



MINISTRY OF FOOD, AGRICULTURE  
AND LIGHT INDUSTRY

# MONGOLIAN FOOD, AGRICULTURE AND LIGHT INDUSTRY SECTOR

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SMEDF Loan Officer





MINISTRY OF FOOD, AGRICULTURE  
AND LIGHT INDUSTRY

# FOOD, AGRICULTURE AND LIGHT INDUSTRY SECTOR

LIVESTOCK

CROP  
PRODUCTION

FOOD  
PRODUCTION

LIGHT  
INDUSTRY

THE TOTAL LAND AREA

**73.5%**

is agricultural land  
/ 114.9 million hectare

FOOD, AGRICULTURE AND  
LIGHT INDUSTRY SECTOR  
EMPLOYS

**53.9%**

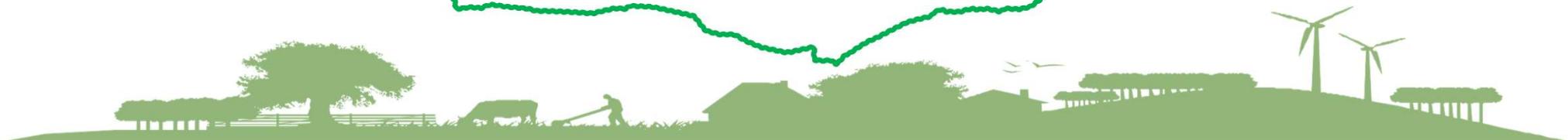
Of total labor force  
/619.000 person/

FOOD, AGRICULTURAL AND  
LIGHT INDUSTRY SECTOR  
ACCOUNTS FOR

**31.2%** of

/ 7.4 billion USD/

GDP



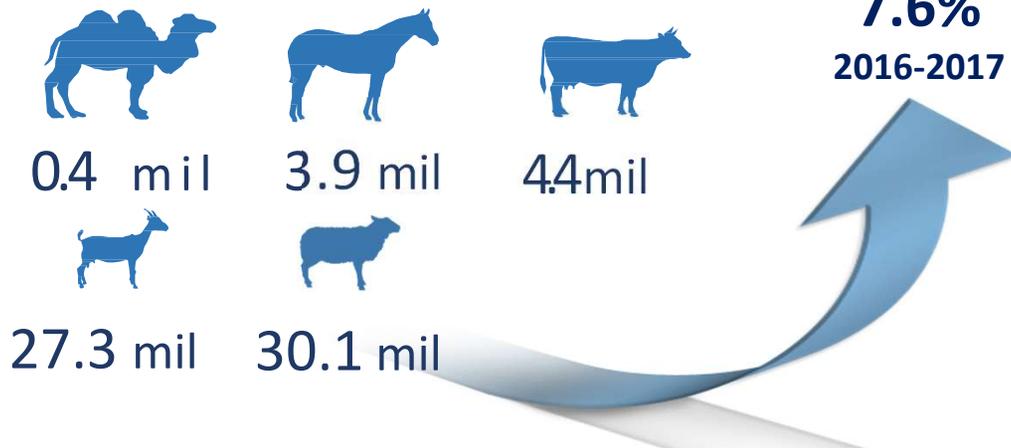


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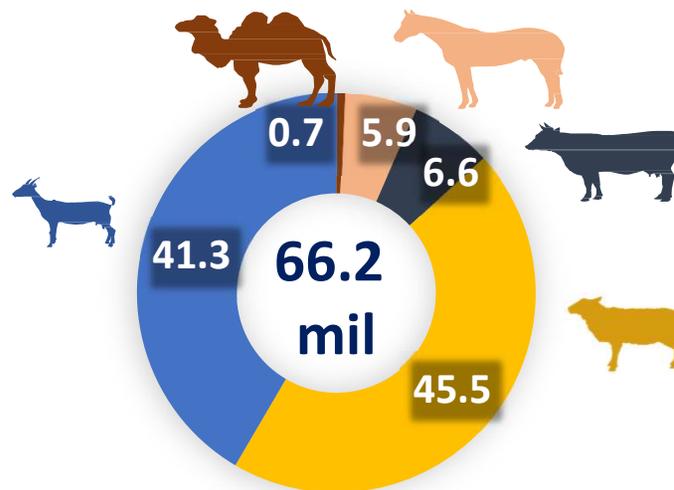
# LIVESTOCK SECTOR



## NUMBER OF LIVESTOCK / AS OF 2017/



## HERD COMPOSITION /%/



## Resource of livestock raw materials:





# CROP PRODUCTION SECTOR



## ARABLE LAND : 1,050.0 THOU.HE AS OF 2017

- Cultivated Land 524,0 thou hectare 50%
- Fallow Land 370,1 thou hectare 35%
- Unused/Abandoned land 155,9 thou hectare 15%

## EXPECTED TOTAL PRODUCTION BY CROPS in 2018 /THOU TONN/

<b>Grains</b>	<b>538.4</b>
<b>Potatoes</b>	<b>171.2</b>
<b>Vegetables</b>	<b>101.9</b>



# FOOD PRODUCTION SECTOR

## Total demand, thousand.t /2017/

Meat, meat products	184.2	Potato	129.0
Dairy	184.2	Vegetables	184.2
Flour, flour products	294.7		

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**Domestic farms:**



**Imports:**



3.1 %



18.0 %



0.4 %



37.5 %



8.2 %





# LIGHT INDUSTRY SECTOR



Total factories  
**2797**



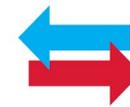
Employment  
**50,900** people



Production Output  
**821.7** million USD



Total export of light  
industry sector  
• **390.0** million USD



Sales



Export

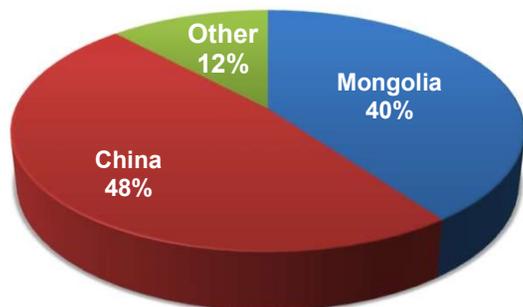
	Sales	Export
Wool and cashmere	320.5 Mil. USD	304.0 Mil. USD
Leather	122.0 Mil. USD	29.2 Mil. USD
Stitch	18.4 Mil. USD	1.2 Mil. USD



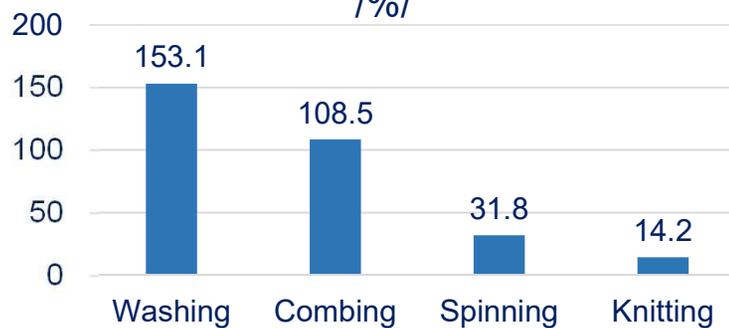
# CASHMERE PRODUCTION



World cashmere resource /%/



Manufacture of cashmere products /%/



Proposed cooperation in cashmere production and processing

- Knitting
- Weaving
- Final processing
- Establish new sales points/chain

# INTERNATIONAL COOPERATION

In food, agriculture and light industry sector, we are pursuing active cooperation with international financial and development organizations such as The World Bank Group, Asian Development Bank, United Nations Food and Agriculture Organization, International Fund for Agricultural Development, JICA, KOICA, Swiss Agency for Development and Cooperation, European Union and Mercy Corps as well as countries such as China, Russia, USA, Japan, Korea, Canada, France, Germany, Italy, Bulgaria, Hungary, Belarus, Vietnam, South Korea, Turkey and Australia.



## Mongolia – Federal Republic of Germany

- Technique and technological renovation of agriculture
- Empowering human resources



## Mongolia – The French Republic

- Import highly beneficial livestock
- Establish a laboratory of livestock inseminator
- Animal health, well-being and registration



## Mongolia – The Czech Republic

- Improving rural water supply
- Mark livestock, make a registration animals into a unified database
- Empowering human resources



## Mongolia – EU

- Capacity building of Veterinary Laboratories
- Supporting Meat and Milk farming and production
- Reinforcement of small-scale plant equipment
- European Union standardization of the tanning industry
- Empowering human resources
- Producing and introducing organic "Mongol brand" to the European market



## Mongolia – Russia

- Eliminate some export commodities tariffs
- Meat exports
- Healthy animals
- Produce and adapt new varieties of the plant
- Technique of crop farming



## Mongolia – Japan

- Food supplies and production
- Improving rural water supply
- Increase crop production
- Empowering human resources



## Mongolia – Korea

- Veterinary
- Improve quality of livestock genetics and livestock
- Produce and harvest seeds of elk elite
- Increase feed production
- Empowering human resources



## Mongolia – China

- Improve genetic resources for livestock,
- Fighting meat exports and trans-boundary animal diseases
- Agricultural products
- Produce new varieties of vegetables
- Technique of crop farming
- Empowering human resources



## Mongolia – Vietnam

- Meat , meat product exports



GOVERNMENT OF  
MONGOLIA

MINISTRY OF FOOD, AGRICULTURE  
AND LIGHT INDUSTRY



ЖИЖИГ, ДУНД ҮЙЛДВЭРИЙГ  
ХӨГЖҮҮЛЭХ САН

# SMALL AND MEDIUM ENTERPRISES DEVELOPMENT FUND OF MONGOLIA



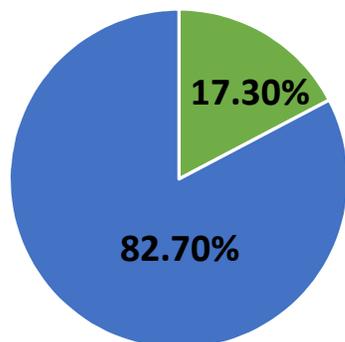


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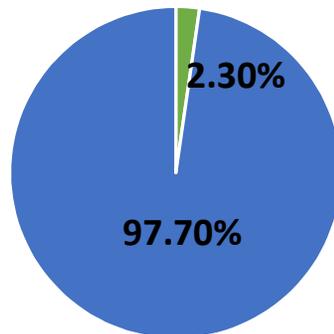
# Small and Medium Enterprises 2018 Data



## GDP EXPORT

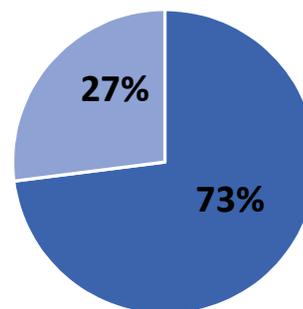


■ SME  
■ Other



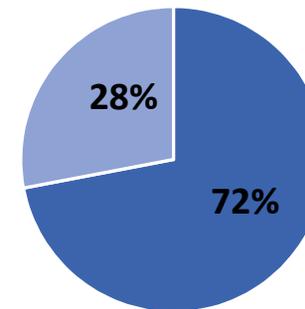
■ SME  
■ Other

## SMEs of Economic ENTITIES



■ SME ■ Other

## EMPLOYMENT



■ SME ■ Other

Total Entities	85,749
SMEs	62,330
Other	23,419



## Background

“Small and Medium Enterprises Development Fund” was established in 2009 under the MoFALI. The purpose of the SMEDF is to support micro, small, and medium sized enterprises to expand their operations, create jobs and meet market demands, and improve their operational management capacity.

Grant long-term concessional loans to SMEs and provide them with information and professional advice

Incubation service for SME to expand their businesses and lease necessary equipment to SMEs

Mutually exchange experiences of small and medium sized enterprises

Help SMEs access international markets and organize events to promote SMEs activities



## Obstacles and Barriers



17.8% of GDP and 2.3% of exports  
are produced by SMEs



Poor technical and technological  
knowledge of SMEs



High loan interest rates for SME's;  
expensive funding resources



Lack of coordination among  
government-academic institutions,  
universities, and private enterprises



Lack of opportunities in an  
international markets; the products  
produced by SMEs doesn't meet the  
quality and safety standards (ISO,  
HACCP)

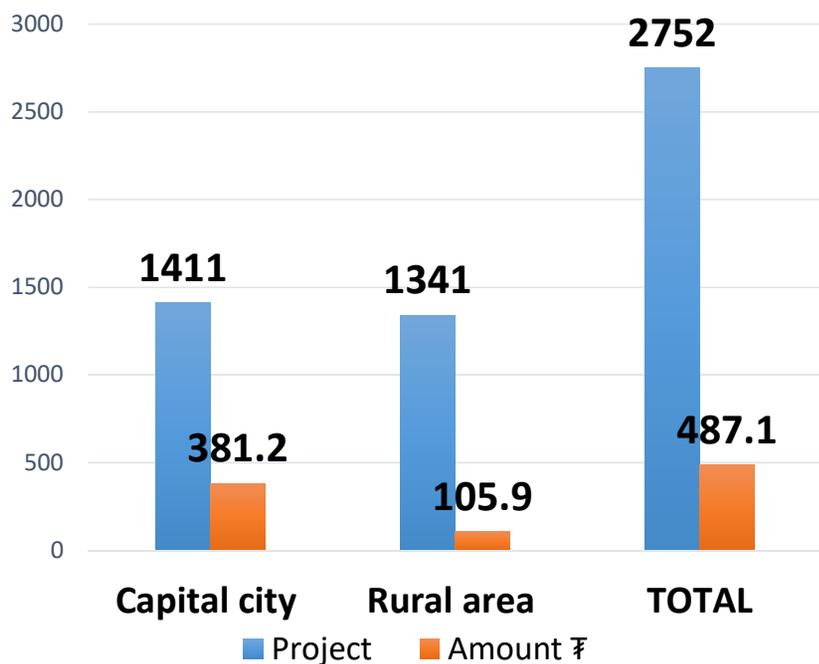


SMEs default rate is high

# Concessional Loan

In 2019, SMEDF granted loans to SMEs from 20million up to 1billion tugriks (\$7,400-\$370,000)

It is a 5 year loan with 3% annual interest rate, and the first year is a grace period.



LOAN REQUESTS AMOUNTED 487.2 BILLION TUGRIKS ABOUT 170.0 MILLION USD

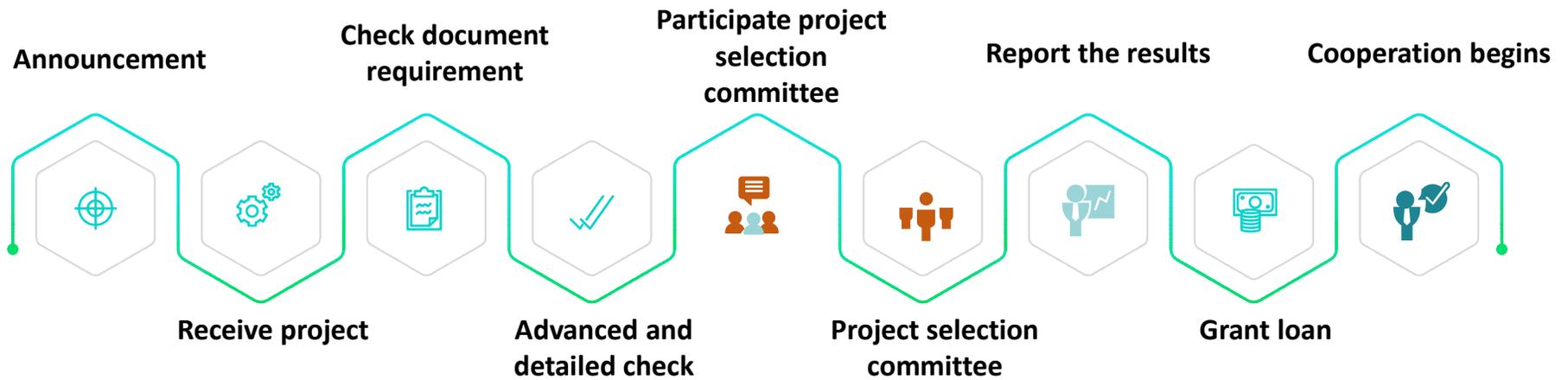


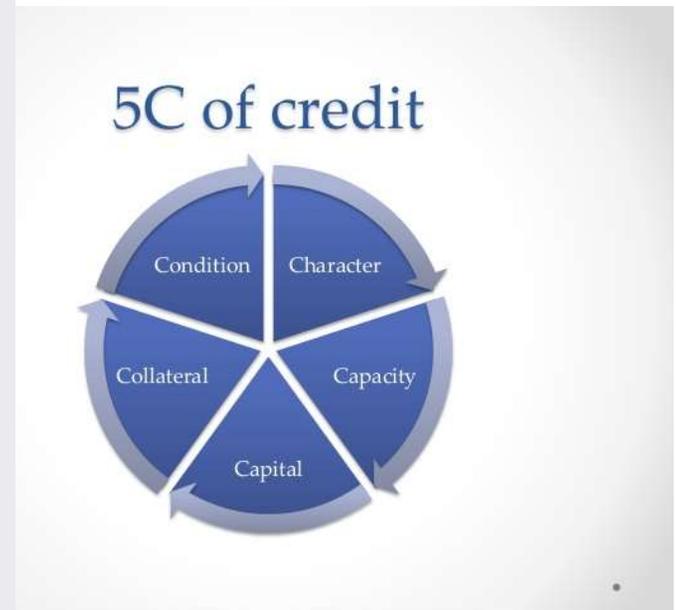
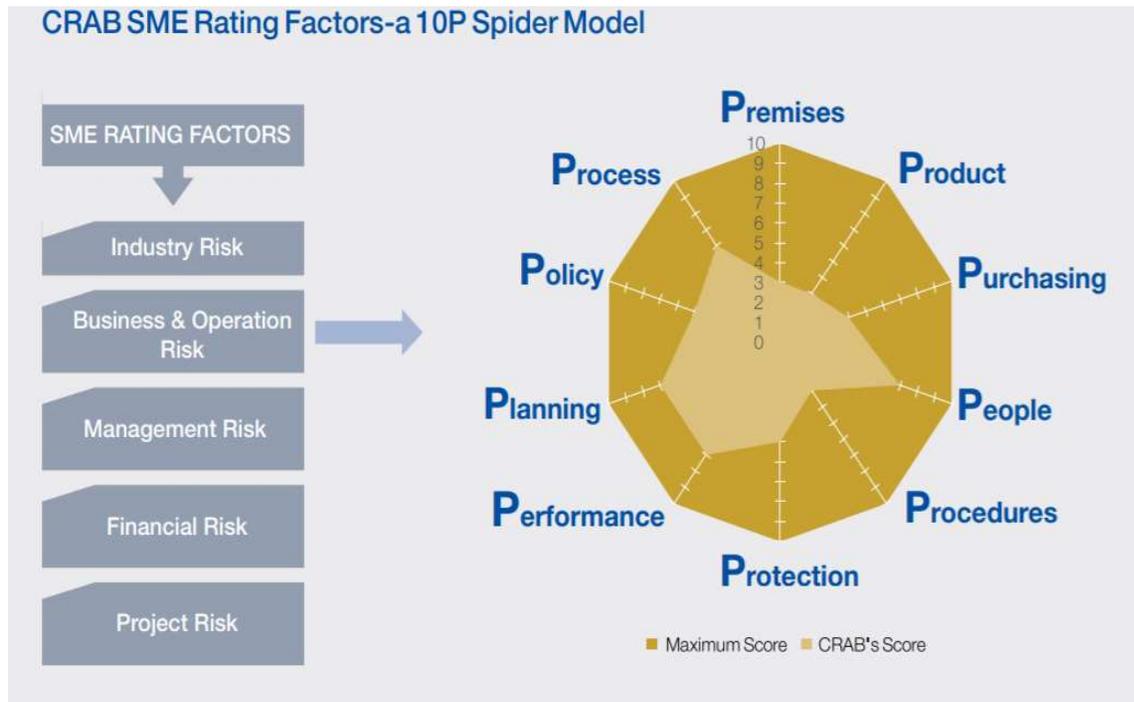
SMEDFUND'S FINANCING BUDGET FOR 2019 WAS 47.0 BILLION TUGRUGS ABOUT 16.5 MILLION USD.



FINANCING GAP IS 10 TIMES LESS THAN DEMAND

# Project Selection Process





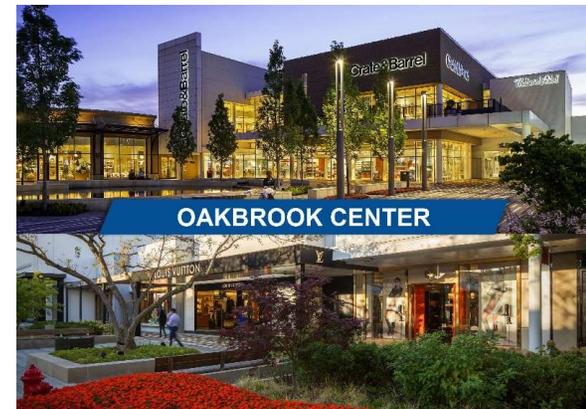


## Mongolian Brand Store – Oakbrook Center, Chicago USA

- Offer SMEs a real opportunity to sell in sales wise 3<sup>rd</sup> biggest mall in the United States of America
- New market entry mentorship
- Introduce standards and practices to ensure SMEs are well prepared to provide high quality products
- Internet expansion

## Export Mongolia 2019 – International Business Forum and Exhibition

- Networking
- Opportunities in International Markets
- Branding and Marketing
- Logistical Business Planning
- Understanding Legalities for Different Markets





**THANK YOU FOR YOUR ATTENTION**

