

# ***The Most Favorable Direction for Mongolia in Regional Integration: The Eurasian Economic Union (Summary)***

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Today, regional economic integration is one of the main trends in global economic development. World economic globalization is occurring and most countries undertake protectionism with regards to trade and economic cooperation. In these conditions, countries are choosing regional trade and economic integration.

Mongolia is a country which is not participating sufficiently in regional trade and economic integration. In 2016, Mongolia signed its only Economic Partnership Agreement, with Japan.

According to trade theory, FTAs are most useful to countries which have a similar level of economic development. In this case, the most favorable direction for Mongolia in regional trade and economic integration is the Eurasian Economic Union. This analysis shows that if Mongolia concludes an FTA with the Eurasian Economic Union, the GDP of Mongolia will grow by 1%, while total national welfare will increase by 6.5%.