



**Asian Forum on
Information and Communication Technology
Policies and e-Strategies**
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Mongolia – Country Report



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Distinguished Delegates,
Ladies and Gentlemen,

First of all, allow me to express my gratitude to UNDP, APDIP and Malaysia for the excellent organizing and supporting this important International Forum in Malaysia.

I do believe that many of you agree that ICT is rapidly transforming many key aspects of the basic social and economic structure of the all countries offering a platform for building and applying knowledge; facilitating participation in trade for isolated communities and SME's as well as corporations; being critically important for national competitiveness; and improving the delivery of public services.

In other words social lives and human activities are turning more dependent on Information. Accordingly, the activities such as information exchange, information sharing, information availability, the improvement of the connectivity and access to information have become basic goals to be achieved. IT literacy would be key accelerator to achieve the above-mentioned goals.

The Government of Mongolia recognizes that Information and Communication Technology (ICT) has an important role to play in its development. Therefore, the Government has been taking many important measures to develop ICT sector of Mongolia keeping a pace with other countries'.

The Parliament of Mongolia adopted the "Concept of information and communications Technology development up to 2010" in 2000 year. Also the Medium Term Strategy for the Development of the ICT sector and an Action Plan for its implementation have been adopted by the Government last year. Further, the Parliament also adopted the Communications Law in 2001 and regarding this law the Government has established the Communications Regulatory Committee to improve the regulation of the telecom sector. As well as the Policy & Coordination Department for ICT was established within the Ministry of Infrastructure in January 2003.



According to the Law of Communication of Mongolia, Mongolia has established the Universal Service Obligation Fund to provide the universal and greater access in remote and rural areas. As well as the Prime Minister of Mongolia appoints 6 members of the Communication Regulatory Commission (CRC) and it is working with functions to develop effective and fair competition environment for market participants such as business entity of all type property, citizen; issue licenses, work out professional conclusions and decisions (www.crc.gov.mn).

In order to ensure and implementation of policy, plans and targets on telecommunication, postal services, radio television, information technology, we were completed the Master plan study for rural telecommunication development up to 2020 year and Postal sector improvement plan to 2010 with the high priority projects and feasibility study. At present, we are starting implementation of the some priority projects.

The challenge Mongolia faces is to improve legal environment of IT sector and entering IT based new applications and services. Therefore, the Government with active participation and reflection of ministries, public organization, civil society, NGO, and donor organizations are preparing the draft laws such as Information Technology Law of Mongolia and Law on Information Security.

So far, the Government of Mongolia has paid more attention for the improvement of the basic telecommunications network. In the further, we need to develop the various applications and affordability to access to information.

Since Mongolia became a WTO member in January 1997, it has maintained a liberal trade regime and liberalized telecommunications and IT sector such as domestic (2000) and international telephone services (2002), cellular and internet.

Existing laws have been brought further into line with the WTO agreements by a series of amendments, most notably in 1999 and 2002. A comprehensive framework of laws has evolved to cover trade in goods, services, foreign direct



investment, intellectual property rights, auditing, civil code (Amendment) and standards. Legislation on communications included provisions for supportive of these commitments and there are no obvious restrictions or conditions imposed on the capacity of a foreign legal entity to develop communications businesses other than in areas restricted by laws of national security and interest.

Mongolia is taking wide range of measures to attract foreign and private sector investment in ICT sector and made foreign aid investment for renovation and expansion of backbone network by donor countries, bank and international organizations.

The Mid-term ICT strategy identifies harnessing the potential of ICTs as a key driver of development and is supported by four pillars which include:

- 1) Establishing the appropriate policy, legal and framework;
- 2) Developing the key telecommunications and information infrastructure necessary for providing access to reliable and affordable connectivity;
- 3) Establishing an economic and business framework for the utilization of ICTs in governance and other applications; and
- 4) Developing human resources to effectively utilize ICTs

In order to develop the information infrastructure in Mongolia, the government places priority on:

- Developing government capacity to lead and implement a national ICT program.
- Establishing a policy and regulatory frameworks that encourages the competitive provision of affordable and reliable telecommunications infrastructure and services;
- Establishing an appropriate legal and regulatory framework for the development for e-services;
- Further privatizing Mongolia Telecom sector;



- Digitizing the transmission network between aimags and soums to enable Internet connectivity;
- Establishing appropriate institutional and regulatory frameworks for public-private partnerships in the provision of rural access to ICTs; and
- To increasingly utilize ICTs, especially the Internet in the social services, with a focus on education and health.

Mongolia has made considerable progress in developing its information and communications infrastructure in recent years, particularly in the availability of modern basic service and cellular services. The number of main lines grew from 3.5 per 100 inhabitants in 1996 to 5.4 in 2002. The number of cellular subscribers grew from 1800 in 1996 to 235,000 in 2002 with the licensing of two operators. A number of licensed VSAT service providers also provide various value added services such as managed network services, which allow businesses to utilize ICTs. More than 90% of the current fixed network infrastructure is digitized. Further, Mongolia Railways also owns fiber optic infrastructure. This provides the opportunity to provide affordable bandwidth while increasing returns on state owned assets and investments.

At present, the nation's telecommunications basic network consists of over 1800 km long analogue, about 2100 km long digital microwave link, and 2100 km optical cable backbone link, satellite VSAT network connecting Ulaanbaatar city with aimag's centers, over 27 thousand km. long open wire link connecting aimag centers with sumons and other settlements and of 340 exchanges with the total capacity of over 150 thousand telephone lines. All province centers are introduced the cellular mobile services and number of mobile subscribers are increasing rapidly and cellular subscribers exceeds the basic telephone subscribers, and the number of cellular subscribers reach 10 per 100 inhabitants.

As part of the objective to develop human resources, the Government intends to (i) mainstream IT into the education curriculum; (ii) organize schemes to provide basic knowledge of IT to the population, to support primary, intermediary and advanced IT courses and centers using economic policies, tax policies and other



policies, and to enable broad enrollment/involvement of the population in such training; and (iii) develop distance learning based on ICT, to create a system of acquiring formal education through open training programs, to support training centers that conduct training in the use electronic books.

Mongolia will ensure that the policy and regulatory enrollment allows for fair and competitive provision of infrastructure and services. The challenge Mongolia faces is to increase rural access to ICT infrastructure and services. The Internet service market is fully liberalized. There are seven ISPs in Mongolia and the total speed of outgoing line is reached approximately 16 Mbit/s, whereas of incoming – 9.5 Mbit/s and there are over 10000 subscribers and more than 70000 users presently. Moreover, 16 universities, institutes, colleges with more than 40 thousand teachers and students are connected to the “Erdemnet” network, internet service provider in education sector. We are considering a possibility to connect to the “Erdemnet” network the scientific and local education and culture-related establishments, in particularly the secondary education schools.

In 2002, Mongolia established the IT training center under Science and Technology University of Mongolia in order to support IT applications and improve national capacity building.

The Government of Mongolia’s short to medium term priorities for the ICT sector as follows:

- Develop and implement a Universal Service Fund to provide access in rural and suburban areas of Mongolia,
- Implement policies (economic/fiscal/tax) and design incentives to encourage adoption and use of ICTs in businesses, the social sectors, civil society,
- Cyber laws, and others,
- Create the enabling environment in order to improve availability of IT services including E-learning, Tele-medicine, and national information databases,



- Increase usage of ICT for the economic growth /industry, financial sector, agriculture/ such as introduce ICT applications in socio-economic sector,
- Increase the potential and results of basic and complementary research studies in the ICT sector,
- Develop basic research studies in the natural language processing of Mongolian and Web based translation service,
- Implement e-commerce and e-services/applications for all sectors,
- Develop and implement the Concept on DTH (Digital-To-Home) Distance-learning and education, distance-medicine and national registry, and etc.,

There is coming up the need to elaborate the complete and staged program of wide ranged training on Information Technology, IT literacy for the general public with the purpose of developing the ICT.

Implementation of short and medium term strategy on ICT and infrastructure development will create one of the prerequisite for establishment of knowledge based society, introduction of new types of services and applications, ensuring sustainable and rural development, improvement of access to education and public/social services, and ensuring balanced level of regional development.

Thank you for attention and wish you every success for the Forum.

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