

A Study on the Utilization Rate of the Agreement between Mongolia and Japan for an Economic Partnership (Summary)

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It has already been five years since the first “Economic Partnership Agreement” of Mongolia with Japan took effect on June 7, 2016. Generally, bilateral trade between the two countries has increased during this period. However, research on how the parties fully utilize the Agreement is insufficient to date. Therefore, it is necessary to evaluate the utilization rate (UR) of this Agreement in order to review the implementation. To this end, a utilization rate analysis and a survey of domestic enterprises and businesses were conducted to draw clear conclusions.

The study findings reveal that local businesses have a relatively good awareness of the Agreement even though its utilization rate has been unstable during the first five years. Factors affecting usage include the Coronavirus (COVID-19) pandemic, the rules of origin criteria, sanitary and phytosanitary measures (SPS), and other technical regulations or Technical Barriers to Trade (TBT). Moreover, it has been found that the majority of Mongolian businesses are willing to reform their business strategies and work closely with the State administrative body in charge of foreign trade, the Chamber of Commerce and Industry, and experts in foreign trade. Responses also showed that Mongolian businesses are interested in utilizing the preference of the EPA to develop broader trade not only with Japan, but ultimately with other countries in the region.

Keywords: Economic Partnership Agreement, Tariff Preference, Utilization Rate Analysis

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