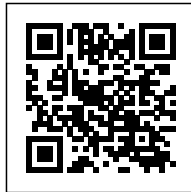


MONGOLIA'S FDI REACHES USD 671.6 MILLION IN Q1 2022

Posted on May 24, 2022 by admin



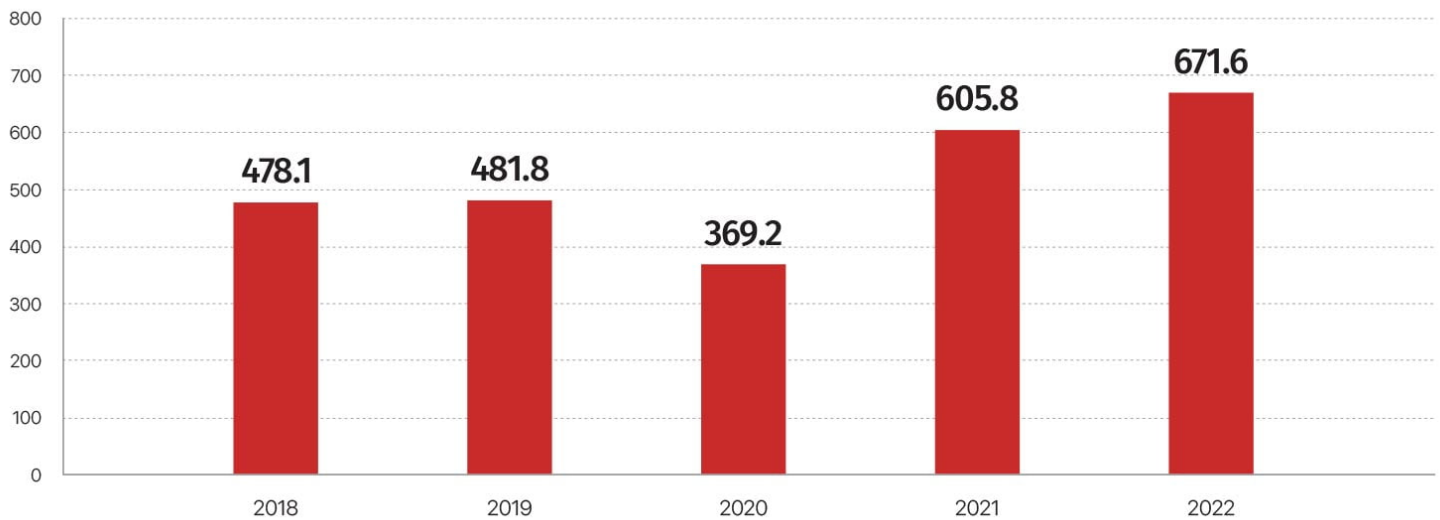
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The Bank of Mongolia reported an inward FDI worth USD 671.6 million in the first quarter of 2022. This is about 10.8 percent growth in the reporting period.

FOREIGN DIRECT INVESTMENT

Q1 | USD MILLION

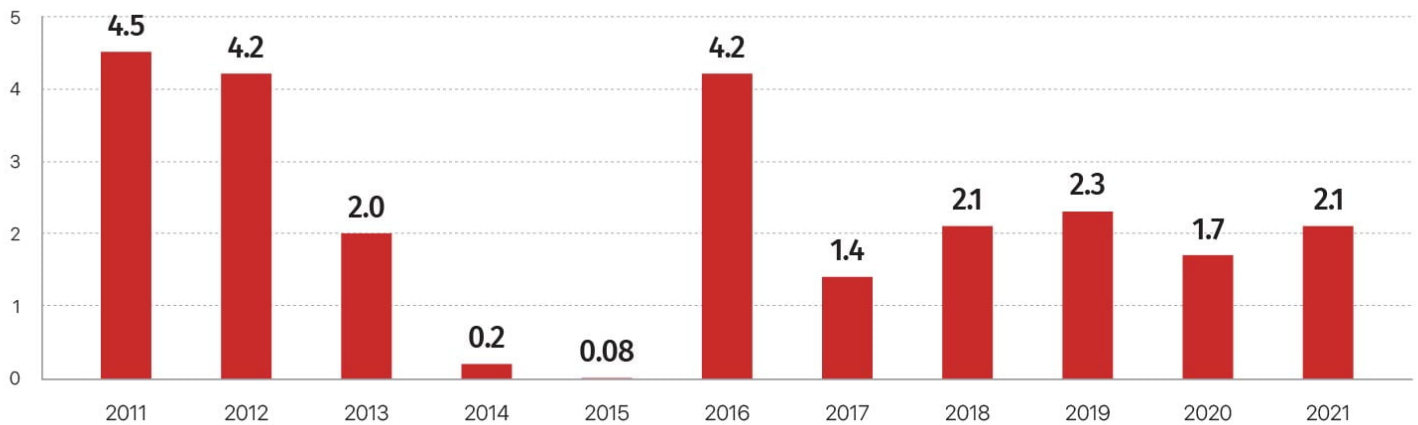


Source: The Bank of Mongolia

On a year-on-year basis, inward FDI to Mongolia peaked at a record USD 4.5 billion in 2011, when the mining sector was booming.

FDI INFLOW

AT THE END OF EACH YEAR | USD BILLION



Source: The Bank of Mongolia

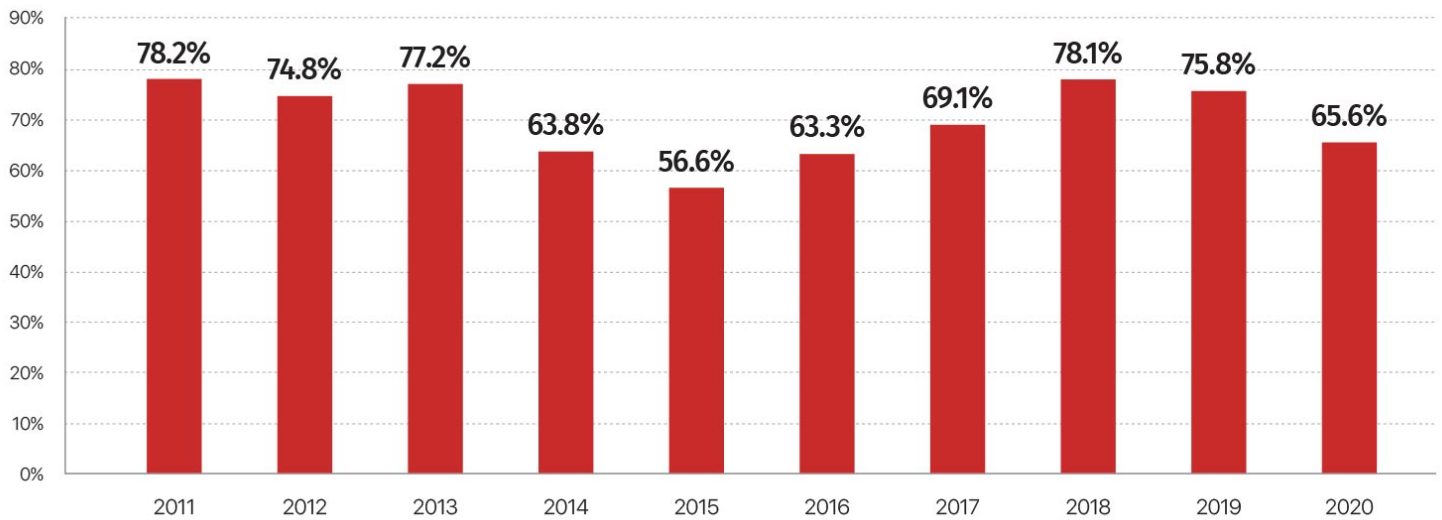
As investment in the mining sector gradually declined, the FDI net inflow in Mongolia fell over the years. From 2011-to 2020, the mining sector accounted for 60-80 percent of net inflow. The extractive industries are currently the only sector attracting foreign investment. The Mongolian Government is working to increase the issuance of exploration licenses, as the exploration phase requires a large amount of investment. In particular, the Ministry of Mining and Heavy Industry reported that it intends to fully digitalize the process of issuing mineral exploration licenses and increase the number of exploration licenses by 3-4 times.

The top 5 countries that invested in Mongolia from 1990 to 2020 are Canada, China, Netherlands, Luxembourg, and Singapore. The majority of the investment comes to mining, trade and food service, banking, and financial sectors.

To stabilize the legal environment for investment, define common legal guarantees for both foreign and domestic investors, and clarify the methods and forms of investment promotion, the Investment Law was adopted in 2013, and previously ratified laws related to foreign investment were repealed.

Therefore, a working group in charge of developing a bill on amending the Investment Law, based on the need to address these issues, and meet the goals and objectives of economic policy documents, has been established by the Cabinet Secretariat with participation from relevant ministries and researchers.

SHARE OF MINING SECTOR IN FDI ANNUALLY



Source: NSO