



## INFORMATION and COMMUNICATIONS TECHNOLOGY AUTHORITY

- The ICT sector contributes to 8% of GDP growth.
- There are currently 400 companies in this industry
- The sector employs 11,500 people.

### Key Product Segments

- Voice (fixed phone)
- Cellular phone
- Internet/ Datacom
- Software

### Future of Foreign Direct Investment in the ICT Sector

Since 1990 over 20.0 million USD have been invested into Mongolia. International companies will continue to outsource their ICT needs to Mongolia to benefit from the country's competitive advantages, namely cheap labor markets and continued government support for the industry.

More partnerships will develop between domestic and foreign corporations. Currently, most key market players are partially foreign owned.

The Mongolian government is committed to the long term development of this sector as a means of promoting Mongolia's future economic growth. There are tax waiver schemes for foreign investors. The government is also promoting the privatization of private telecom assets.

The availability of low cost and qualified labor contributes to the attractiveness of this industry for foreign investors.

| Company  | Ownership Structure   |
|--|---|
| <ul style="list-style-type: none"> <li>• Mobicom</li> <li>• Skytel</li> <li>• Mongolian Railway Authority</li> <li>• Mongolia Telecom</li> </ul> | <ul style="list-style-type: none"> <li>• 12% Japanese ownership</li> <li>• 60% foreign ownership</li> <li>• JV Mongolian and Russian governments</li> <li>• JV Mongolian government and Korean Telecom</li> </ul> |

| Business               | Comment  |
|------------------------|--|
| Cellular Services      | This market is experiencing continued growth. Care should be taken as there could be a tendency for over saturation as the market matures  |
| Software Outsourcing   | With the availability of cheap and well qualified labor resources, there are plenty of opportunities in this market to assist foreign firms in cutting their costs   |
| Telecom Infrastructure | Currently, Mongolia lacks the necessary infrastructure to continue to maintain its long term goals for growth. Foreign investment in this segment would be strongly encouraged by the Mongolian government |