

Mongolia

Mongolia is a landlocked country in East and Central Asia, known for its vast mineral resources and traditional pastoral economy.¹ Over the past three decades, Mongolia has transitioned from a centrally planned system to a market-based economy. Its development strategy increasingly recognizes the importance of digital transformation (“DX”) to diversify away from mining and agriculture, improve public services, and enhance economic resilience and inclusivity.² In this context, the government has launched various reforms, such as e-government initiatives, to leverage digital technologies for sustainable growth.

1. Industrial Strategy

Overview and Long-Term Goals

Mongolia’s industrial policy has historically centered on extracting and exporting natural resources, especially copper, coal, and gold.³ Over time, policymakers have aimed to diversify the economy and move up the value chain by:

- **Resource-Based Processing:** Encouraging domestic processing of minerals and agricultural products to capture more economic value.⁴
- **Innovation and SMEs:** Fostering small and medium-sized enterprises (SMEs) in manufacturing, technology, and creative industries.⁵
- **Sustainable Development:** Integrating environmental stewardship (land preservation, clean energy) and inclusive growth as part of Mongolia’s industrial vision.⁶

Key Initiatives and Programs

- **Vision 2050:** Mongolia’s long-term development policy framework, which includes goals to modernize industries, reduce dependency on raw exports, and embrace the digital economy.⁷
- **Industrialization 4.0:** Government-led program promoting the adoption of advanced manufacturing technologies (e.g., automation, robotics) to boost industrial competitiveness and create higher-skilled jobs.⁸

¹ National Statistics Office of Mongolia, ‘Statistical Yearbook of Mongolia 2024’ (NSO, 2024).

² US Department of State, *2022 Investment Climate Statements: Mongolia* <https://www.state.gov/reports/2022-investment-climate-statements/mongolia> accessed 6 April 2025.

³ World Bank, ‘Mongolia Economic Update’ (World Bank, 2023).

⁴ Ministry of Food, Agriculture and Light Industry (MOFALI), ‘Industrial Processing Strategy 2022–2030’ (MOFALI, 2022).

⁵ USDS (n 2)

⁶ National Development Agency (NDA), ‘Green Development Policy of Mongolia’ (NDA, 2021).

⁷ Government of Mongolia, ‘Vision 2050’ (Gov.mn, 2020).

⁸ Ministry of Digital Development and Communications (MDDC), ‘Industrialization 4.0 Program’ (MDDC, 2021).

- Support for Light Industries: Policies and incentives aimed at expanding sectors such as textiles, meat processing, and dairy production, often coupling them with digital solutions for supply chain management.⁹

2. Digital Strategy

Integration with Broader Economic Priorities

Mongolia's digital strategy is closely aligned with its broader economic agenda to diversify and strengthen resilience. Key themes include:

- Connectivity and Infrastructure: Recognizing geographical challenges, Mongolia invests in broadband and mobile networks to bridge the urban-rural digital divide.¹⁰
- e-Government Services: Digitalizing government functions through platforms like "E-Mongolia," targeting improved public service delivery, transparency, and citizen engagement.¹¹
- Digital Literacy: Encouraging digital skills across all age groups, including rural and nomadic communities, to ensure inclusive adoption of emerging technologies.¹²

Regulatory Approaches

Mongolia's regulatory approach combines legislation with policy guidelines to encourage digital innovation while upholding public interests:

- Coordinated Governance: The Ministry of Digital Development and Communications oversees national DX programs, working closely with the Cabinet Secretariat and other ministries.¹³
- Public-Private Partnerships: Collaborative models support infrastructure expansion and e-service innovations, engaging telecommunications operators and tech firms.¹⁴

3. Constitutional Provisions

The Constitution of Mongolia (1992) does not explicitly reference digital technology. However, certain articles inform digital governance:

⁹ MOFALI (n 4).

¹⁰ Communications Regulatory Commission (CRC), 'Broadband Expansion Projects' (CRC, 2022).

¹¹ e-Mongolia Academy, 'Overview of e-Mongolia Services' (e-Mongolia, 2023).

¹² USDS (n 2).

¹³ MDDC (n 8).

¹⁴ CRC, 'Public-Private Partnerships in ICT' (CRC, 2020).

- Freedom of Expression (Article 16): Provides a foundation for online communication and the exchange of information.¹⁵
- Right to Privacy and Secrecy of Correspondence (Article 16): Interpreted to protect personal data and private communications in digital contexts.¹⁶
- Duties of the State in Economic Development (Articles 5, 6): Underpins government-led initiatives to modernize industry and promote technological advancement.¹⁷

4. Primary Regulatory and Policy Developments

Data Protection and Privacy

- Law on Personal Data Protection (2021): Sets out rules for data collection, processing, and transfer, imposing obligations on both government agencies and private entities.¹⁸
- E-Government Guidelines: Complementary policy documents detailing best practices for secure handling of citizen data in digital public services.¹⁹

Cybersecurity

- Cybersecurity Law (2019): Establishes a legal framework for preventing, detecting, and responding to cyber threats. It mandates cooperation between government and critical infrastructure operators.²⁰
- National Cybersecurity Program: Provides strategic direction on capacity-building, incident reporting mechanisms, and international cooperation.²¹

Electronic Transactions and E-Commerce

- Law on Electronic Signatures (2011, as amended): Confers legal recognition to electronic signatures and digital documents, facilitating online transactions.²²
- E-Commerce Promotion Policy: Encourages SMEs to adopt digital platforms for domestic and cross-border trade, including simplified customs procedures.²³

¹⁵ Constitution of Mongolia 1992, art 16(16).

¹⁶ Constitution of Mongolia 1992, art 16(13).

¹⁷ Constitution of Mongolia 1992, arts 5–6.

¹⁸ Law on Personal Data Protection 2021 (Mongolia).

¹⁹ Cabinet Secretariat of the Government of Mongolia, ‘E-Government Guidelines’ (Cabinet Secretariat, 2021).

²⁰ Cybersecurity Law 2019 (Mongolia).

²¹ National Security Council of Mongolia, ‘National Cybersecurity Program 2021–2025’ (NSCM, 2021).

²² Law on Electronic Signatures 2011 (Mongolia), as amended.

²³ Ministry of Economy and Development, ‘E-Commerce Promotion Policy’ (MED, 2022).

Emerging Technologies (AI, IoT, Fintech)

- Digital Nation Program: Envisions wider adoption of AI, IoT, and fintech solutions in public and private sectors, emphasizing responsible governance and digital inclusion.²⁴
- Sandbox Initiatives: Regulatory sandboxes overseen by the Bank of Mongolia and other authorities to test fintech and AI applications under controlled conditions.²⁵

5. International Treaties

Mongolia is a signatory to multiple agreements influencing its industrial and digital frameworks:

- World Trade Organization (WTO): Joined in 1997, enabling Mongolia's participation in multilateral trade rules, including ongoing discussions on e-commerce.²⁶
- Bilateral and Regional Trade Agreements: Mongolia has pursued trade deals (e.g., with Japan) that sometimes include provisions on digital services and technology transfer.²⁷
- United Nations Partnerships: Engages in UN-led initiatives (e.g., the ITU's digital development programs) to enhance connectivity and digital literacy.²⁸

6. Plurilaterals

While Mongolia is not party to major digital trade plurilaterals, it maintains dialogue and observer status in various forums:

- APEC (Observer in Some Committees): Mongolia has shown interest in APEC's digital economy agendas, focusing on best practices and capacity-building.²⁹
- Eurasian Economic Union (Informal Engagement): Though not a member, Mongolia has explored cooperation with EAEU countries on cross-border connectivity and e-commerce frameworks.³⁰

7. Legal Cases

Mongolia's trade disputes at the WTO primarily concern resource-based products.³¹ To date, there are no prominent cases specifically challenging Mongolia's digital laws or e-commerce

²⁴ MDDC, 'Digital Nation Program' (MDDC, 2022).

²⁵ Bank of Mongolia, 'Fintech Sandbox Framework' (BoM, 2021).

²⁶ World Trade Organization (WTO), 'Mongolia and the WTO' <https://www.wto.org/> accessed 4 April 2025.

²⁷ Government of Mongolia, 'Economic Partnership Agreement with Japan (MJEPa)' (Gov.mn, 2015).

²⁸ International Telecommunication Union (ITU), 'ICT Development Projects in Mongolia' (ITU, 2022).

²⁹ Asia-Pacific Economic Cooperation (APEC), 'Mongolia's Participation in APEC Forums' (APEC, 2022).

³⁰ Eurasian Economic Commission (EEC), 'Cooperation with Mongolia' (EEC, 2021).

³¹ WTO, 'Disputes by Member—Mongolia' <https://www.wto.org/> accessed 4 April 2025.

policies. This relative absence may reflect Mongolia’s nascent digital regulatory landscape and its general alignment with international norms in data and services.

Conclusion

Mongolia’s industrial and digital strategies aim to diversify the country’s economy and enhance public service delivery, reflecting a shift away from an overreliance on resource exports. Government initiatives—such as Vision 2050, the Digital Nation Program, and e-Mongolia—underscore the commitment to forging a modern, sustainable, and inclusive society through technology.³²

Constitutional guarantees surrounding expression and privacy provide a legal foundation for Mongolia’s evolving digital framework, while recent legislation (e.g., on data protection and cybersecurity) has begun to address the challenges of the digital age. Mongolia’s participation in the WTO and bilateral trade deals also shapes its approach to digital governance, suggesting an openness to global best practices. As Mongolia continues to build out digital infrastructure and regulatory frameworks, its experiences may hold valuable lessons for other landlocked and resource-based economies seeking inclusive and future-ready development pathways.³³

Imran Chowdhury (Last updated 10 April 2025)

³² Government of Mongolia (n 7).

³³ USDS (n 2).