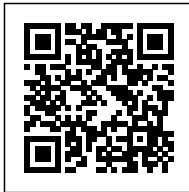


SMALL AND MEDIUM ENTERPRISES ACCOUNT FOR 97% OF ALL BUSINESSES IN MONGOLIA

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According to the research conducted by the National Statistics Office, as of the second quarter of 2023, there are 89,425 enterprises operating in Mongolia, with 86,878 of them, accounting for 97 percent, categorized as small and medium-sized enterprises (SMEs). In Mongolia, an enterprise with up to 200 employees, an annual sales income of up to MNT 2.5 billion, and engaged in the fields of production, trade, and services is classified as a small and medium-sized enterprise or service provider.

The significant role of small and medium-sized enterprises in the economy is especially evident in developing countries. Globally, about 90% of all businesses fall into this category, making them vital contributors to economic development as they generate substantial employment opportunities.

As the number of SMEs continues to rise, it becomes essential to enhance the business environment and provide practical support for their growth. To address these challenges, the National Committee for State Productivity conducted a survey on the competitiveness of small and medium-sized enterprises. Business owners who participated in this research identified the top 10 measures that would greatly enhance SMEs' performance:

- Increasing sources of financing support - 45.2%
- Creating a favorable tax environment - 42.7%
- Eliminating civil service bureaucracy - 30.4%
- Combating corruption - 25.3%
- Improving the legal environment - 24.3%
- Enhancing training and consulting opportunities for SMEs - 21.0%

- Increasing private sector and public participation in government decisions related to business - 17.8%
- Reducing the number of state inspections - 15.0%
- Providing special support for SMEs to develop new products and services - 14.6%
- Promoting national production - 13.9%.

By implementing these measures, policymakers and stakeholders can nurture a conducive environment for small and medium-sized enterprises, fostering their growth and contribution to the overall economic prosperity of Mongolia.