



04

+

GOVERNANCE



4.1

INTRODUCTION

Introduction to Mongolia's governance system

Mongolia is a parliamentary country. The head of state is the president and is elected by the presidential election every six years. However, the president's rights and responsibilities are limited.



Figure 1.52

POLITICS OF MONGOLIA



The legislature

(the Parliament/the Great Khural) is responsible for debating and voting on new laws to be introduced.



The executive

(the Government of Mongolia) is responsible for enacting and upholding the laws established by the legislature.



The judiciary

is the legal arm. It is independent of the other two arms and is responsible for enforcing the laws.



4.2

GOVERNMENT

The executive branch of the state is the Government of Mongolia. The government is usually headed by the leader of the party with the majority of seats in the parliamentary elections, or by the Prime Minister. Following a 2019 constitutional amendment, the government was given more political power, giving the Prime Minister the ability to form its cabinet and submit to the parliament for approval.

The composition of the government is determined by the Prime Minister and approved by Parliament.

The current government has 16 ministries and 19 Cabinet members, including the Prime Minister, Chief of Cabinet Secretariat, and Deputy Prime Minister. In addition, agencies with special functions belong to the government.

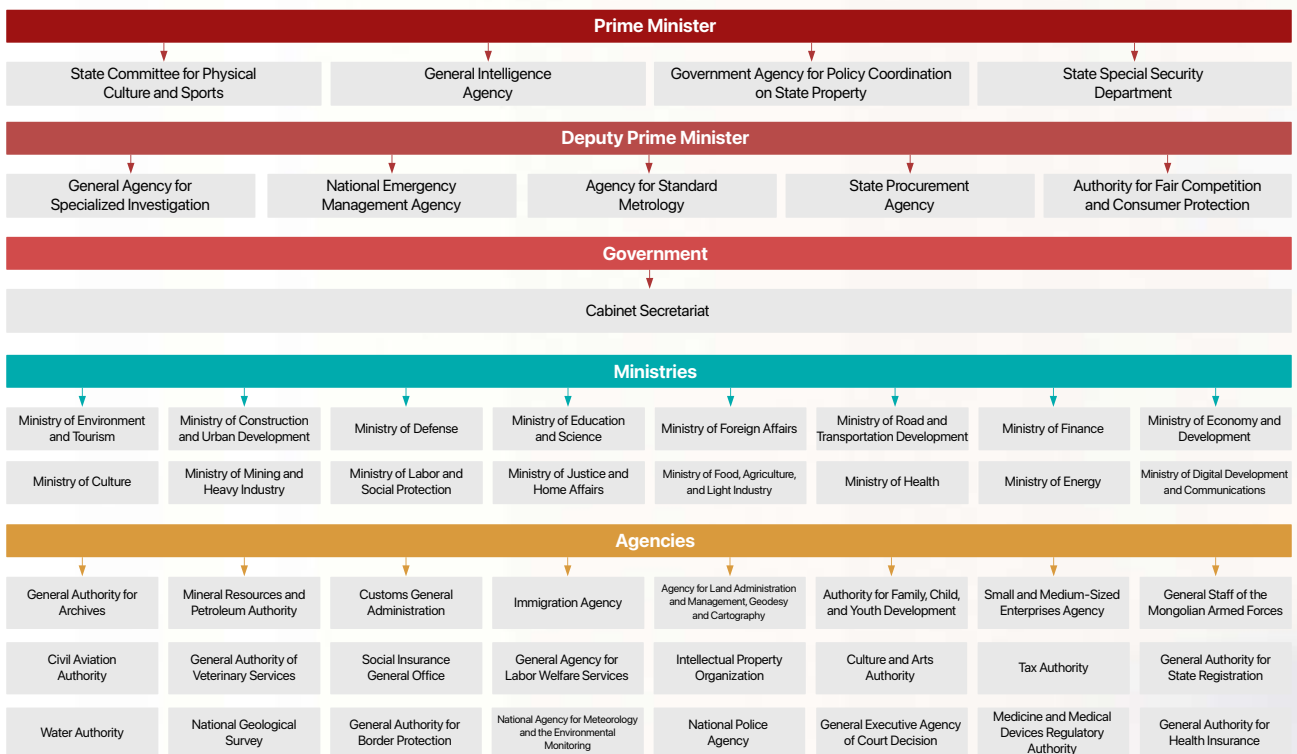
Roles and responsibilities of the government

- Ensure the implementation of the Constitution and other laws throughout the country
- Develop a unified science and technology policy, guidelines for economic and social development, state budget, loans, and financial plans, and submit them to the Parliament for approval
- Implement the Parliament's decision
- Draft and implement sector-specific, inter-sector, and regional development measures
- Protect the environment
- Determine the use of and rehabilitation of natural resources
- Promptly manage the central administrative body of the state
- Manage the activities of local administration
- Strengthen the national defense capacity and ensure national security
- Protect individual human rights and freedoms
- Take measures to strengthen public order and fight crime
- Implement foreign policy
- Establish and implement international agreements
- Establish and terminate intergovernmental agreements

Government structure:

Figure 1.53

GOVERNMENT STRUCTURE (AS OF FEBRUARY 2022)







Local government

The territorial unit of Mongolia is divided into 21 provinces and the capital city.

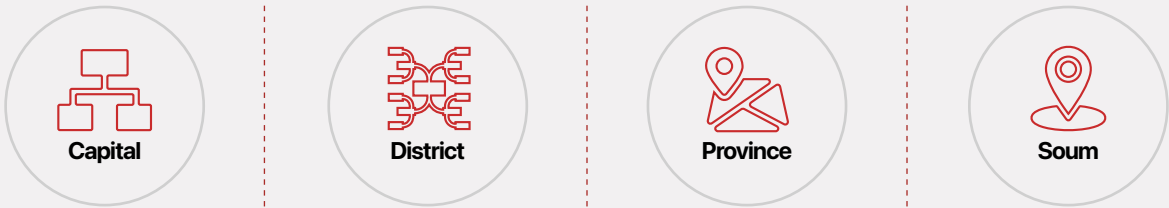
Figure 1.54

ADMINISTRATIVE DIVISIONS OF MONGOLIA



Elections for Citizens’ Representative Khurals - local council coincide with the general parliamentary election and are held once every four years.

Elections for Citizens’ Representative Khurals elect the members of the councils along the following geographical lines:



The party that wins the election of the Citizens’ Representative Khurals of these units proposes the appointment of respective governors. The names of governors are suggested by the Citizen’s Representative Khural/Council (CRC) of their respective units. Provincial and capital governors are appointed by the Prime Minister, while the governors of soums districts are appointed by their respective provincial or capital governors on a four-year term respectively.

The key purpose of the governors of provinces and the capital is to implement the decisions of the respective Citizens’ Representative Khurals. In addition, governors must report to the government on an annual basis.

Roles & responsibilities:

- Develop a proposal to designate certain geographical areas under its jurisdiction into special protection and submit them to the Citizens’ Representative Khural for final decision.
- Governors have the right to vote for the issuance of mineral exploration and mining licenses in their jurisdiction, based on the decision of the Presidium of the Citizens’ Representative Khural.
- Annually report to the Government.
- Other.

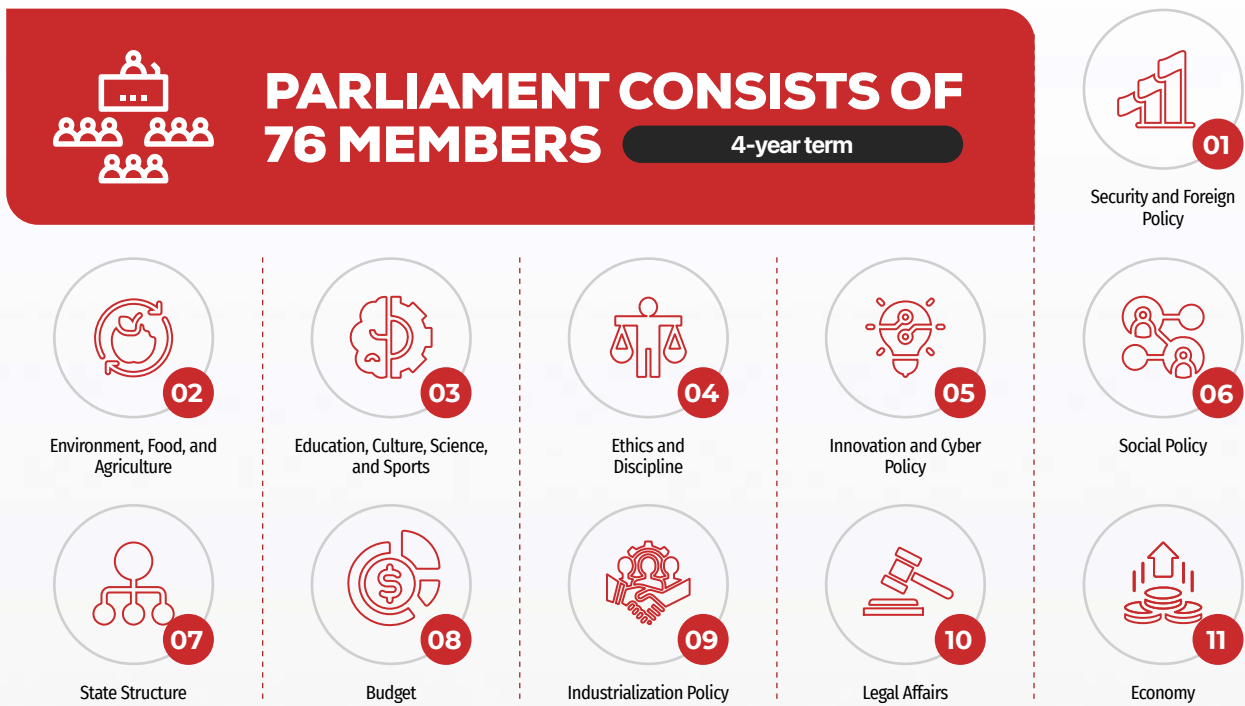
4.3

STATE GREAT KHURAL/ PARLIAMENT OF MONGOLIA

Legislative powers in Mongolia shall be exercised only by the State Great Khural/Parliament. The Parliament shall be elected on a four-year term by the votes of Mongolian citizens aged over 18 by democratically-held elections. The 76 members elected in the nationwide elections are members of the legislature. Structurally, the Unicameral Parliament consists of a standing committee, sub-committee, ad hoc committee, as well as councils of political parties and coalitions.

Figure 1.55

PARLIAMENTARY STANDING COMMITTEES



Within the scope of their responsibilities, these standing committees are responsible for pre-discussing draft bills and other parliamentary decisions submitted by the initiator, and then submitting them to the plenary session, exercising parliamentary oversight, and drafting parliamentary resolutions.

Figure 1.56

THE RIGHT TO INITIATE LEGISLATION



President



Parliament Members



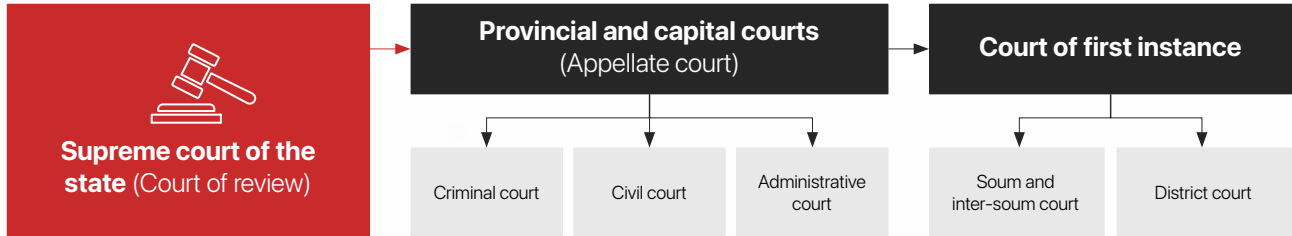
Government has the right to initiate legislations

4.4

JUDICIAL SYSTEM

Figure 1.57

JUDICIAL SYSTEM OF MONGOLIA



CAPITAL CITY & PROVINCES

Administrative units of Mongolia

Mongolia consists of 21 administrative provinces called "aimag." The secondary subdivisions are called "soum", which then branch into smaller units called "bagh." The capital city is divided into nine districts with sub-districts called "khoroo." Following amendments to the constitution in 2019, the centers of Darkhan-Uul and Orkhon province were accorded city status. Accordingly, the country now has three cities.

Legal rights and responsibilities

The law outlines that "Aimag, capital, soum, and district are the constructs of administration, jurisdiction, economy, and society that have a legal function and self-government." The names of governors are suggested by the Citizens' Representative Khural/Council (CRC) of the province and then appointed by the Prime Minister for a four-year term.

The main function of the governors of provinces and the capital is to implement decisions made by the CRC. The rights of governors include the drafting of special protection acts which must be submitted to the CRC, and provide suggestions on mining exploration and exploitation licenses issued in its jurisdiction, based on the CRC's decision. The governor shall submit their annual

operational reports to the Cabinet and shall be assessed and reviewed for further cooperation.

The CRCs of provinces and the capital city are also elected for a four-year term and shall be responsible for making key decisions on budgets and assets. This is the main institution that discusses and decides the cabinet's guidelines.

Mongolia has a consolidated budget that includes the state budget of government bodies and local budgets. Local budgets are the components of the state budget and are approved by the CRC of the respective jurisdiction. Officials responsible for the budget are in charge of collecting and allocating the local budget.

Infrastructure and centralization

21 provinces are divided among the Western, Eastern, Central, and Khangai (mountainous) regions.

Mongolia has a diverse topography with the Gobi Desert to the south, and cold and mountainous areas to the north and west. The majority of Mongolia's territory consists of steppes. Ulaanbaatar has the lowest average temperature of any national capital in the world. It has an extreme continental climate with long, cold winters and short summers, during which most of its annual rainfall



occurs.

All of the 21 provinces are linked to the capital city of Ulaanbaatar by paved road. Mongolia has a total of 1,949.4kms of railroad. The Ulaanbaatar Railway is the main network that connects Selenge, Darkhan-Uul, Orkhon, Ulaanbaatar, Govisumber, Khentii, and Dornogovi. Domestic flights are available to Khuvsgul, Uvs, Khovd, Zavkhan, Govi-Altai, Bayan-Ulgii, Dornod, and Umnugovi provinces.

The capital city of Ulaanbaatar is central location for banking and financial institutions manufacturers, and service providers, while the 21 provinces mainly manage agriculture, animal husbandry, farming, and mining operations, depending on the geographical features. For instance, the Khangai region has the best climate conditions compared to the other areas, and therefore has a higher animal husbandry and farming outputs, while Mongolia's biggest coal and copper mines are located mostly in the southern desert region.

Demographics and geographical features

On the other hand, the western provinces have been attracting both local and foreign tourists over recent years, thanks to its natural attractions and unique cultural heritage. For instance, the Kazakh ethnic groups that live in the westernmost province of the country, Bayan-Ulgii has domesticized eagles.

The Khalkha ethnic group forms the majority of the population, with diverse small groups making up the rest.

The current is at peace and has no religious disputes. 59.4% of the population is religious. 87% of the religious people over 15 are Buddhists, while 5.4% are Muslim, and 2.2% are Christian.

Although Mongolia is a large country with a relatively small population, the country has an advanced telecommunications network. For instance, the country has a total of 3.4m registered smart device users, with broadband, and both 3G and 4G networks being widely available to the public. This means that the modern herders' population have broad telecommunications access outside of the main cities too.

Almost one third of the Mongolian population leads a conventional nomadic lifestyle in the countryside with livestock being the key livelihood source for these nomads. That's why agriculture is regarded as equally important as mining in the country. As of 2020, the number of livestock reached 67.1m, with the herders' population being spread around all 21 provinces as well as the capital. The latest census registered 137,000 to 5.5m heads of livestock per province, meaning that livestock is becoming increasingly more crucial for half of the country's population.



ULAANBAATAR

THE CAPITAL CITY

Table 1.3

ULAANBAATAR - SUMMARY

Area:	4,704 km ²
Capital:	Ulaanbaatar
Number of districts:	9
Population (as of 2020):	1,597,290
Share of national GDP (as of 2020):	64.6 %
Number of livestock:	0.5m

Demographics

The city has mixed demographics of both settlers and indigenous people and has been urbanized by settlers from the other provinces.

Economy

Ulaanbaatar city represents more than half of Mongolia's population. The city produces over 65% of the country's GDP, and is considered business, education, culture, and administrative center of the country, housing the Government and Parliament houses, as well as all the ministries. Ulaanbaatar also houses the country's major companies, the universities as well as the media.

Infrastructure

Ulaanbaatar is considered the key infrastructure gateway of Mongolia with a developed infrastructure of paved roads and railways. The largest international airport is located about 50 km from the city in the Khushig Valley.



Table 1.4

BAYAN-ULGII PROVINCE – SUMMARY

Area:	45,705 km²
Capital:	Ulgii
Distance from the capital:	1,709 km
Number of soums:	13
Population (as of 2020):	110,597
Share of national GDP (as of 2020):	1.3%
Number of livestock:	2.2m

Demographics

93% of the region's population is made up of the Kazakh group as well as Muslims, meaning that the language, culture, and religion all differ significantly from Mongolia's other jurisdictions.

Economy

Bayan-Ulgii province preserves a unique natural landscape and wildlife, being surrounded by the Altai Mountains. The province is one of the key regions for both local and foreign tourists, with rare and attractive scenery and a unique cultural heritage, and visitor attractions such as the Altai Tavan Bogd, the traditional lifestyles of Kazakh

people on full display, as well as the region's famous eagle hunting.

The region has rich deposits of gold, silver, tungsten, lead, and copper ores, representing a wide range of mining, intensified animal husbandry, and international commerce opportunities.

Infrastructure

The province is well linked with a paved road network and a number of domestic airports, and is connected to Russia via the Tsagaannuur border crossing, and with China via the Dayan crossing.



Table 1.5

GOVI-ALTAI PROVINCE - SUMMARY

Area:	141,448 km²
Capital:	Altai
Distance from the capital:	1,001 km
Number of soums:	18
Population (as of 2020):	57,674
Share of national GDP (as of 2020):	1.1%
Number of livestock:	3.3m

Demographics

Located in the southwestern region of Mongolia, the Altai Mountains run through the middle of the province, from the northwest to the southeast.

Economy

The province of Govi-Altai contains mixed geographical features formed mostly desert and the mountainous highlands. It has the second-highest number of goats in the country as well as the fourth-highest number of camels. Iron ore exploitation is currently underway in Govi-Altai.

Infrastructure

Can be traveled by road and air transport from the capital. The province houses the Burgastai road checkpoint that borders the Laoemyao crossing of the Xinjiang Uygur Autonomous Region of China. Under the bilateral agreement on border regulation between the governments of Mongolia and China, Burgastai-Laoemyao is a designated seasonal or temporary operating crossing.

Table 1.6

KHOVD PROVINCE – SUMMARY

Area:	76,060 km²
Capital:	Khovd
Distance from the capital:	1,425 km
Number of soums:	17
Population (as of 2020):	90,533
Share of national GDP (as of 2020):	1.1%
Number of livestock:	3.3m

Demographics

Khovd also has a multi-ethnic population, with each ethnic group having its own unique traditions, territory, and cultural features, including dressing style, garments, literature, arts, and music. Inhabitants of this province also speak with a clearly distinguishable Mongolian accent, and the Kazakhs residing in Jargalant, Khovd, Buyant, Bulgan, and other nearby soums speak both Mongolian and Kazakh.

Economy

Khovd province is the key economic pillar for the

western region of Mongolia with two international border checkpoints. Feasibility studies on the National Technology Park, Agro Park, Cement Plant, and Oil Refinery are already completed in these areas. The province manufactures cashmere, camel wool, molt, leather, meat, dairy products, and vegetables. The province is also famous for its watermelon plantation.

Infrastructure

The province connects China via the Baitag and Bulgan checkpoints, with Bulgan being a permanent crossing. Can be traveled by road and air transport from the capital.



Table 1.7

UVS PROVINCE – SUMMARY

Area	69,585 km²
Capital	Ulaangom
Distance from the capital	1,382 km
Number of soums	19
Population (as of 2020)	83,524
Share of national GDP (as of 2020)	1.2%
Number of livestock	3.4m

Demographics

The province is home to a number of ethnic groups. For example, Durvuds account for 42.3% of the population, Bayads represent 34.2%, and Khalkhas make up 13.6%. The remaining 10% is made up of smaller ethnic groups. The province is known locally to have hard-working people that manage household economies.

Economy

Forming one of the western provinces, Uvs is known for its seabuckthorn farms and products, and well-developed base of small and medium-sized businesses.

The province has discovered variety of resources such as coal. Shuden Mountain is said to have a significantly high amounts of stone salt. The region is connected to Russia via seven border checkpoints, including the Borshoo crossing.

Infrastructure

The Khiliin Tes and Borshoo crossings connect the region to the Russian Federation. Under the bilateral agreement with Russia on border regulation, these crossings operate permanently and allow a cross-border flow to citizens of both countries. Can be traveled by road and air transport from the capital.



Table 1.8

ZAVKHAN PROVINCE – SUMMARY

Area	82,455 km²
Capital	Uliastai
Distance from the capital	1,023 km
Number of soums	24
Population (as of 2020)	72,763
Share of national GDP (as of 2020)	1.3%
Number of livestock	3.6m

Demographics

Dozens of prominent figures, including monks, politicians, artists, business figureheads, and distinguished people were born in this province, including two presidents, namely P.Ochirbat and N.Bagabandi.

Economy

Thanks to its natural beauty, Zavkhan province has attracted a host of local tourists. The region has several factories for construction materials and food processing equipment maintenance. The National University of

Mongolia's School of Economics is also located in the area. Agriculture is less developed in this province, and as of 2020, about 3.6m heads of livestock were counted, leading the five western provinces.

Infrastructure

Can be traveled by road and air transport from the capital and connects with the Russian Federation via the Artssuuri border checkpoint. Under a bilateral agreement with Russia, the checkpoint was set up as a designated permanently operating border, allowing the free flow of passage between the citizens of both countries.

Table 1.9

ARKHANGAI – SUMMARY

Area	55,314 km²
Capital	Tsetserleg
Distance from the capital	560 km
Number of soums	19
Population (as of 2020)	94,088
Share of national GDP (as of 2020)	1.7%
Number of livestock	5.4m

Demographics

97% of the population consists of the Khalkha ethnic group and 2.3% are made up of Olots. 80% of the province's population reside in Tsetserleg, the administrative center of the province, and the rest are spread to soums and the countryside.

Economy

Located in the mountainous Khangai region, Arkhangai province is ranked second in terms of numbers of the country's livestock population, with a regional livestock population of around 5.4 million. Consequently, the region has a good reputation for its dairy products.

Infrastructure

The province is connected to Ulaanbaatar city by paved road.

Table 1.10

BAYANKHONGOR PROVINCE – SUMMARY

Area	115,978 km²
Capital	Bayankhongor
Distance from the capital	640 km
Number of soums	20
Population (as of 2020)	88,955
Share of national GDP (as of 2020)	1.5%
Number of livestock	3.9m

Demographics

Mongolian nationals and the Khalkhas are the two main ethnic groups in this province. Located in the western region of Mongolia, this is a mixed region of plains and mountains which includes the southern flank of the Khangai Mountains, the mountainous Govi-Altai region, as well as the southern desert region of the Altai Mountains.

Economy

Located in the western region of the country,

Bayankhongor province's economy consists mostly of agriculture, industry, and the service sector. The province has the highest number of goats in the country and ranked second in terms of the number camels.

Mongolia is one of the largest cashmere exporters in the world and Bayankhongor province produces a big part of it.

Infrastructure

Can be traveled by road and air transport from the capital.



Table 1.11

BULGAN PROVINCE – SUMMARY

Area	48,733 km²
Capital	Bulgan
Distance from the capital	438 km
Number of soums	16
Population (as of 2020)	61,955
Share of national GDP (as of 2020)	1.1%
Number of livestock	3.4m

Demographics

Bulgan province is a part of the central region of Mongolia with a total surface area of 48.7 thousand square kilometers. About 97% of the population is made up of the Khalkha ethnic group and the province is well known for its production of barley and airag (fermented horse milk).

Economy

Bulgan province is one of the top three agricultural provinces and the fifth biggest animal husbandry zone in Mongolia. The province is also the seventh fastest-growing

jurisdiction on the country's Human Development Index, which is a statistic composite index of life expectancy, education and per capita income indicators. The region has a wealthy mineral resources, including gold, silver, copper, molybdenum, lead, hard coal, turquoise, lapis lazuli, crystal, marble, as well as a range of raw materials used in the construction industry - as sand, gravel, trap and lime rocks, and the ochre pigment.

105 / 105

Infrastructure

Can be traveled by road transport from the capital.



Table 1.12

KHUVSGUL PROVINCE – SUMMARY

Area	100,629 km²
Capital	Murun
Distance from the capital	788 km
Number of soums	24
Population (as of 2020)	135,705
Share of national GDP (as of 2020)	1.8%
Number of livestock	5.5m

Demographics

Of all the provinces, Khuvsgul has the highest population penetration. The Khalkha, Darkhad, Khotgod, and Uriankhai ethnic groups are the majority in this region. A small group of Tsaatan people – unique to the region – reside here. Tourists commonly name the province “the Switzerland of Mongolia” because of the mountains, water, forests, and woodlands with an abundance of flora, fauna, and wildlife as well as a wealth of mineral deposits, famous landmarks and a rich local history.

Economy

Located in the north of the country, Khuvsgul province’s main economic sector is agriculture, which makes up some 57.7% of the region’s output, with animal husbandry being its backbone industry.

The province produces selective breeds of livestock that are suited to the local climate. The Tsagaannuur soum in Khuvsgul province breeds reindeers while the Erdenebulgan and Rashaant soums engage in farming.

In recent years, Khuvsgul province has become a major tourist attraction due to its freshwater lake Khuvsgul, Reindeer people, and beautiful nature.

Infrastructure

The Khankh crossing connects Mongolia with the Russian Federation. Under the bilateral agreement with Russia on border regulation, the checkpoint was set up as a permanently operating border checkpoint that only allows the entry of the citizens of the two countries. Can be traveled by road and air transport from the capital.



Table 1.13

ORKHON PROVINCE – SUMMARY

Area	844 km ²
Capital	Erdenet
Distance from the capital	378 km
Number of soums	2
Population (as of 2020)	107,765
Share of national GDP (as of 2020)	5%
Number of livestock	0.1m

Demographics

Historically, the province attracted young workforces from other provinces when it was first established. As such, the population is made up of a range ethnic groups from across the country. The region has a young population and has the highest levels of living standards and competitiveness in the country.

Economy

Aside from the capital Ulaanbaatar, Erdenet is one of the only two other jurisdictions that carry "city" status. Since its declaration as a city in 1976, Erdenet became the second biggest city in Mongolia both in terms of population and contribution to the economy with mining income. The region has about 1,700 privately-owned businesses employing 34,000 people, and annually produce goods

worth MNT1 trillion, in which Erdenet Mining Corporation accounts for 90%.

The city hosts the fourth largest copper mine in the world. Tourists are allowed to visit the mine by appointment.

Another important economic factor of Erdenet is the carpet factory where about 2,000 tonnes of wool are processed in. About 1,100 people are employed in the factory.

Infrastructure

Can be traveled by road and rail transport from the capital. The province is the key transit point en route to Darkhan, Murun, and Altanbulag. The distance to the capital where the nearest airport is located amounts to 370 km and travel by car takes about 4–5 hours.

Table 1.14

UVURKHANGAI PROVINCE – SUMMARY

Area	62,89 km²
Capital	Arvaikheer
Distance from the capital	431 km
Number of soums	19
Population (as of 2020)	115,732
Share of national GDP (as of 2020)	1.8%
Number of livestock	4.5m

Demographics

The province houses several major resorts close to national parks and basic infrastructures, including Khujirt, Bayangol, and Kharkhorin.

Also, the region boasts several points of historical interest such as the Erdene-Zuu Monastery, and the city of Kharkhorum (Karakorum) - the former capital of the Great Mongol Empire which was discovered by an archaeological expedition.

Economy

Uvurkhangai has the highest number of livestock in the country, with the northern part being mainly dedicated to agriculture. The province has several factories for construction materials and food production. The region

is relatively well developed in terms of electricity supply, road, and communications infrastructure, and including a wide road highway between Arvaikheer-Ulaanbaatar and Kharkhorin-Ulaanbaatar.

Infrastructure

Uvurkhangai is connected to the strategic paved road network that stretches to the five western provinces.



Table 1.15

DARKHAN-UUL – SUMMARY

Area	3,275 km ²
Capital	Darkhan
Distance from the capital	219 km
Number of soums	4
Population (as of 2020)	106,909
Share of national GDP (as of 2020)	1.8%
Number of livestock	0.4m

Demographics

Darkhan city forms part of the Orkhon and Selenge river basin. 64.5% of the population is made up of people below the age of 35. The foundations of the city were laid in 1961.

Economy

Darkhan-Uul province is located along all major international road and railway routes and the region is connected to the central energy distribution network. It is considered the industrial hub of Mongolia. Although the region is rather small compared to other provinces, it contains a wealth of mineral resources that include gold, limestone, coal, and numerous raw materials used in the

construction industry. Mongolia's biggest ferrous metal plant – the Darkhan Ferrous Metal Plant LLC - represents the core source of income for the province's economy, forming a key part of the Darkhan-Selenge region's iron ore deposits.

Infrastructure

The region is linked to the provinces of Ulaanbaatar, Selenge, and Orkhon via the strategically important paved road and railway network. The Asian Highway that connects Asia with Europe winds through the Ulaanbaatar-Darkhan route. Given the importance of this infrastructure, expansion work is underway to increase its capacity to a standard two-way road.



Table 1.16

DORNOGOVI PROVINCE – SUMMARY

Area	109,472 km²
Capital	Sainshand
Distance from the capital	450 km
Number of soums	14
Population (as of 2020)	71,207
Share of national GDP (as of 2020)	1.4%
Number of livestock	2.6m

Demographics

Located in the far eastern region of Mongolia, this province borders the provinces of Umnugovi, Dundgovi, Govisumber, Khentii, and Sukhbaatar. The center of the province is Sainshand. This province connects neighboring Russia and China via the central railway network which forms Mongolia's infrastructure backbone. 42.8% of the soums and 54.8% of the population in this province are settled along the railroad.

Economy

Dornogovi province is connected to the active border checkpoint of Zamyn-Uud as well as the seasonal Bayanbulag-Mandal border crossing. Since the legal environment has been established around the Zamyn-Uud Free Trade Zone, the province represents an opportunity for becoming a major development gateway for Mongolia. The region has several fluoride deposits, and

discoveries of copper and molybdenum have been made in Tsagaan Suvarga, lignite in Alagtogoo, and iron ore in Chandmani Uul. Other deposits used in the construction industry have also been discovered in the region, with a fluoride and spar mine being currently operated in the area.

Infrastructure

The province is linked to the main networks of paved roads and domestic airports, and forms part of the Ulaanbaatar railway network. The key southern border for cargo transportation Zamyn-Uud is interlinked by paved road and railway, which is connected to the Chinese railway network via the Zamyn-Uud the crossing. The Khangai crossing also allows international vehicle crossings. Under the bilateral agreement between the governments of Mongolia and China on border regulation, the checkpoint is a designated seasonal crossing.



Table 1.17

DUNDGOVI PROVINCE – SUMMARY

Area	74,690 km²
Capital	Mandalgovi
Distance from the capital	389 km
Number of soums	15
Population (as of 2020)	46,981
Share of national GDP (as of 2020)	0.9%
Number of livestock	3.7m

Demographics

This province has a relatively small population, compared to other provinces. It produces its own distinguishable brand of airag as well as ingenii hoormog (camel milk), in addition to meat products and its reserves of lignites. The region is famous throughout Mongolia for its folk music, airag, and mutton.

Economy

Dundgovi has one of the highest numbers of livestock per capita in the entire country. It has a significant amount of the country's mineral resources, making up 58% of lignite production, 32.3% of gypsum production, and 53.4% of

all rock pigments discovered in Mongolia. Mandalgovi, the administrative center of the province and all its soums are connected to the country's central electricity and telecommunications distribution network. A low-cost tour into the Govi region is possible given the province's proximity to country's capital city. This is also one of the main reasons explaining the growth in tourism each year. Given the region's high number of sunny days and good wind speeds, it's a good region for renewable energy exploitation.

Infrastructure

Can be traveled by road transport from the capital city.



Table 1.18

GOVISUMBER PROVINCE –SUMMARY

Area	5,542 km²
Capital	Choir
Distance from the capital	223 km
Number of soums	3
Population (as of 2020)	17,965
Share of national GDP (as of 2020)	0.3%
Number of livestock	0.5m

Demographics

95.3% of the population in Govisumber consists of the Khalkha ethnic group. The population is mostly made up of people coming from Ulaanbaatar and the nearby provinces, especially from Dundgovi. The region sees more incoming settlers than people leaving the province. The majority of settlers are men given that the region is a large employer within the mining, transportation, and construction sectors.

Economy

Although Govisumber is the smallest province in Mongolia, the region has a well-developed mining industry and transport infrastructure. The Shivee-Ovoo coal mine located south of Choir city has reserves of 2.7 billion tonnes of lignite and represents the largest income source to the province's coffers, being one Mongolia's largest mines.

Infrastructure

The region is linked to the main paved roads and railway network and is a vital part component of the Ulaanbaatar Railway network.



Table 1.19

UMNUGOVI PROVINCE – SUMMARY

Area	165,380 km²
Capital	Dalanzadgad
Distance from the capital	575 km
Number of soums	15
Population (as of 2020)	70,371
Share of national GDP (as of 2020)	2.8%
Number of livestock	2.9m

Demographics

Umnugovi is the largest province in terms of its size and covers hundreds of kilometers of desert which include the Borzon, Galba, Zeemeg, Zag, and Suuj, as well as the famous three mountains of the Gobi. Being one of the warmer regions in the country, the province also has the highest camel population.

Economy

Mongolia's main exporters in the mining sector include Erdenes Tavan Tolgoi JSC, Tavan Tolgoi JSC, Energy Resources LLC, and Oyu Tolgoi LLC, all of which operate in Umnugovi province. Being an area of strategic importance to the country's economy, the province has a well-developed network of railroads.

Infrastructure

Road and air transport are available in the province and a number of key border checkpoints, including Shiveekhuren and Gashuunsukhait are under the jurisdiction of Umnugovi province. The railroad connecting Tavantolgoi-Gashuukhait to Tavantolgoi-Zuunbayan is currently under construction.



Table 1.20

SELENGE PROVINCE - SUMMARY

Area	41,152.63 km²
Capital	Sukhbaatar
Distance from the capital	311 km
Number of soums	17
Population (as of 2020)	109,285
Share of national GDP (as of 2020)	2.3%
Number of livestock	1.9m

Demographics

85.4% of Selenge province's population is made up of the Khalkha ethnic group. The Bayad, Durvud, Uriankhai, Tuva, Zakhchin, Darkhad, and Torguud ethnic groups also live in these areas. With the increase in population density, it is becoming a rising problem in Selenge province. For instance, in 2010, there were 2.3 inhabitants per square kilometer of the regional territory in 2010. By 2020, this number had increased to 2.6 people per square kilometer.

Economy

Agriculture is the province's leading industry of development, with the majority of agricultural output being concentrated in both the Orkhon and Selenge basins. The region produces 50-60% of the country's crops and 35-40% of the country's vegetables. Forestry, wheat, food factories, alcohol brewery of Spirt Bal Buram

LLC, and rail repair plants are available in Selenge province. Sukhbaatar city is the key region for road and railway connectivity and is also one of the country's main border checkpoints. Altanbulag, the main trade border with Russia, is under the jurisdiction of this province.

Infrastructure

Connected to the capital by road and railway, the Altanbulag border checkpoint is the main crossing for cargo transportation. The Sukhbaatar railroad crossing was established in Sukhbaatar soum of Selenge province in 1949, with the Naushki-Ulaanbaatar wide track railway network as the traffic and travelers increased sharply in the region.

Under the agreement with Russia on border regulation, the checkpoint was set up as a permanently operating international border pass.



Table 1.21

TUV PROVINCE - SUMMARY

Area	74,042 km ²
Capital	Zuunmod
Distance from the capital	43 km
Number of soums	27
Population (as of 2020)	93,162
Share of national GDP (as of 2020)	1.9%
Number of livestock	4.9m

Demographics

94.2% of Tuv province's population are the Khalkha ethnic group. The majority of inhabitants are either Buddhists or Lamaists.

Economy

Tuv province is located closest to Ulaanbaatar city, which generates 66 percent of Mongolia's total GDP. By taking full advantage of its geographical privilege, the province supplies vegetables, and dairy products to the residents of Ulaanbaatar. For instance, Mongolia's biggest producer of milk SUU JSC collects its raw material from Tuv province. The Jargalant soum of Tuv province also engage in vegetable farming, especially the potato is distinctive with

its taste and quality among the residents of Ulaanbaatar.

The province also has proven resources of gold, lignite, iron ore, lead, wolfram, pure and cloudy crystals, spar, turquoise, lapis lazuli, chalcedony, and tin.

Infrastructure

Considering its proximity to the capital city, Tuv province has a well-developed network of infrastructure. For instance, the road and railway of Ulaanbaatar run through some of the soums of Tuv province. Plus, the newly built Chinggis Khaan International Airport has been constructed in Tuv province. This is the biggest airport in Mongolia with an annual capacity of receiving 3 million.

Table 1.22

DORNOD PROVINCE - SUMMARY

Area	123,597 km²
Capital	Choibalsan
Distance from the capital	664 km
Number of soums	14
Population (as of 2020)	83,087
Share of national GDP (as of 2020)	2.1%
Number of livestock	2.7m

Demographics

This region is inhabited by the Khalkha, Buryat, Barga, and Uzemchin ethnic groups and is divided into 17 soums and 67 baghs. 55% of the population lives in Choibalsan – the administrative centre of the province – which is considered a key economic backbone for the southern region. Having once had the lowest score on the Human Development Index, Choibalsan has sharply turned itself around in recent years and is now the highest-ranking administrative unit in the country.

Economy

Located in the east-most part of Mongolia, Dornod is the third largest province in terms of its GDP per capita. Oil, mixed metals, and coal deposits, including Khuut and Aduunchuluun have been discovered in the region. About one million tonnes of oil are produced annually and under the production sharing agreement with the Government, some MNT200-300b flows to the state coffers from these producers. The Ulaan mine, one of the largest lead and zinc mines in Mongolia, is also located

in Dornod province. The mine project have created about 500 workplaces and can produce 900,000 tonnes of ores annually.

Furthermore, the Altan Tsagaan Ovoo gold and silver project of Steppe Gold is in the territory of Dornod province.

Infrastructure

The region is linked by the main strategic networks of paved roads, railways, and domestic airports. The construction of 237 km long railroad in the eastern corridor connecting Choibalsan and Khuut-Bichigt is expected to commence in 2022.

Both the Ereentsav and Ulikhan border checkpoints have been developed for vehicles and railway crossing. Ereentsav is a permanent railroad crossing created under the bilateral agreement with the Russian Federation. The province also hosts the Arkhashaat crossing of the Xin Barag Barun Banner, Hulunbuir city, Inner Mongolian Autonnomous Region of China.

Table 1.23

KHENTII PROVINCE - SUMMARY

Area	80,325 km²
Capital	Undurkhaan
Distance from the capital	338 km
Number of soums	17
Population (as of 2020)	78,172
Share of national GDP (as of 2020)	1.3%
Number of livestock	4.7m

Demographics

87.3% of the population are ethnic Khalkhas, 8.3% are Buryats, and 4.4% is made up of other ethnic groups. The province is famous for being the birthplace of Chinggis Khaan.

Economy

Khentii is a part of the eastern economic zone. The majority of its territory is mountainous through which the Kherlen and Onon rivers flow. The province borders Dornod, Sukhbaatar, Dornogovi, Govisumber, Tuv, Selenge

provinces, and the Russian Federation. Agriculture makes up 60.1% of the province's GDP, industry accounts for 12.2% and the service sector makes up the remaining 27.7%. The region currently produces 246 locally-brand products which include cashmere, dairy goods, leather, and wheat products.

Infrastructure

The province is connected to the main paved roads and railway network and forms part of the Ulaanbaatar railway network.



Table 1.24

SUKHBAATAR PROVINCE - SUMMARY

Area	82,287km²
Capital	Baruun-Urt
Distance from the capital	565 km
Number of soums	13
Population (as of 2020)	63,822
Share of national GDP (as of 2020)	1.3%
Number of livestock	3.9m

Demographics

The 2020 census showed that the Khalkha ethnic group made up 59.6% of the population, 3.4% higher than the previous census. The Dariganga people make up the other 39% of the population. The region is known for its Dariganga silver craft industry, and its famous award-winning thoroughbred racehorses. The region has stunning natural scenery which includes Altan Ovoo, Shiliin Bogd Mountain, and the River Ganga. The province also hosts the ancient Kurgan Stelae (human statue) and is also homeland of the country's prominent Chief Commander Sukhbaatar.

Economy

Situated in the eastern part of Mongolia, Sukhbaatar province is ranked third in terms of its horse population. The economy is based mostly on agriculture.

Infrastructure

Can be traveled by road transport from the capital. The province has borders crossings at Zuunkhataavch/Ujimqin Banner, and the Xilingol League, Inner Mongolian Autonomous Region, China, via the Bichigt crossing. This is an international border passing regulated under a bilateral agreement between the governments of Mongolia and China.

