

STATEMENT OF MONGOLIA

Investment, Enterprise and Development Commission

Sixteenth session

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Thank you, Chair.

I am delivering this statement on behalf of my Ambassador.

- Mongolia welcomes this opportunity to exchange views on the latest developments and policies in investment, enterprise and technology.
- We note with cautious optimism the recovery of global foreign direct investment in 2025. At the same time, the increasing concentration of investment in a limited number of economies and strategic sectors deserves our particular attention.
- For developing countries, and especially landlocked developing countries, the key question is not only how much investment is being generated globally, but where that investment goes and what development impact it creates.
- As a landlocked developing country with a relatively small domestic market, Mongolia continues to face structural constraints arising from geographical remoteness, high transport and transit costs and infrastructure and connectivity gaps. These constraints also affect our ability to attract diversified and technology-intensive investment.

Against this background, Mongolia would like to highlight four points.

- **First**, we need to place greater emphasis on the quality and development impact of investment.
- Foreign direct investment should contribute not only capital, but also productive capacity, economic diversification, decent employment, skills, technology transfer and stronger linkages with domestic enterprises, particularly SMEs.
- For resource-rich developing countries such as Mongolia, this also means moving progressively from extraction towards greater domestic value addition and processing.

- **Second**, the rapidly changing technological landscape presents both opportunities and risks.
- Artificial intelligence, digital infrastructure, critical minerals and clean technologies are increasingly shaping global investment patterns. However, the concentration of investment in these strategic sectors risks widening existing development gaps.
- For landlocked developing countries, digital transformation has particular significance. While geography cannot be changed, digital connectivity can reduce some of the economic costs associated with distance and can enable enterprises to access international markets through digitally deliverable services and e-commerce.
- We therefore see investment in digital infrastructure, affordable connectivity, digital skills and enterprise capabilities as an important component of development policy.
- In Mongolia, these trends are already visible. By the end of 2025, the country had approximately 5.0 million internet subscriptions and 2.46 million 5G subscriptions, demonstrating the rapid expansion of digital connectivity and creating new opportunities for e-commerce, digitally deliverable services and technology-enabled enterprises.
- At the same time, Mongolia's investment structure remains highly concentrated.
- Mining accounts for approximately 74.4 per cent of accumulated FDI, followed by wholesale and retail trade at 9.6 per cent and financial and insurance activities at 3.9 per cent.
- This underlines both the importance of FDI to Mongolia's development and the need to attract more diversified investment into value-added production, digital services, renewable energy, sustainable agriculture, tourism and other non-mining sectors.
- In this context, Mongolia would welcome strengthened technical assistance from UNCTAD to translate these opportunities into concrete investment and enterprise outcomes. In particular, we would value support in developing a more targeted investment diversification and facilitation strategy, strengthening linkages between FDI and domestic SMEs, promoting investment in digital and technology-enabled sectors, and supporting implementation of the recommendations of Mongolia's eTrade Readiness Assessment.

- We would also welcome UNCTAD's expertise in identifying investment opportunities that can support greater domestic value addition in critical minerals and other strategic sectors, while contributing to sustainable development and economic diversification.
- **Third**, the global energy and digital transitions should create opportunities for greater value creation in developing countries.
- Growing demand for critical minerals provides significant opportunities for resource-rich economies. However, developing countries should not remain solely suppliers of raw materials.
- Investment partnerships should support local processing and value addition, infrastructure development, technology and knowledge transfer, skills development, domestic supplier linkages and environmentally sustainable production.
- **Fourth**, we need an enabling international environment.
- Developing countries, particularly LLDCs, often cannot compete with larger economies through extensive investment subsidies and incentives. International cooperation therefore remains essential to address structural disadvantages.
- We encourage UNCTAD and development partners to strengthen support for investment facilitation, project preparation, digital and physical infrastructure, technology transfer, enterprise development and access to finance, with particular attention to structurally vulnerable economies.
- In this regard, Mongolia considers it important that the implementation of the Geneva Consensus and the Awaza Programme of Action for Landlocked Developing Countries 2024–2034 reinforce each other, particularly in the areas of productive capacities, economic diversification, investment, digital transformation and private-sector development.
- Ultimately, the success of investment policy should not be measured only by the volume of investment attracted, but by whether investment strengthens productive capacities, enables domestic enterprises to grow, facilitates technological upgrading and contributes to sustainable and inclusive economic transformation.

Thank you, Chair.