestic measures for trade facilitation, Japan welcomes the fact that Mongolia introduced several systems and regimes such as the single window system, electronic data exchange, and advance rulings through the amendment of its domestic laws during this review period.

4.32. With regard to the action for the promotion of FDI, Japan welcomes the various reforms that have been adopted towards the improvement of the business environment in Mongolia. These include, most notably, the launch of the One-Stop Service Centre for foreign owned companies, the establishment of the Investors Protection Council, the creation of the trade information portal website, and the reduction of the corporate tax for medium and small sized enterprises from 10%

to 1% through the enactment of the new tax law in 2020. We expect the Mongolian government to continue to lead efforts for the further improvement of the business and investment climate.

4.33. NUBIA (New Ulaanbaatar International Airport) is being constructed through cooperation between Japan and Mongolia as a new symbol of our bilateral relationship. While the opening schedule has been postponed due to COVID-19, We hope that upon its completion this project will enhance regional air connectivity. The Japanese consortium is currently playing a partial role in the management of the airport, and we would like to continue this bilateral cooperation towards the efficient opening of the airport and its management thereafter so that our collaboration becomes a best practice. In addition, once the current COVID-19 situation calms down, we expect NUBIA, as a new gateway to the skies, to have a huge positive impact on Mongolian development, including in the tourism and logistics fields.

4.34. In conclusion, Japan appreciates Mongolia making this TPR meeting possible in spite of the current pandemic situation. We expect that a stable business environment will contribute to the sustainable development of the Mongolian economy and, also, underpin foreign companies' performance in the country to the maximum extent. Last, but not least, we wish Mongolia a successful and productive TPR.

UNITED STATES

4.35. The United States is pleased to welcome H.E. Mrs. Battsetseg Batmunkh and the rest of the Mongolian delegation to the third Trade Policy Review (TPR) of Mongolia. We welcome the Secretariat and Government reports and appreciate the opportunity to gain a clearer sense of the changes to Mongolia's trade and investment policies since its last review in 2014.

4.36. Since its last TPR, Mongolia has taken steps toward a more open and transparent trade and investment regime that should enhance the business environment in Mongolia and improve Mongolia's attractiveness to its trading partners and foreign investors. We recognize the particular challenges that landlocked developing countries (LLDCs) face in participating in international trade. The United States is committed to close cooperation with LLDCs to address such challenges and, specifically, to continuing to work hard to advance trade and economic ties with Mongolia.

4.37. Trade between Mongolia and the United States has grown in recent years. In 2005, when Mongolia's first Trade Policy Review took place, total two-way trade in goods stood at USD 166 million. In 2019, two-way trade in goods was USD 217.5 million. In the coming years, further growth in trade with Mongolia will likely be affected significantly by how well Mongolia handles its economic engine and its biggest economic challenge – the mining sector. We encourage Mongolia to manage the development of its mineral resources in a manner that will ensure steady growth. It is well-known that the mining sector is the key driver of Mongolia's economy. It is Mongolia's major source of exports and foreign direct investment, and many of Mongolia's imports also feed the mining sector. At the same time, we are supportive of ways to diversify Mongolia's economy beyond its extractive industries.

4.38. We commend Mongolia's efforts to improve intellectual property protection, implement its trade facilitation commitments, and improve its customs regime. We encourage Mongolia's adoption of international practices in areas where TBT and SPS commitments apply, which should also increase opportunities for trade and investment. However, there remain a number of problematic challenges that impede Mongolia's economic development. These include inadequate transparency in regulatory and legislative processes, weak rule of law, corruption, and frequent abuse of inspection, permitting, and licensing regimes to protect existing state and private sector interests. The ongoing amendment process for Mongolia's 2006 Minerals Law seems to suffer from many of these types of problems. All too often, the Mongolian government's economic policymaking has been unpredictable and has lacked the transparency that foreign investors and traders need and expect in today's global trading system.

4.39. We were encouraged that the Mongolian Government took an important step toward addressing transparency and corruption concerns in September 2013 when it signed an agreement with the United States promoting legislative and regulatory transparency in matters affecting trade and investment and calling for adherence to anti-bribery and anti-corruption principles. However, even though the agreement has been in force since 2017, implementation remains incomplete, and

there is still work to be done. Full implementation of the agreement is needed and should enhance not only trade and investment but also create an even more attractive business environment in Mongolia.

4.40. We thank Mongolia for responding to our questions and concerns, and we look forward to further discussion of Mongolia's trade policy regime over the next two days.

THAILAND

4.41. Thailand welcomes the opportunity to participate in the third Trade Policy Review of Mongolia. We wish to extend a warm welcome to the delegation of Mongolia led by H.E. Mrs. Battsetseg Batmunkh, Minister for Foreign Affairs, to this virtual TPR.

4.42. We would like to thank you, Chair, for your comments and summary, the Secretariat for a high-quality report, and the discussant, H.E. Dr Rashidi Said of Malaysia for his comprehensive analysis of Mongolia's trade policy and economic developments during the review period.

4.43. Thailand notably welcomes the robust macroeconomic performance of Mongolia, with the economy growing at an annual average rate of 4.9% between 2014 and 2019. Moreover, GDP per capita increased from USD 4,158.5 in 2014 to USD 4,295.2 in 2019.

4.44. In terms of trade, Thailand and Mongolia have enjoyed growing bilateral trade relations. We are pleased to highlight that total trade between our two countries have more than doubled since the last review, expanding from USD 14 million in 2014 to USD 37 million in 2020. Most of the exports from Thailand to Mongolia are paper and paperboard, machinery and mechanical appliances, as well as miscellaneous edible preparations. On the other hand, Thailand largely imports ore, metals, raw hide, and leather from Mongolia. Thailand hopes that our bilateral trade will continue to grow to further strengthen economic relations.

4.45. Economic performance and improvement in international trade are reflected by Mongolia's commitment to facilitate trade and remain open to foreign trade. However, outstanding economic developments are not without challenges. It is noticed that Mongolia's economy largely relies on a small range of sectors. Accordingly, the need to diversify economic structures and trade relationships are among the top priorities for Mongolia's national policy.

4.46. Thailand is pleased to learn that Mongolia has placed great importance on trade-facilitation and implemented a broad range of trade-related programs, including the Action Plan of the Government, the Mongolia Sustainable Development Vision 2030, and the Mongolian Export Program. Thailand is optimistic that these constructive policies will bring about greater economic resilience leading towards sustainable economic prosperity in the long run.

4.47. On the participation in the WTO, we welcome Mongolia's ratification of the Trade Facilitation Agreement (TFA) and the fact that they joined the WTO Agreement on Trade in Civil Aircraft. Furthermore, Thailand commends Mongolia's ambitions to expand bilateral and regional FTAs with several countries. Thailand would like to encourage Mongolia to further engage in trade negotiations and thus utilize greater benefits from a multilateral trading system. In this opportunity, Thailand would like to express our appreciation for Mongolia's dedication and the efforts as a coordinator of Asia Group of Developing Members.

4.48. In this Review, Thailand submitted questions covering specific aspects of trade and economic policies of Mongolia, including a customs valuation, incentives, subsidies/support programs, as well as a trade policy in the energy sector. Thailand would like to thank Mongolia for their written responses and will study them with great interest.

4.49. In closing, Thailand would like to express our appreciation to Mongolia for their cooperation. Thailand looks forward to further expanding our partnership. We wish Mongolia a successful outcome in this third Trade Policy Review.

CHINA

4.50. I would like to join others to warmly welcome the delegation of Mongolia led by H.E. Mrs. Battsetseg Batmunkh, and our gratitude also goes to the discussant, His Excellency Ambassador Rashidi Said for his informative report. We would also like to thank the Chair and the Secretariat for the contributions to the Review.

4.51. China recognizes that Mongolia maintained a generally open trade regime in the review period. We are supportive of the efforts of Mongolia to stabilize and develop its economy including implementation of the "Economic Recovery Program" in 2016 and measures taken to diversify its economy. We are impressed by the economic measures taken by Mongolia to combat the pandemic.

4.52. We commend Mongolia's constructive participation in the WTO, especially Ambassador H.E. Mr. Lundeg Purevsuren's active role and his personal contribution to this Organization. And we congratulate him as the incoming CTG chair.

4.53. We commend Mongolia's efforts to implement TFA and look forward to its full implementation as early as possible.

4.54. Mongolia is an important neighbour and cooperative partner of China. The bilateral trade increased continuously between 2014 and 2019. In 2020 our bilateral trade suffered seriously due to the pandemic. We appreciate the efforts that the two sides have actively responded to the pandemic by jointly implementing the "Green Access" policy at border ports, which has ensured the smooth flow of bilateral trade.

4.55. China welcome Mongolia's participation in the Asia-Pacific Trade Agreement (APTA) and we are pleased to see the implementation of APTA from the beginning of 2021. The APTA members account for 65% of Mongolia's foreign trade. And we hope that participation in the APTA and FTAs consistent with WTO will help Mongolia better integrated into regional and global trade.

4.56. Finally, we thank Mongolia's response to our questions, and I wish Mongolia every success in the third review.

RUSSIAN FEDERATION

4.57. I would like to extend a warm welcome to the delegation of Mongolia headed by the Minister of Foreign Affairs H.E. Ms. Battsetseg Batmunkh. We appreciate the comprehensive reports by the Government and the WTO Secretariat. Our thanks also go to the discussant, H.E. Dr. Rashidi Said, for his thoughtful remarks. We hope that this TPR will contribute significantly to the transparency of the trade regime of Mongolia.

4.58. For decades, Mongolia has been Russia's closest neighbour and strategic partner in Asia, sharing common economic interests and similar approaches to current issues on international agenda. I am pleased to note that this year marks the 100th Anniversary of the establishment of diplomatic relations between our countries.

4.59. Russia remains Mongolia's second largest trade partner. Total bilateral trade turnover amounted in 2019 to almost USD 1,8 billion, demonstrating a 7% growth in comparison to the previous year. Russian exports comprise of petrochemicals, food and agricultural commodities, textiles, metals and metal products. Imports are dominated by raw minerals.

4.60. Economic cooperation between our countries is guided by the Intergovernmental commission on trade, economic, science and technology cooperation. The Commission oversees the bilateral collaboration and implementation of joint ventures in such areas as banking and investment, transport, especially rail traffic, agricultural industry, and protection of environment.

4.61. Russia views Mongolia as a valuable partner in promotion of Eurasian economic integration processes, noting with appreciation Ulaanbaatar's engagement with the EAEU, based on the Memorandum on cooperation, signed in 2015. We welcome the establishment of a joint research team on exploring the possibilities of concluding an FTA between the Union and Mongolia.

4.62. While we highly estimate trade and economic cooperation with our Mongolian friends, we would like to use this opportunity to highlight a few issues that are of significant concern to us and are being discussed in relevant WTO Committees.

4.63. Namely, we are seriously worried by the existing quota regime for import of wheat flour and milk that almost completely halted Russian exports of these products in 2017-2019. The delays in establishment of quotas for abovementioned products, are creating uncertainty for our companies and resulted in suspension of Russian flour exports once again in 2021.

4.64. This regime continues to be inconsistent with Mongolia's obligations under WTO Agreements, in particular, Article XI of the GATT 1994 and article 4.2 of the Agreement on Agriculture, as well as Mongolia's accession commitments under para. 20 of the Working Party Report.

4.65. Another problem for us is mandatory requirement for vitamin enrichment of wheat flour, which we consider as a less favourable treatment for imported flour than for domestic one.

4.66. We urge Mongolia to take action on restoring normal conditions for trade in these products in line with its obligations in the WTO.

4.67. Russia has submitted a number of written questions on the mentioned issues as well as some others. We look forward to receiving comprehensive replies.

4.68. In conclusion, we would like to thank you, Mr. Chairman, the delegation of Mongolia, the Secretariat, and the discussant, for the impressive work done so far and wish Ulaanbaatar a successful Trade Policy Review.

INDONESIA

4.69. I would like to extend a very warm welcome to Mongolia's delegation led by H.E. Mrs. Battsetseg Batmunkh, Minister for Foreign Affairs of Mongolia. Let me also thank the discussant, Ambassador Dr Rashidi Said from Malaysia, for his contribution to this Review, as well as to the Government of Mongolia and the Secretariat for their insightful and comprehensive reports.

4.70. First of all, I would like to commend Mongolia's active role and contribution in WTO, not only in the discussion and negotiating process, but also on its able leadership as Coordinator of Asian Group of Developing Countries which has contributed in advancing the agenda of developing Members in WTO.

4.71. In bilateral context, Indonesia and Mongolia have relished a long history of friendship and cooperation. Having almost 65 years of diplomatic engagements, the relationship between the two countries has been progressing well, including in economic and trade relations. Between 2014 and 2020, the total bilateral trade showed an increasing trend and reached USD 24.3 million in 2020, rose by 98% from the previous year. However, I believe that there are still large rooms for improvement and opportunity to strengthen the relationship.

4.72. Indonesia commends Mongolia for maintaining and recovering its economy since the last TPR amidst a decline in international mineral commodity prices, where Mongolia's revenue relies on these commodities. As such, Mongolia witnessed a negative 1.2 % growth rate in 2016.

4.73. According to the data from Mongolia, Indonesia notes that Mongolian mineral exports reached USD 6.9 billion in 2019 and contributed 24.5% of Mongolian total revenue. Related to this matter, due to the recently revised constitution of Mongolia, Indonesia is interested to understand the implementation of the revised Constitution, including its impact on Mongolian natural resources export performance.

4.74. On another note, the Government of Mongolia launched a "Mongolian Export" programme, aiming to diversify the export of non-mineral commodities and to sustain the export of value-added commodities. Indonesia wishes to seek detailed information regarding the implementation of this programme, especially with regard to the Financing and Export Guarantee Fund scheme, with Mongolia's commitment to the SCM agreement.

4.75. In terms of investment, during the review period, the foreign direct investment inflow has been increased considerably. However, a substantial amount of the FDI is concentrated in the mining sector. Indonesia would like to enquire further on Mongolia's draft Investment Policy Statement in order to attract and expand potential investment across a wide spectrum of business sectors, so that the FDI can be diffused to other industries.

4.76. Indonesia has submitted a set of questions, covering these policies and measures of our interests, including Mongolian SPS requirements and practices; privatization; import restrictions of some strategic food items through licensing and annual quota; and other measures which may deter imports.

4.77. On that note, Indonesia highly appreciates Mongolia's great efforts in providing written responses addressing Indonesia's questions and concerns in this TPR as reflected in document RD/TPR/1245. I believe that such practice would be useful for both countries to enhance trade and economic cooperation between Indonesia and Mongolia.

4.78. Finally, I would like to commend H.E. Mr. Lundeg Purevsuren and the Mongolian delegation in Geneva for their hard work on this Trade Policy Review. On behalf of Indonesia delegation, I wish Mongolia a very productive and successful Review.

TURKEY

4.79. We would like to join previous speakers in extending a very warm welcome to the delegation of Mongolia, headed by Her Excellency Battsetseg Batmunkh, Minister for Foreign Affairs.

4.80. We took note of her introductory remarks with great interest. We thank the delegation of Mongolia and the Secretariat for their comprehensive reports, as well as our discussant Ambassador Rashidi Said of Malaysia for his invaluable comments.

4.81. We are pleased to see that the Mongolian economy grew steadily between 2014-2019 and that the Mongolian Government has introduced several fiscal measures to alleviate the contraction due to COVID pandemic and to assist the recovery process.

4.82. We commend Mongolia's efforts to diversify its export products with a view to reduce dependency on mineral resources. As Minister Batmunkh implied, we also see Mongolian Export Program launched in 2018 to support research and marketing of priority export products as a timely and well-designed policy instrument in this regard. Thanks to this program, we observe some improvement has already been made in the percentage of non-mining products in the total export structure.

4.83. We welcome the implementation of trade facilitating measures during the review period as well as the steps taken under the National Strategy for the Development of Intellectual Property.

4.84. We are also pleased to see that the country's ranking in the UNDP Human Development Index made progress in recent years.

4.85. Turkey has strong historical and cultural ties with Mongolia. In this regard, we are pleased to see that Mongolia named Turkey as one of her "third neighbours".

4.86. Our bilateral trade has seen an increase of around 20% between 2014 and 2019. However, the total volume is still lagging behind strong historical ties and great potential.

4.87. Turkey sees our Joint Economic and Technical Cooperation Committee and Turkish-Mongolian Business Council present a useful tool to further strengthen bilateral trade relations.

4.88. Last January, Turkey and Mongolia signed a Memorandum of Understanding Regarding Cooperation in the Field of Free Zones. We believe that it will contribute to untap the great potential between our countries.

4.89. We are also pleased that Turkish Airlines started its flights between Istanbul and Ulaanbaatar last year which will also serve as a steppingstone to further connect our economies.

4.90. The Turkish International Cooperation Agency, TİKA, has completed more than 500 projects in Mongolia, and Turkey conducted very successful official development assistance programs in cooperation with Mongolian Government.

4.91. Before concluding, we want to thank Ambassador Lundeg and to his team in Geneva for their active work invaluable contribution to the negotiations under this roof.

4.92. Turkey will continue to work closely with Mongolia in bilateral and multilateral for a, and we wish Mongolia very successful completion of its third Trade Policy Review.

REPUBLIC OF KOREA

4.93. I would like to extend a warm welcome to the delegates who are in Geneva as well as in Ulaanbaatar for the 3rd (third) Trade Policy Review of Mongolia. In particular, I would like to thank Minister Battsetseg Batmunkh for her comprehensive presentation.

4.94. My special appreciation also goes to Ambassador Rashidi Said (Malaysia) for his contribution as today's discussant and Ambassador Purevsuren Lundeg and his team for their hard work.

4.95. We note that Mongolia achieved a satisfactory GDP per capita growth of 5.1% during the review period (2014-2019), which is prior to the Covid-19 pandemic. The volume of trade (export and import) and FDI increased as well.

4.96. Moreover, we highly commend the prompt measures that the Mongolian government enforced to combat the Covid-19 outbreak in 2020 as well as the establishment of the "Action Program of the Government of Mongolia for 2016-2020" which deals with trade policies.

4.97. Meanwhile, we see room for improvement for the causes of the current account deficit, namely the disproportionate trade with certain countries and the trade system which is reliant on mineral exports.

4.98. In terms of multilateral trade policy, Mongolia ratified the TFA in 2016 and has been participating as an observer in plurilateral initiatives such as the GPA. However, in contrast with the notifications for TBT, RO (Rule of Origin), and TFA, we encourage Mongolia to make further efforts in its notification obligations for CV (Customs Valuation), QR (Quantitative Restriction), and import licensing.

4.99. The Republic of Korea and Mongolia have conducted a Joint Study for Free Trade Agreement since 2017. In the near future, the potential negotiation for FTA between both countries is expected substantially.

4.100. My delegation has submitted a written question on corporate difficulties due to the customs clearance service which lacks transparency, such as the inconsistent inspection for sample quantity. We appreciate Mongolia's response which we will forward to our headquarters for review.

4.101. Korea would like to once again recognize Mongolia's efforts to improve the trading environment. Let me conclude by expressing my deep appreciation to the delegation of Mongolia for its hard work and wishing the delegation every success in this 3rd TPR.

UNITED KINGDOM

4.102. On behalf of the British Government, I welcome the Mongolian delegation led by Her Excellency Mrs. Battsetseg Batmunkh, Minister for Foreign Affairs. I am grateful to the Government of Mongolia and to colleagues from the WTO Secretariat for their respective reports prepared for this Trade Policy Review. We would also like to add our thanks and appreciation to you, Chair, and to the discussant, Ambassador Said, for your contributions today.

4.103. The UK and Mongolia have long and historic ties, with the UK being the first western country to establish diplomatic relations with Mongolia. UK companies are among the biggest foreign investors in Mongolia, and the UK has historically been an important export destination for Mongolian

goods. UK business interests span a range of sectors, including Mongolia's dynamic mining sector, renewable energy, and provide world-leading services.

4.104. The UK is keen to deepen these trade ties further, working with Mongolia on market access to the United Kingdom, including taking full advantage of the benefits under the UK's new trade preferences scheme. Recognising the need for a smooth transition and for minimising disruption to our trading relationships, the UK brought an 'Enhanced Framework' into force on 1 January 2021, which replicated the GSP+ that applied before the Transition Period ended.

4.105. However, there remain several areas which we would like to bring to the Government of Mongolia's attention, and we hope that in doing so we can address these areas to facilitate increased trade between our countries.

4.106. The UK commends Mongolia's efforts to improve the legal environment in a number of fields, including Intellectual Property Rights (IPR) protection through amendments to relevant laws. The UK would welcome further efforts from Mongolia to improve enforcement of these laws and to put in place the conditions and services needed by the private sector to deal with IPR-related issues.

4.107. The UK also welcomes Mongolia's efforts to open up investment in large infrastructure projects to international bidders. However, the procurement processes for these projects would benefit from greater transparency in order to increase the number and quality of bidders and reduce the risk of corruption and inefficient use of public resources. With this in mind, the UK recognizes that Mongolia has been an observer of the GPA for several years and would encourage Mongolia to consider accession to the agreement to support best practice in public procurement.

4.108. Given Mongolia's strong interest of attracting investment in sectors other than mining, the UK would also encourage Mongolia to work towards providing a more favourable environment for investors by improving governance and coordination in the public sector and considering removal of the USD 100,000 threshold for foreign investors in non-mining sectors.

4.109. Mongolia's prioritization of simplifying the customs services and upgrading facilities at border posts will be important in facilitating trade, reducing the flow of illegal and counterfeit products, and ensuring revenue collection.

4.110. We encourage Mongolia to move quickly to bring all applied tariffs into line with their bound rates, and to notify its import restrictions and import licensing requirements.

4.111. The UK notes that many of Mongolia's new laws and regulations contain significant trade elements, like the draft law on alcohol and the technical regulations for certain beverages. The UK appreciates Mongolia's efforts to inform WTO Members about new laws and regulations through the WTO consistent with relevant notification obligations.

4.112. The UK welcomes Mongolia's participation in the Joint Statement Initiatives on e-commerce and MSMEs. We look forward to working with Mongolia in this context to advance discussions to create new rules fit for the 21st century. In light of the potential for Mongolia to expand exports of renewable energy, identified in the Roadmap for Trade and Investment, we urge Mongolia to consider participating in the work of the Trade and Environmental Sustainability Structured Dialogue.

4.113. In closing, we thank Mongolia for its engagement in this Trade Policy Review and for its responses to our written questions in due course. We look forward to continuing our work with Mongolia to expand the UK-Mongolia trade and investment relationship.

ICELAND

4.114. Iceland joins others in welcoming Mrs Battsetseg Batmunkh, Minister of Foreign Affairs, and the distinguished delegation of Mongolia to their Trade Policy Review.

4.115. We also express appreciation for the reports prepared, as well as to the discussant, Ambassador Said for his excellent framing of the issues for our discussion today.

4.116. Mongolia and the EFTA countries, Iceland, Liechtenstein, Norway and Switzerland, signed a Joint Declaration on Cooperation (JDC) addressing cooperation on trade-related issues in 2007 and since then Mongolia and the EFTA countries have explored possibilities of entering in negotiations on a free trade agreement.

4.117. Prior to the COVID-19 pandemic, Mongolia had been experiencing economic growth of 5.1%, with improvement in the fiscal balance. However, affected by the COVID-19 pandemic, exports declined by 40% in the first quarter of 2020, and the economy contracted 9.7% in the first half of 2020.

4.118. Iceland welcomes the various initiatives undertaken by Mongolia seeking to boost exports and reap the benefits of international trade.

4.119. As the impact of the COVID-19 pandemic are still unfolding, new challenges arise related to trade and trade-related activities. It is now widely recognised that women are likely to be harder hit than men by trade disruptions caused by the pandemic.

4.120. The trade policy review provides an excellent opportunity to share best practices of respective experiences relating to policies and programs to encourage women's participation in national and international trade and thus promoting sustainable socioeconomic development.

4.121. Iceland submitted advance written questions on the participation of women in the economy of Mongolia. The answers will be useful as we gather best practices.

4.122. Iceland appreciates Mongolia's active engagement in the WTO and its continued support for the multilateral trading system. We wish the delegation of Mongolia every success for its Trade Policy Review.

KAZAKHSTAN

4.123. Kazakhstan warmly welcomes the delegation of Mongolia led by Minister for Foreign Affairs of Mongolia H.E. Mrs. Battsetseg Batmunkh. We express our gratitude to the Government of Mongolia for its informative Report and Statement. We also thank Ambassador Dr. Rashidi Said (Malaysia) for his insightful comments as a discussant and the WTO Secretariat for its comprehensive report.

4.124. Kazakhstan closely follows Mongolia's economic growth and attaches high importance to strengthening bilateral cooperation with Mongolia with the objective to deepen economic and trade relationship.

4.125. Mongolia has been Kazakhstan's long-time economic and trading partner. The total trade turnover amounted in 2020 to approx. USD 30 million, decreasing by almost 50 percent compared to the previous year due to disruptions caused by COVID and fall in global prices for commodities. As the volume of foreign trade turnover between Kazakhstan and Mongolia does not meet the two countries' existing capabilities, it is important to make use of available opportunities for the development of trade relations between Kazakhstan and Mongolia.

4.126. Currently, the EAEU Member States and Mongolia are conducting negotiations on the feasibility of concluding an Agreement on a Free Trade Zone. A favorable trade regime, which can be built in the case of FTA between the EAEU and Mongolia, will help remove barriers in technical regulation, customs procedures, and other areas, thus opening the way for further expansion of cooperation and increasing trade turnover.

4.127. We were particularly encouraged by a number of positive developments since the previous review, highlighted in the reports from the Secretariat and Government of Mongolia. These measures include ratification of the WTO Agreement on Trade Facilitation (on 24 November 2016), Agreement

on Trade in Civil Aircraft (on 12 October 2018),² and the approval of the Protocol of Accession of Mongolia to the Agreement Establishing the Advisory Centre on WTO Law (on 2 September 2020).

4.128. We also note that, in order to address economic challenges, the Government of Mongolia has launched the "Economic Recovery Program" aimed at macroeconomic stabilization, restructuring the economy, easing the debt burdens, and ensuring stable growth. As a result, the economy of Mongolia quickly recovered thanks to the positive developments in budget performance, improved macroeconomic policy coordination, relatively high level of commodities prices, and a sharp rise in private investments.

4.129. We believe that, with the concerted efforts of the Government and private sector, Mongolia will achieve macroeconomic sustainability and advance the country's development.

4.130. Kazakhstan has submitted a number of written questions on a range of issues of specific interest, such as import tariffs, import restrictions, SPS, TBT measures, etc. Kazakhstan looks forward to receiving replies from Mongolia to our questions.

4.131. In conclusion, I would like to congratulate the delegation of Mongolia and the Secretariat of the WTO for the hard work and efforts that went into preparing for this TPR.

4.132. Using this opportunity, I also would like to express our gratitude to Ambassador Purevsuren for his active role in the WTO as regional coordinator for Asia as well as for his hard work promoting trade interests of a group of Land-locked countries, where both Kazakhstan and Mongolia do belong!

4.133. We wish the delegation of Mongolia every success for their third Trade Policy Review.

SINGAPORE

4.134. The Singapore delegation warmly welcomes Mrs. Battsetseg Batmunkh, Minister for Foreign Affairs, and her delegation who are participating virtually. We thank Mongolia for its Government Report and Statement and acknowledge the contributions of the Mongolian Mission to WTO led by Ambassador Purevsuren Lundeg. We also express our appreciation to Ambassador Aspelund, the Secretariat, and the discussant, Ambassador Rashidi Said, for the useful reports and invaluable insights. Allow me to make three points.

4.135. First, Mongolia and Singapore share a longstanding friendship since the establishment of our diplomatic ties in 1970. During the period under review, Singapore's Prime Minister Lee Hsien Loong visited Mongolia in 2016 to deepen ties, and we commemorated the 50th anniversary of diplomatic relations in 2020. During the official visit to Singapore by the then-Mongolian Foreign Affairs Minister in 2019, the Singapore Business Federation and the Mongolian National Chamber of Commerce and Industry jointly organized the Singapore-Mongolia Business Dialogue, which was attended by many representatives from the Government and private enterprises of both countries, signalling a high level of mutual interest in business opportunities and collaboration. Singapore is Mongolia's largest export market in ASEAN as well as a major source of foreign investment. At the end of 2019, 6.4% of the total foreign direct investment in Mongolia came from Singapore. We commend Mongolia's policies to promote and protect foreign investments, which encourage more foreign investors, including Singapore companies, to consider Mongolia as an attractive destination for investment.

4.136. Second, Singapore applauds Mongolia's contributions to the WTO multilateral trading system. Mongolia has continued to support and strengthen the rules-based multilateral trading system. The Mongolian Mission to WTO and Ambassador Purevsuren Lundeg in particular, has been actively involved in various WTO committees. He served as Chair of the TRIPS Council in 2019-2020 and has just been elected to chair the Council for Trade in Goods this year. Ambassador Lundeg is also playing an important role as the Coordinator of the Asian Group of Developing Members, which Singapore is a member. We also welcome Mongolia's participation in the various Joint Statement Initiatives (JSI), including the JSI on E-Commerce. Mongolia's continued support for the JSIs underlines its progressive trade policy and will help to ensure that the WTO remains relevant.

² Regarding the Agreement on Trade in Civil Aircraft, the situation with respect to ratification is as explained in paragraph 2.25 of WTO document WT/TPR/S/406.

4.137. Third, Singapore has confidence that Mongolia can further harness its economic potential through diversification and readying itself for the digital transformation. This will put Mongolia on track for post-pandemic economic recovery. We are pleased to note the various laws and policies which promote sustainable growth in production. These include the 2019 Law on Support to SME Production and Services and policy documents such as the National Program of SME Support, and the National Program on Development of Manufacturing. There are also encouraging efforts to achieve economic diversification by growing exports in non-mining products. Mongolia has also undertaken significant efforts to improve trade facilitation, by ratifying the WTO Trade Facilitation Agreement (TFA), and continual modernisation of customs procedures, including embarking on the development of a single window application for customs procedures.

4.138. At the same time, there are areas where Mongolia could make improvements. In respect of WTO notifications, although the Secretariat has observed that Mongolia has made some important notifications, Mongolia can continue to work on submitting outstanding notifications in areas such as customs valuation, quantitative restrictions, import licensing, and agriculture. We note that Mongolia has been an observer to the Government Procurement Agreement (GPA) since 1999 and we encourage Mongolia to take steps to become a party. We also encourage Mongolia to consider joining the Information Technology Agreement, which will complement Mongolia's digital policy and efforts to develop this sector.

4.139. Finally, let me wish Mongolia every success for this TPR.

BRAZIL

4.140. Brazil would like to thank the Government of Mongolia for engaging in its third Trade Policy Review and in providing Members with an overview of the country's economic performance and adherence to the multilateral trading system.

4.141. We would also like to express our appreciation to the WTO Secretariat for its thorough and comprehensive report, as well as to you, Chair, and the discussant, Ambassador Rashidi Said (Malaysia), for your contribution to a successful trade monitoring exercise.

4.142. Mongolia has continued to maintain a generally open trade regime since its previous Review in 2014 and, apart from 2020, has experienced continued and consistent GDP growth in the past years. Inflation is still, overall, relatively high. Figures also show that the unemployment rate has varied from 8 to 10% during the period. The COVID-19 crisis has had a significant impact on the Mongolian economy, as in most of our countries.

4.143. Mongolia recognizes the importance of trade facilitation for streamlining and simplifying trade flows. We commend Mongolia's ratification of the Trade Facilitation Agreement in 2016 and its efforts to implement its obligations under the Agreement, adopting a number of trade facilitating measures.

4.144. We note with satisfaction developments in the Intellectual Property front, such as the adoption of a National Strategy for Intellectual Property in 2015. The reports also highlight significant progress in aspects related to enforcement, with the entry into force of the Law on Infringement in 2017 and the creation of an enforcement department in Mongolia's IP office, which, since 2013, has conducted a number of cases on IP infringement.

4.145. Challenges remain in the realm of notifications and SPS requirements and practices. The Secretariat's report outlines some notifications outstanding, such as on customs valuation, quantitative restrictions, import licensing, and agriculture.

4.146. With regard to SPS requirements, my delegation had noted in our last Review in 2014 the relatively low percentage of agricultural standards that were aligned with international standards at the time. Despite some improvements, the SPS regulatory framework continues to be a challenge in Mongolia. We firmly encourage the Mongolian authorities to keep on promoting initiatives that address this issue and increasingly align domestic practices with international SPS standards.

4.147. Brazil sees enormous potential in Mongolia's agricultural sector, which is a promising area for bilateral cooperation. We also positively acknowledge Mongolia's initiatives in the field of

sustainable agriculture, which are reflected in the document “Mongolia Sustainable Development Vision 2030”. In that regard, we would be more than glad to share with the Mongolian side our own successful experiences in promoting a sustainable and productive agriculture.

4.148. Brazil is aware of Mongolia’s efforts towards creating a favorable environment for foreign investors. With that in mind, we would kindly encourage Mongolia to join the structured discussions on investment facilitation for development. Brazil is convinced that a meaningful outcome in those negotiations could be particularly beneficial for developing countries and LDCs, providing the conditions for a more transparent and friendly environment for investors.

4.149. Trade flows between Brazil and Mongolia are still very modest compared to its potential. In 2020, the bilateral trade flow has been severely hit by the economic and sanitary crisis that has fallen upon us all. Notwithstanding this temporary fluctuation, we believe there is a wide range of trading opportunities to be harnessed.

4.150. We wish Mongolia a successful Trade Policy Review.

THE PHILIPPINES

4.151. The Philippine delegation warmly welcomes and congratulates the delegation of Mongolia led by Foreign Affairs Minister Battsetseg Batmunkh and Ambassador Lundeg Purevsuren of the Permanent Mission of Mongolia to the WTO on their third Trade Policy Review. We also thank Ambassador Rashidi Said of Malaysia for his insightful comments as discussant, and the WTO Secretariat for its comprehensive report.

4.152. The Philippines formally established its bilateral relations with Mongolia in October 1973. As we mark the 48th anniversary of our diplomatic ties this year, we continue to strengthen our bilateral relationship through cooperation in various fields which include trade and investment, defense and security, people-to-people exchange, culture, education and sports. We signed a Memorandum of Understanding (MOU) on Policy Consultations in October 2018, which institutionalizes the regular holding of policy consultations and bilateral dialogue between our two countries. These Policy Consultations is a dialogue mechanism between the Philippines and Mongolia where in both countries meet at the Undersecretary-Deputy Minister level to discuss bilateral relations and issues of mutual concern.

4.153. While trade between our two economies remains modest, we envision to increase two-way trade through exchanges of business delegations, holding of business promotion activities, and strengthening linkages between our countries’ business sectors, particularly through our chambers of commerce. We also signed a Bilateral Investment Treaty in September 2000 which entered into force in November 2001. The Philippines looks forward to furthering facilitating trade and investment promotion activities under this bilateral treaty and engaging with Mongolia on increasing tourism and people to people exchanges.

4.154. Cognizant of Mongolia’s significant mining sector accounting for 23.2% of its GDP and 90% of its exports in 2019, we would also welcome constructive policy dialogue with a particular focus on the adoption of sustainable development principles.

4.155. The Philippines also notes the various national programs introduced by Mongolia on its trade policy during the review period, including the Action Plan of the Government for 2016-2020, the Mongolia Sustainable Development Vision 2030, and the Action Plan of the Government for 2020-2024. We appreciate the significant developments in Mongolia’s economic policies, and we appreciate the opportunity to learn more about these through this trade policy review process.

4.156. Further, we acknowledge that due to its landlocked geographic condition, Mongolia attaches great importance to trade facilitation issues, including transit and border cooperation, and streamlining and simplifying procedures and regulations at the border. Thus, we recognize Mongolia’s active participation in the multilateral trading system, particularly its valuable contributions to the WTO negotiations and its ratification of the Trade Facilitation Agreement.

4.157. We also commend Mongolia’s active role in the various work of the WTO Committees, including Ambassador Purevsuren’s chairmanship of the TRIPS Council and the Asian Group of

Developing Countries, and wish to express our support in welcoming him as the new Chair of the Council for Trade in Goods this year.

4.158. In closing, the Philippines looks forward to further enhancing the mutually beneficial economic relations with Mongolia in the bilateral, regional, and multilateral fora.

THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU

4.159. On behalf of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, I would first like to extend a very warm welcome to the delegation of Mongolia for its third Trade Policy Review. I also wish to thank the discussant, His Excellency Dr. Rashidi Said, for his insightful remarks, and the WTO Secretariat as well for its comprehensive Report.

4.160. With certain disadvantages of being a landlocked country, Mongolia has been performing very well in its economic development. We are pleased to see that Mongolia's economy expanded over the review period from 2014 to 2019, and that it grew on average by nearly 6% in the last three years of that period, resulting in some welcoming improvements in poverty levels for the people of Mongolia. We therefore commend Mongolia on its successful economic performance. Mongolia's economy, like so many others, was badly affected in 2020 by COVID-19, forcing it to take various relief and other related measures to mitigate the impact of the pandemic. Nevertheless, we still believe that Mongolia's economic growth in the medium term can be expected to accelerate.

4.161. As the Secretariat report confirms, Mongolia continues to maintain a generally open trade regime. For example, in terms of its transparency obligations, Mongolia has registered some important notifications on rules of origin, technical barriers to trade and free trade agreements. These demonstrate its recognition of the crucial importance of transparency. We have also noticed, however, that some of its notifications remain outstanding, such as on customs valuation, quantitative restrictions, import licensing and agriculture. We therefore encourage Mongolia to make efforts to fulfil its notification obligations in these particular areas.

4.162. On its participation in the WTO, we appreciate the leadership and services provided by Ambassador Lundeg for the Asian Group for Developing Countries Members (AGDC). Also, very importantly, Mongolia ratified the WTO Agreement on Trade Facilitation as early as in 2016. It has also adopted the National Trade Facilitation Roadmap with the National Trade Facilitation Committee to set out its future endeavours in trade facilitation. It has also taken steps to engage in the WTO's plurilateral initiatives, including the Joint Initiative on Electronic Commerce, the Investment Facilitation Agreement for Development, and the Working Group on Micro, Small and Medium-sized Enterprises (MSMEs). We applaud its active engagements in these initiatives. We also understand that Mongolia has been observer to the GPA Committee since 1999. We look forward to seeing Mongolia's intention of becoming a GPA Party in the not-too-distant future.

4.163. Concerning our bilateral ties with Mongolia, we are pleased to see that the value of our bilateral trade reached a record high of more than USD 40 million in 2018. Mongolia's great wealth in raw materials and our own expertise and experience in adding value to raw materials are surely a natural basis for a mutually beneficial partnership.

4.164. In conclusion, we would encourage Mongolia to continue its programme of structural reforms aiming at further improvement of its business environment and would also look forward to strengthening our bilateral trade and investment relations in the future.

4.165. We wish Mongolia a successful Trade Policy Review.

HONDURAS

4.166. On behalf of the Republic of Honduras, we welcome and congratulate the Mongolian authorities on the occasion of their third Trade Policy Review.

4.167. We extend a warm welcome to the entire distinguished delegation, led by the Head of delegation, his excellency Battsetseg Batmunkh, Minister of Foreign Affairs, and extend our greetings to our colleagues from the Mongolian Mission to the WTO in Geneva.

4.168. We thank the discussant for his informative analysis, the WTO Secretariat for the quality of the content of its report, and the Mongolian authorities for presentation of their policy statement.

4.169. An assessment of the reports provided reveals that Mongolia's economy continued to grow between 2014 and 2019. In 2016, the growth rate declined by 1.2% due to the sharp fall in mineral prices, and in 2019, the economy grew by 5.1%, as the fiscal balance improved, and reserves and GDP per capita continued to increase.

4.170. We observe that, in line with its Sustainable Development Vision 2030, the Mongolian Government plans to create a favourable business environment by, *inter alia*, improving services, developing transportation and logistics networks, simplifying the issuance of special licences, and improving tax payments.

4.171. We note that, in accordance with the Mongolian Government's digital policy, the Communications and Information Technology Authority has launched the E-MONGOLIA project with a view to digitalizing all public services and providing citizens with a single window system.

4.172. We note that the legal framework for standards, technical regulations, accreditation and conformity assessment was revised and replaced, a new list of products and services subject to mandatory conformity assessment was published, and the new Law on Metrology was adopted.

4.173. Mongolia reorganized its legislative and strategic framework for electricity and adopted two important policies defining plans for the expansion of the renewable energy model, which is visionary.

4.174. We agree with Mongolia that the tourism sector can and should be a driver of inclusive economic growth and poverty reduction, and should be developed in line with the principles of sustainable development and best practices.

4.175. Similarly, we note that, in 2019, travel and tourism accounted for 7.2% of GDP and 7.65% of employment, and that value added in the travel and tourism sector increased by 11.9%.

4.176. We are pleased to observe that the Government of Mongolia approved the Protocol of Accession of Mongolia to the Agreement Establishing the Advisory Centre on WTO Law, which will enable it to establish the foundations for training experts in WTO jurisprudence and cooperate with this important body. We therefore look forward to working together in this and other contexts.

4.177. Lastly, we congratulate Mongolia on its important achievements and efforts during the review period and wish it every success.

NEPAL

4.178. First, my delegation would like to welcome the delegation of Mongolia led by H.E. Mrs. Battsetseg Batmunkh, Minister for Foreign Affairs and appreciate her for detailed presentation made this morning.

4.179. My delegation thanks H.E. Dr Rashidi Said, Ambassador of Malaysia, for his insightful remarks as a discussant.

4.180. At the outset, let me congratulate the Government of Mongolia for its comprehensive report and commend the Secretariat for the detailed report of the trade policy review of Mongolia.

4.181. We appreciate Mongolia's continuous commitment to rule-based, just and predictable multilateral trading system and active role played by H.E. Ambassador Lundeg and the Mongolian Mission in Geneva at the WTO functioning.

4.182. While going through the reports, it is evident that Mongolia has taken significant reforms to improve its trade and economic policies over the review period.

4.183. Significant progress in decreasing unemployment rate, increasing international trade and FDI, improvement in HDI, increase in share of mining and manufacturing in GDP, and more

importantly positive trade balance since 2014 are some of the notable achievements that Mongolia has made over the period.

4.184. The introduction of number of national programmes addressing trade policy, including the Action Plan of the Government for 2016-2020 and 2020-24, the Mongolia Sustainable Development Vision 2030, and the creation of Export Promotion Council, among others, are some of the impressive initiatives taken by Mongolia.

4.185. Necessary changes in some legislations such as in public procurement process, intellectual property, taxation system and amendments in numerous regulations regarding banking services are also commendable.

4.186. The goals that the current Government has envisioned, mainly in promotion of foreign trade, prevention and protection of citizens from illegal and counterfeit products, simplifying customs services, step-by-step construction and development of infrastructure for free trade zones, creating an environment conducive to the development of trade, services and light industry aimed at export and domestic market, and expansion of the throughput capacity of border ports and to upgrade them to the standards of ports of neighbouring countries, among others, are highly supportive in achieving future socio-economic objectives of the country.

4.187. I hope this trade policy review will provide relevant information to all WTO Members on the existing international trade and investment regimes of Mongolia including laws, regulations, procedures and practices, and enable traders for conducting informed business with their trading partners of Mongolia.

4.188. I would like to recall the continuous cordial relations that Nepal and Mongolia have been maintaining since the establishment of diplomatic relations in 1961.

4.189. Since Mongolia and Nepal have commonalities in geographical, economic and cultural aspects, such as both are landlocked States, located between two big neighbours, we share common views in numbers of international fora, hold strong faith on the principles enshrined in the UN Charter, the Non-aligned Movement and Panchasheela in general and towards the interests of landlocked developing countries in particular.

4.190. Exchanges of high-level visits from both sides have further contributed to widening the relationship in different dimensions.

4.191. For instance, the Minister for Foreign Affairs, Hon. Mr. Pradeep Kumar Gyawali, visited Mongolia in 2018 to participate in the Inaugural Conference of the International Think Tank for Landlocked Developing Countries (ITT-LLDCs). During the visit, a Memorandum of Understanding on Establishment of Bilateral Consultation Mechanism between the Foreign Ministries was also signed.

4.192. Similarly, a Framework Agreement on Bilateral Co-operation was signed between the two countries in 2001 during the visit of the Mongolian President Mr. Natsagiin Bagabandi to Nepal.

4.193. Nepal and Mongolia also signed a bilateral Trade Agreement in 1992 on the basis of Most Favoured Nation (MFN) treatment. Similarly, a Cultural Agreement was signed between the two countries in 1995 during the visit of the then Prime Minister Mr. Man Mohan Adhikari to Mongolia.

4.194. The Two countries have signed the Agreement on the Exemption from Visa Requirements for the holders of Diplomatic and Official (Special) Passports during the visit of the Mongolian Foreign Minister to Nepal in 2016.

4.195. Though Nepal and Mongolia follow liberalized economic policies, economic ties between them are limited. For instance, trade data shows that Nepal imported various goods from Mongolia worth of about 80 million Nepali rupees while exported to Mongolia worth of only about 6 million Nepali rupees in the year 2019 resulting favorable trade balance for Mongolia. This figure is far below from the potentials.

4.196. There is huge possibility of enriched collaboration and partnership between both the countries in the areas of trade, tourism, and investment for our mutual benefit. For instance, religious tourists from Mongolia can be encouraged to go to Nepal by promoting the Buddhist shrines including Lumbini- the birthplace of Lord Buddha. Similarly, wool processing, handicrafts, livestock, highland pasturing and horse breeding, and knowledge sharing, among others, may be some of the potential areas of bilateral cooperation in the days ahead.

4.197. My delegation wishes for a successful Trade Policy Review of Mongolia.

KYRGYZ REPUBLIC

4.198. The Kyrgyz Republic welcomes the delegation of Mongolia on the third Trade Policy Review lead by H.E.Mrs. Battsetseg Batmunkh (Ministry for Foreign Affairs).

4.199. We thank the WTO Secretariat and the Government of Mongolia for preparing such comprehensive and detailed Trade Policy Review reports. We would also like to thank the discussant, H.E. Dr Rashidi Said (Malaysia) for the insightful comments.

4.200. Since the beginning of its membership to the WTO, Mongolia has demonstrated highest dedication to the WTO rules and, as it has been said at the latest TPR in 2014, has convincingly shown its commitment to trade liberalization under the multilateral trading system centered on the WTO continuously.

4.201. Among many other successful steps on the WTO platform are the acceptance of Trade Facilitation Agreement and Protocol Amending the TRIPS Agreement.

4.202. Bilateral trade and economic cooperation between the Kyrgyz Republic and the Republic of Mongolia is developing steadily and systematically starting from establishing diplomatic relations in 1992. The Kyrgyz Republic and Mongolia cooperate bilaterally, as well as multilaterally within the organizations and initiatives such as the UN and the WTO. Nowadays, the Eurasian Economic Union, Shanghai Cooperation Organization from the one side and Mongolia from the other are having dialogue regarding possibilities of further cooperation.

4.203. On the bilateral basis, during the last contact of the highest officials of our States, it was noted that there are further prospects to increase the bilateral trade volumes and deepen the cooperation in other spheres such as enhancing the transport connection and changing of experience in mining.

4.204. Our countries have established beneficial mutual trade. The dynamics of trade from 2016 to 2019 demonstrate stability.

4.205. The main share of imports from Mongolia to the Kyrgyz Republic is represented by products of the mining, production of livestock, different types of manufacture such as carpets and others.

4.206. Exports from Kyrgyzstan to Mongolia today consist of avia fuel, different types of meet, hygienic goods, fruits and vegetables, chocolates and others.

4.207. In terms of services, it is worth to note that tourism has the potential to increase its share of trade in services.

4.208. The Kyrgyz Republic is interested on further fruitful economic cooperation and deepening trade-economic relations with Mongolia.

4.209. The Kyrgyz Republic wishes a successful third Trade Policy Review to Mongolia.

5 REPLIES BY THE REPRESENTATIVE OF MONGOLIA AND ADDITIONAL COMMENTS

5.1. It is a pleasure to make concluding remarks on behalf of the Foreign Minister, H.E. Battsetseg Batmunkh, head of the delegation of Mongolia to this third Trade Policy Review Meeting.

5.2. My delegation would like to extend our appreciation to the Chair, Ambassador Harald Aspelund, the discussant Ambassador Rashidi Said for facilitating the review meeting and providing their insights. We would also sincerely appreciate all delegations who took the floor for their comments and opinions on Mongolia's economic and trade policies.

5.3. It is the view of our delegation that the Member countries had positive assessment on the efforts of Mongolia to minimize the COVID-19 impacts and to revitalize the country's economy. Many delegations appraised Mongolia's pursuit of generally open and inclusive trade regime and welcomed the robust macroeconomic performance in the reporting period. We also heard encouraging views in relation to the Government's commitment to the economic diversification, non-mining exports, and integration to the regional and global economy.

5.4. Being a landlocked developing country, Mongolia attaches great importance to trade facilitation. In this regard, Members also commended country's efforts to improve trade facilitation, modernization of customs procedures, including embarking on the development of a single window application, streamlining and simplifying customs procedures and regulations at the cross border.

5.5. My delegation is encouraged by the words of the Member countries in terms of Mongolia's participation in the multilateral trading system, particularly the negotiations of the TFA, and joint statement initiatives on e-commerce, investment for development, and MSMEs. Many other delegations commended Mongolian delegations' role in the various works of the WTO Committees. Mongolia stands ready to continue our efforts in this regard.

5.6. While commending Mongolia's efforts, Members encouraged to enhance regulatory certainty in investment, government procurement, and import restrictions and technical requirements. Further, Members advised Mongolia to implement its notification obligations, and to move quickly to bring some applied tariffs into the line with its bound rates.

5.7. Enhancing regulatory certainty in investment, the Investment Law amendment is underway. The Public-Private Consultative Committee was established in 2017 under the purview of the Investor Protection Council to provide an avenue for reviewing investment-related draft legislation and policy documents.

5.8. Turning to the issue on the accession to the GPA, I would like to state that Mongolia is in the early stage of conducting a comprehensive study on the provisions of the agreement (GPA) to identify and study potential risks and effects towards the economy.

5.9. The existing import restrictions are generally emanating from the international treaties to which Mongolia is a party. However, a few laws and regulations need to be aligned with the WTO principles and those are listed in the current "Guidance on developing legislation until 2024", including the Law on Food which regulates the import of food items.

5.10. Regarding the TBT issue, Mongolia approved the Law on Standardization, Technical Regulation and Accreditation of Conformity Assessment (Law on Standardization) in December 2017 to improve product safety and quality in line with international standards. In 2020, more than 150 Mongolian standards were aligned with international and regional standards. We acknowledge that further improvements are needed in this field.

5.11. Mongolia follows international standards as a reference to protect the health and welfare of humans, plants, and animals. It is very difficult to build an appropriate infrastructure for inspection and testing of SPS measures in a short period of time. The capacity of many SPS laboratories have been upgraded with the assistance of the World Bank, the International Fund for Agricultural Development, the European Union, and the United States Agency for International Development. A framework for risk based SPS control over imports has been developed under the support of the International Finance Corporation.

5.12. As a response to the Members' concerns on Mongolia's tariffs, I would like to state that Mongolia is preparing to bring all applied tariffs in line with the WTO commitments on bound rates.

5.13. Mongolia adopted the revised Law on Courts in 2021. It was a major step towards a fair and independent judicial system and avoiding from any influences and interests. To further strengthen the legal environment for the judiciary, the relevant amendments will be made to procedural laws accordingly.

5.14. The Prime Minister of Mongolia has recently announced that information technology is one of the priority sectors of the economy and called for a digital transition in all public sectors. The Government initiative 'E-Mongolia' window is integrating all government services which will ultimately reduce public costs from 30% to 40%. The Government plans to complete 90% of this e-transition by 2024. We believe that these efforts will effectively counter inspection abuses and corruption in trade related public services.

5.15. I thank you all for your attention.

DISCUSSANT

5.16. Thank you, Mr. Chair. Good morning and good afternoon to all. First, let me congratulate Her Excellency Mrs. Battsetseg Batmunkh and her team for the outstanding work done in this Review. I commend them for their hard work in responding to over 300 questions from 16 Members beforehand and in preparing for today's presentation. It is fair for me to say that Members have had very constructive discussions on a range of important issues. I sincerely congratulate Members for all their active participations in this two-day review to make it a success.

5.17. I would like to share my final comments, as a discussant, before we end our undertaking today. The participations of Members on Wednesday and today reflect the importance of this institution to Members. This Review allows us to better understand the developments of Mongolia's trade policies and measures since Members last meeting in 2014. This has helped us to better understand the challenges it is facing and comprehend the policy actions that it has put in place to overcome those challenges.

5.18. With regards to trade policy, it is notable that Members commended Mongolia's progress on the level of economic openness through various reforms and the GDP growth between 5.1% and 7.2% during period under review. Mongolia deserves a special appreciation on these achievements.

5.19. Members recognized that the external environment, in particular the Covid-19 pandemic, has substantially affected the Mongolian economy and they welcomed various measures it had formulated in response to the pandemic. Members commended Mongolia's efforts to minimize the negative impacts through fiscal and monetary policies and steps to ensure continuous flow of essential goods by working closely with the international partners.

5.20. Members also acknowledged that, like in the previous review, Mongolia maintained its low tariffs and has largely refrained from taking protectionist measures.

5.21. I also noted that Members congratulated Mongolia for its active participations in the multilateral trading system, particularly its ratification to the WTO Trade Facilitation Agreement and some Members also welcomed Mongolia's participation in the joint statement initiatives on Informal Working Group of Micro, Small and Medium-sized Enterprises (MSMEs), Electronic Commerce, and JSI on Investment Facilitation for Development. Of course, there are many other areas which I would not be able to highlight here because of time constraints.

5.22. Notwithstanding the achievements, there are areas where Members encouraged Mongolia to further improve. Mongolia shall continue its reform in several areas: these include in the investment framework; in diversification of the economic base and exports; in the infrastructure; in the mineral policy; in transparency in the area of state-owned enterprises; and in WTO notification commitment.

5.23. As I have already shared on Wednesday, all these would require long term goals and strategies. I am glad that from the statement on Wednesday and today, the Government has put appropriate measures to address all the challenges and to achieve those goals.

5.24. Before I end, I congratulate again Mongolia with the progress made thus far and for the constructive engagements during the preparation of the reports and during these two-days Review. I am confident that the fourth TPR will bring more good news in term of key improvements.

5.25. Finally, it is an honour and a privilege for me to participate as a discussant in the third TPR of Mongolia. I thank you for this opportunity and wish the country every success in the future.

TAJKISTAN

5.26. Tajikistan is pleased to participate in the third Trade Policy Review of Mongolia and would like to extend warm welcome to entire delegation of Mongolia led by H.E. Mrs. Battsetseg Batmunkh, Minister for Foreign Affairs.

5.27. Diplomatic relations between the Republic of Tajikistan and Mongolia were established in April 1992 and economic and trade relationships between the two countries have been gradually developing.

5.28. The State visit of the President of the Republic of Tajikistan to Mongolia has laid a solid and reliable political and legal basis for the development of relations between the two friendly countries.

5.29. The priority areas of cooperation between Tajikistan and Mongolia include mining industry, the creation of joint ventures for the exploration and production of minerals, animal husbandry, the creation of joint ventures for the processing of raw leather materials, wool etc.

5.30. We appreciate the efforts of the Government of Mongolia and the Secretariat in producing the reports circulated well ahead of the meeting and the discussant, Ambassador of Malaysia H.E. Dr Rashidi Said for his comments. The Reports provide comprehensive details on the developments of the Mongolia's economic and trade policy since its previous review.

5.31. The Republic of Tajikistan commends the Government of Mongolia for all that it has since achieved. Important steps have been taken to integrate its economy into the global trading system.

5.32. We welcome the efforts of Mongolia, particularly the national programmes that address trade policy, including the Action Plan of the Government for 2016-2020, the Mongolia Sustainable Development Vision 2030, and the Action Plan of the Government for 2020-24.

5.33. My delegation acknowledges the measures taken by the Government of Mongolia regarding economic and trade policies, including maintaining a generally open trade regime.

5.34. Since its previous review, Mongolia ratified the Trade Facilitation Agreement and we applaud the efforts by Mongolia's Government to implement this Agreement. A number of trade facilitating measures were implemented, including risk management, electronic payment systems, the authorized economic operator programme and customs cooperation.

5.35. To conclude, the Republic of Tajikistan commends the hard work and strong commitment and wishes Mongolia a very successful and productive Trade Policy Review.

CAMBODIA

5.36. I would like to express our warm welcome to the delegation of Mongolia led by H.E. Mrs. Battsetseg Batmunkh, Minister for Foreign Affairs. Our thanks also go to the discussant, Ambassador Rashidi Said of Malaysia for his insightful assessment reflecting the current trade policy and performance of Mongolia. We also thank the Trade Policy Review Division and Mongolia for their reports for this Review.

5.37. We would like to congratulate Mongolia for a remarkable economic growth between 2014 and 2019, with a real GDP growth rate of 5.3% in 2017 to 7.2% in 2018 and 5.1% in 2019.

5.38. Cambodia and Mongolia have established diplomatic relations in the 1960s. In 2014, the two countries signed a Memorandum of Understanding on the Establishment of Bilateral Consultations and extending joint cooperation in the field of economy, trade, investment and tourism.

5.39. In 2016, both have signed bilateral air services agreement. The Cambodia-Mongolia free trade negotiations have been kick-started in the first inter-ministerial meeting in October 2020. Trade between the two countries in 2020 increased by 167% compared to 2019.

5.40. We would like to take the opportunity to encourage investors of Mongolia to invest in Cambodia's tourism sector and consider to import more products from Cambodia including rice.

5.41. In the multilateral context, we would like to commend Mongolia for putting its efforts in supporting the rules-based multilateral trading system and for fulfilling the WTO obligations including the notifications.

5.42. We would also like to commend Mongolia for its important and active role in the WTO, including the role of Chair of the CTG and under other WTO Bodies.

5.43. I particularly appreciate the insight of Ambassador Lundeg Purevsuren and his team.

5.44. Finally, we commit to working closely with Mongolia to strengthen the cooperation, including the cooperation within the WTO.

5.45. I wish Mongolia a successful Trade Policy Review.

INDIA

5.46. My delegation is very pleased to participate in the third Trade Policy Review of Mongolia and would like to extend a very warm welcome to the delegation of Mongolia. My delegation would like to commend the Government of Mongolia and the WTO Secretariat for their comprehensive reports and would also thank the discussant, H.E. Dr. Rashidi Said of Malaysia, for his insightful comments.

5.47. India and Mongolia share ancient spiritual and cultural ties. India is regarded as a "spiritual neighbour", a declared "third neighbour", a "strategic partner" and a center for pilgrimage by Mongolia. Our bilateral relations underwent a paradigm shift in May 2015 with the historic and first ever visit of Indian Prime Minister Shri Narendra Modi to Mongolia, which elevated our partnership to 'Strategic' level and paved way for expansion of economic cooperation.

5.48. India-Mongolia bilateral trade has registered significant growth during the last five years (2016-2020) from USD 26.9 million in 2016 to USD 35.34 million in 2020. Mongolia's imports consist of machinery and equipment, fuel, cars, food products, industrial goods, chemicals, building materials, sugar and tea while the exports consist largely of coal, copper, fluorspar, other nonferrous metals, apparel, livestock, animal products, cashmere, wool and hides. India's single largest assistance project outside our neighbourhood is the soft loan of USD 1.236 billion for construction of Mongolia's first Oil Refinery capable of producing 1.5 million MTPA. India as a concerned friend has gifted 1,50,000 doses of COVID vaccines to Mongolia in February 2021.

5.49. The Secretariat report highlights that during the review period Mongolia has maintained open trade regime, the economy expanded between 2014 and 2019, with registering 5.1% growth in 2019, coupled with an improvement in the fiscal balance and an increase in both reserves and GDP per capita. It is noteworthy that various national programmes, including the Action Plan of the Government for 2016-2020, the Mongolia Sustainable Development Vision 2030, and the Action Plan of the Government for 2020-24 have been launched with a view to strengthen and boost the trading environment. India commends Mongolia's improvement in overall Human Development Index, ranking which has come up to 92 position in 2019 from 108th position in 2012.

5.50. The conclusion of its first two free trade agreements: an Economic Partnership Agreement (EPA) with Japan, and the Asia-Pacific Trade Agreement (APTA) bears witness to Mongolia's ambitions to integrate and benefit from the regional trading architecture. Being a landlocked country Mongolia's impetus to trade facilitation work is appreciable. The country has made strides in improving inter alia the legal frameworks in areas of technical regulations, standards, IPRs etc. however much work is expected in areas like trade remedies and SPS.

5.51. Despite the setback we all have experienced owing to the pandemic, India hopes that Mongolia will continue to work steadily towards greater development and prosperity. To conclude, I extend

my congratulations to H.E. Ambassador and Permanent Representative and his delegation for their positive contributions and wish the entire delegation a successful Trade Policy Review.

EUROPEAN UNION

5.52. On behalf of the EU, let me first thank Mongolia for the comprehensive overview presented on Wednesday. The EU also appreciates the detailed responses and documents provided by Mongolia to our advance questions.

5.53. The EU welcomes Mongolia's ongoing and planned policies and initiatives to diversify its economy, develop a predictable business and investment environment, and strengthen its regulatory framework, including by increasing transparency of procedures, as well as Mongolia's efforts to improve its capacity for the compliance with the WTO TBT Agreement and notification obligations.

5.54. In this regard, we are looking forward in the near future to Mongolia's notification both the final draft of alcohol law and the planned amendments to the existing technical regulation on imported alcohol beverages.

5.55. The EU hopes that its comments, and those by other Members, will support Mongolia in further reforming its economic and trade policies.

5.56. The EU would like to thank the delegation of Mongolia for undergoing this important transparency exercise in a virtual format and despite of challenging circumstances. We thank Mongolia for their support to multilateral trading system and are confident that our cooperation will contribute to a sustainable socio-economic recovery from the pandemic and to economic growth.

5.57. In anticipation to the next Agenda item, Mr. Chairman, let me express our gratitude to you in your role as the Chair and we welcome the new incoming Chairman for this Body.

UNITED KINGDOM

5.58. The United Kingdom appreciates Mongolia's active participation in this Trade Policy Review under the leadership of H.E. Mrs. Batmunkh who has undoubtedly had great support from the Mongolian Mission here in Geneva.

5.59. The United Kingdom values Mongolia's engagement in the work of the WTO, including in this third Trade Policy Review.

5.60. The United Kingdom looks forward to continuing our trade ties and developing opportunities to do more, including working with Mongolia to address market access barriers and taking full advantages of the benefits under the UK's new trade preferences scheme.

5.61. We are grateful to Mongolia for its very quick responses to our original set of questions. The United Kingdom has now submitted follow-up questions covering support measures to the cashmere industry. We look forward to receiving detailed answers to these follow-up questions within the usual timeframe.

5.62. We extend our best wishes to the Mongolian delegation for a successful Trade Policy Review.

UNITED STATES

5.63. The United States would like to thank the delegation of Mongolia for their presence online here today in addition to expressing appreciation for the work that has gone into Mongolia's third Trade Policy Review. As mentioned on day one, trade between the US and Mongolia continues to grow, and we look forward to increased engagement on several trade issues moving forward.

5.64. We again encourage Mongolia to manage the development of its mineral resources in a manner that will ensure steady growth as it is well known that the mining sector is the key driver of Mongolia's economy. At the same time, we are supportive of ways to diversify Mongolia's economy beyond its extractive industries to ensure resilience and longevity.

5.65. Further, we commend Mongolia's efforts to improve intellectual property protection, implement its trade facilitation commitments, and improve its customs regime. We've submitted a number of follow-up questions in these areas, and we look forward to reviewing Mongolia's replies. We additionally want to highlight the steps the Mongolian Government took toward addressing transparency and corruption concerns in September 2013 and encourage them to fully implement the agreement, as this is necessary to enhancing not only trade and investment, but also creating an attractive business environment in Mongolia.

5.66. Finally, we would like to reiterate the concern voiced by other Members during this TPR regarding challenges that impede Mongolia's economic development. These include inadequate transparency in regulatory and legislative processes, weak rule of law, corruption, and frequent abuse of inspection, permitting, and licensing regimes that seem to protect existing state and private sector interests. All too often, the Mongolian government's economic policymaking has been unpredictable and lacked the transparency that foreign investors and traders need and expect in today's global trading system.

5.67. In conclusion, we would like to thank Mongolia for their responses to our questions, which are currently being reviewed in Washington. We look forward to continued discussion regarding multiple themes and concerns highlighted during this Review and would also like to thank the Mongolian team for all their efforts put in this Trade Policy Review and wish them a successful conclusion.

5.68. As the EU did, if I could also let know our appreciation and acknowledgement to you, Chair, for your stewardship over the past year. Thank you for your service and we will welcome the incoming Chair.

6 CONCLUDING REMARKS BY THE CHAIRPERSON

6.1. Mongolia's third Trade Policy Review has provided us a good opportunity to examine its economic, trade, and investment developments since the previous Review, as well as to learn about the unique challenges caused by the COVID-19 pandemic that has impacted trade and the global economy. I would like to thank the Mongolian delegation, headed by H.E. Ms. Battsetseg Batmunkh, Minister for Foreign Affairs, for her remarks and participation from capital. My appreciation also goes to our discussant, H.E. Ambassador Dr. Rashidi Said of Malaysia for his thoughtful comments and remarks and, of course, to the 23 delegations that took the floor during these two days and those that participated through the advance questions and answers process.

6.2. Members commended Mongolia on its overall open trade and investment regime, including its policy orientation toward more inclusive trade. Its economic performance over the review period had been impressive as there was generally continued economic growth until early 2020. The impact of COVID-19 has severely affected the Mongolian economy, albeit with Government intervention, mainly in the form of stimulus packages, it was hoped that the economy would recover quickly and accelerate. Despite these positive trends, Mongolia's economy remained heavily reliant on a few sectors and its trade was concentrated in terms of products and markets, thus Members felt that there was a strong need to diversify. This issue was recognized by the Government as one of its top national policy priorities, as addressed in Mongolia's Economic Recovery Program and the Mongolian Export Program, among others. Merchandise exports and imports reached a record high of USD 13.7 billion in 2019 and the trade balance remained positive for many years, but several Members noted that Mongolia had yet to reach its trade potential.

6.3. Mongolia was a key trade partner particularly to its regional neighbours and its move to deepen regional economic and trade integration was welcomed. It was noted that Mongolia had concluded its first FTA with Japan and had recently implemented the Asia-Pacific Trade Agreement (APTA). Furthermore, it was examining possibilities for future free trade agreements. Mongolia benefitted from a number of GSP programs from other Members that could help in diversifying its exports.

6.4. Many Members applauded Mongolia's contributions to the Multilateral Trading System including through its coordinating role in the Asian Group of Developing Countries and its contribution to the group of Landlocked Developing Countries. Mongolia's ratification of the Trade Facilitation Agreement, its support of the Buenos Aires Declaration on Women's Economic Empowerment, and its participation in various Joint Statement Initiatives were viewed as particularly welcome developments during the period. Several Members inquired about the status of the initiative for joining the WTO's Agreement on Government Procurement and encouraged Mongolia to become a party to the Agreement in the near future. It was also suggested that Mongolia engages further in multilateral and plurilateral trade negotiations in order to reap greater benefits from the Multilateral Trading System.

6.5. Foreign investment had featured prominently in many interventions and in the advance written questions. Several Members noted they were a significant source of foreign direct investment in Mongolia and welcomed the initiatives of the One-Stop Service Center and the Investors Protection Council. Although investment policies and practices had generally promoted and protected foreign investors, some Members noted that there was still room for improvement. Frequent amendments of investment laws and regulations were seen as unpredictable and created an unstable environment. In the view of some Members, there was a need to enhance regulatory certainty, reduce investment risk, improve transparency and the business environment, and create a level playing field for foreign investors.

6.6. Mongolia's positive developments in the area of trade facilitation were recognized as it had undertaken significant efforts to improve trade facilitation and modernize its customs procedures. This was particularly important given Mongolia's geographical location as a landlocked country and as an important transit corridor along the Silk Road. The adoption of the National Trade Facilitation Roadmap, the establishment of the National Trade Facilitation Committee, the development of the single window application, and creation of electronic data exchange were all important steps taken to make improvements in this area. Nevertheless, some Members noted that they still faced difficulties with Mongolia's customs clearance and inspection procedures.

6.7. In their interventions, Members referred to remaining challenges in a number of areas. Mongolia's SPS regime was characterized as lacking alignment with international SPS standards and Mongolia was encouraged to make improvements in this area. Import quotas on certain agricultural products were seen as problematic on several fronts, including what some Members saw as possible inconsistency with WTO obligations. The regulatory framework and new laws proposed on alcoholic beverages were also of concern; and at least one Member referred to disruption to trade flows over mandatory enrichment standards for wheat flour.

6.8. The importance of strengthening good governance, improving transparency and the legal environment were also recurrent themes during our discussions. Transparency was identified by several Members as needing improvement on a number of fronts, including in the areas of government procurement, investment laws and regulations, regulatory and legislative processes, and permits and licensing processes for imported goods. Securing an independent judiciary and upholding the rule of law were identified as key elements in enhancing governance.

6.9. While Mongolia had made notifications in a number of areas during the review period, several were noted as lacking and Mongolia was encouraged to make further efforts to remedy the situation. Notifications on agriculture, customs valuation, quantitative restrictions, subsidies, and import licensing were consistently noted as being outstanding. Members highlighted that it was important for Mongolia to improve transparency in its trade policies and practices through notifications in the future.

6.10. These were the main areas of discussion at this Review that has allowed us to gain a better understanding of Mongolia's trade, investment, and related policies. Mongolia received over 300 advance written questions and it was commended for having replied to all of them prior to this meeting. In a month's time, Mongolia is expected to reply to any late submissions and follow-up questions at which time the third Trade Policy Review of Mongolia will be successfully concluded.

7 ELECTION OF A NEW TPRB CHAIRPERSON

7.1. You may recall that the Airgram of 5 March 2021 (WTO/AIR/TPR/105/Rev.1/Add.1) presented us with an additional task today, that is the election of a new Chair. At its meeting on 1, 2 and 4 of March 2021, the General Council noted consensus on the slate of names of Chairpersons for WTO bodies, including my dear friend, the Permanent Representative of Botswana, H.E. Dr. Athaliah Lesiba Molokomme as the Chairperson of the Trade Policy Review Body.

7.2. In accordance with the Rules of Procedure of this Body, I have the pleasure to propose that Members of the Trade Policy Review Body elect, by acclamation, H.E. Ambassador Molokomme as the Chairperson for 2021.

7.3. It is so agreed. Thank you all. I would suggest that Members of the TPRB confirm their support for her election with a round of virtual applause.

7.4. Now, I would like to invite Ambassador Molokomme to join me at the podium.

7.5. As I hand over the gavel and wish Ambassador Molokomme every success in the year ahead, I would like to thank you all for your cooperation and invaluable assistance during this past year. Since I was elected Chairperson at the end of the TPR of Australia on 13 March 2020 under particularly special circumstances, I have had the privilege to chair many TPRB meetings all via the Interprefy platform, some of them in hybrid format and some fully virtual. We had 10 meetings to consider Members' trade policies, and two meetings to consider the Director-General's trade monitoring reports, and I also led informal consultations by Members on the functioning of the Trade Policy Review Mechanism. It was remarkable to witness how quickly the Secretariat and the Members managed to adapt this complex process to the new virtual reality. This must have been a very challenging task for the interpreters and we didn't notice at all which proves how well they have managed. And, last but not least, I had the honour, due to my role as the Chair of this Body, to serve as the facilitator in the process for selecting a new Director General. Even though this role was extremely time-consuming, it was six full working weeks, I enjoyed every minute. I had the opportunity to meet with all my colleagues three times, and to my two colleagues, Ambassador David Walker and Ambassador Dacio Castillo, with whom I spent so much time, you made these weeks unforgettable and it was a great pleasure working with you.

7.6. I am very grateful for the support given to me during this period by all Members, in particular the flexibility shown by the Members under review and the commitment of the Discussants. I am convinced that the work we did under these difficult circumstances in the new online format has in a way improved the participation from capitals and increased transparency in the multilateral trading system including improved internal policy debate in the reviewed Members. During these times of uncertainty, it is important that we preserve and continue the important work of the TPRM and, more generally, the transparency aspect of the multilateral trading system.

7.7. I do wish to especially appreciate the TPR Secretariat team, headed by Director Willy Alfaro, who have shared their invaluable professional guidance and support. And, as a Chair of the Trade Policy Review Body, as well as a facilitator for the Director General selection process, I have witnessed the professionalism and the integrity of the Secretariat, and I can assure you that the WTO is in good hands.

7.8. I would again like to sincerely thank everyone for your confidence and cooperation during the past year, and I now hand over to Ambassador Molokomme.

H.E. DR. ATHALIAH LESIBA MOLOKOMME

7.9. Let me take this opportunity to express my gratitude on my behalf and on behalf of the Botswana delegation to all WTO Members for the confidence they have in me to take up this role; Chair of the WTO Trade Policy Review Body (TPRB). As I take up this role today, I reaffirm my delegation's commitment to work with the WTO Secretariat and all Members to continue to take this mechanism from strength to strength.

7.10. To the outgoing Chair, my colleague and friend, Ambassador Aspelund, I wish to thank you for the excellent job you undertook in the conduct of this very important mechanism over the past year.

7.11. My personal experience in working with Ambassador Aspelund in the Gender Working Group, I know that he did all this in spite of the unprecedented challenges brought about by the COVID-19 pandemic; your efforts and dedication cannot go unnoticed. I intend to carry on from where you left off to ensure the continuity and effectiveness of this important process.

7.12. The only change on a lighter note that will take some getting used to I guess - and will come with time I am sure- is that the Chair will now expect to be addressed as such, or as "chairperson", and not "Chairman" - to ensure inclusivity of language.

7.13. With this, ladies and gentlemen, I declare this meeting closed. But before to do that, I have been advised that some delegations might want to take the floor for whatever purpose they may wish to do so.

UNITED STATES

7.14. We just wanted to extend a warm welcome to you and assure you of our continued cooperation as you take over the helm of this very important Committee. So warm welcome to you and again thanks and congratulations to Ambassador Aspelund.

EUROPEAN UNION

7.15. Thank you very much, Madam Chair. Again, just to welcome you and wish all the success with this important role and again our thanks to the outgoing Chairman for his performance.

TAJIKISTAN

7.16. I would like to join other colleagues in welcoming you as the new Chair of this Body and assure you our support and constructive cooperation. I would also like to say a few words to the outgoing Chair for his excellent performance during his chairmanship and to wish him every success in his future endeavours.

CHAIRPERSON

7.17. I declare the meeting closed. I thank you for your engagement. Just to remind you that the next meeting of the Trade Policy Review Body will be on 6 and 8 April, when the TPRB will discuss the TPR of Qatar.
