

# EU TRADE RELATED ASSISTANCE FOR MONGOLIA (TRAM)

## NEWSLETTER



Монголын Худалдааг Дэмжих Төсөл

Issue no. 6 | Date: 01.07.20

### TRADE POLICY

A Working Group comprising representatives from all trade-related institutions was created to evaluate the Regulation on safeguard measures drafted by TRAM and to make a proposal for its adoption by the Government. TRAM has also started drafting a regulation on antidumping and countervailing measures, which will be finalised in the second half of the year.

With TRAM support, the EuroChamber in Mongolia prepared a study on 'Options for support of export financing of Mongolian SMEs as COVID-19 impact mitigation measures and for medium-term capacity development'. The study provides solutions and options for economic growth in the short, medium and long run, in view of the COVID-19 crisis.

### TRADE FACILITATION

MASM took into account the clusters' recommendations to adopt several ISO standards, in order to enable the cluster members to export their products to the EU. For this reason, TRAM organised an online training on ISO 14001:2015 (Environmental Management System) for MASM. TRAM also translated several ISO standards that are relevant for MASM and Mongolian exporters.

TRAM delivered 'training of trainers' to the Customs Administration Office. The main topics were risk management systems and authorised economic operators, both 'Category C' obligations under the WTO Trade Facilitation Agreement (TFA). 25 customs officials are now recognised trainers on these topics. The project also provided specific training on the EU REX system, focusing on EU rules of origin and the role of Customs in control and verification.

### EXPORT DEVELOPMENT

The COVID-19 pandemic has been very damaging for Mongolian export businesses. With the long lockdown of retail businesses in all target markets, as well as the closing of borders and hardening of customs controls, Mongolian exporters are facing an unprecedented decline in their exports. In view of the COVID-19 restrictions, TRAM has introduced new approaches, such as virtual training with EU-based experts, to implement the planned activities and support the beneficiary institutions and companies in the best possible manner.

In April 2020 TRAM organised a **matchmaking for members of the yak/baby camel hair cluster**, in which sellers (herder cooperatives) and buyers (processors, manufacturers) of raw materials could make their offers and requests. Due to COVID-19, we conducted this event through an e-mail based procedure, developed by TRAM in collaboration with the cluster members. While the cooperatives offered large quantities of raw materials (natural fibres, skins, meat, etc.), only a few manufacturing companies placed requests. This was an immediate effect of COVID-19, which made the sales perspectives of the companies uncertain and left them without working capital to purchase raw materials.

To support the entire yak/baby camel hair value chain, from animals to markets, TRAM organised **four training workshops for yak herders in Huvsgul and Arkhangai Aimag and for camel herders in Omnogobi and Bayankhongor Aimag** in May 2020. The workshops aimed at improving herders' collection of raw materials and checking the use of corridors for more effective and less harmful combing of the animals. These corridors were commissioned by TRAM in a metal version for yaks and a wooden version for baby camels. They proved to be very useful for the efficient combing of fibres without harming the animals and ensuring sorted and traceable raw materials. **TRAM has now supported the provision of such corridors in ten soums.** In addition, TRAM provided the herders with 450 large bags for fibre transport and 600 special combs for yaks and camels.



IMPLEMENTED BY THE FOLLOWING CONSORTIUM:



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## PROFILES



**B. GERELT-OD**

*“The leather industry is one of Mongolia’s oldest sectors based on raw materials from livestock grazing on natural pastures. As a cluster we would like to process this valuable resource with chrome-free vegetable tanning and unite the efforts of the member companies and stakeholders to introduce our leather products to the global marketplace.”*

### Basic information

**Title:** Vice President of the Mongolian Leather Producers’ Association;  
Head of the Leather Products Cluster  
**Nationality:** Mongolian  
**Years of experience:** 20+

Having graduated from the Production and Craft College in Ulaanbaatar in 1998, Mr B. Gerelt-Od completed his training in leather product design, with a special focus on leather shoes, at the Fashion Design Institute in Ulaanbaatar in 2005. Between 2006 and 2007, he attended a professional school for leather product designers in Seoul. Since 2005, B. Gerelt-Od has been working in the Chig Shoes Factory. He has been General Director of the Brand Shoes Company since 2008. He successfully participated in the Ulaanbaatar Fashion Week in 2008 and 2009, with his collection of leather shoes and bags, and was voted ‘Best Young Entrepreneur’ in 2012. In November 2019 he was elected Chairman of the Board of Directors of the Leather Products Cluster. This group of companies and public and scientific institutions is a beneficiary of EU TRAM. The focus of the project’s support to the cluster is on developing high-quality products with modern designs made from yak leather with vegetable tanning, for which Mongolia has a unique selling position

## OTHER ACTIVITIES

**Activity 1:** Support to GASI in raising public awareness about the draft Law on non-food product safety (April 2020)

**Activity 2:** ‘Training of trainers’ on the general principles of the WTO TFA and the roles of all institutions that are members of the Mongolian National Trade Facilitation Committee (14-15 May 2020)

**Activity 3:** Printing of the Glossary on trade facilitation terms, drafted by TRAM in 2019, and its distribution to a wide range of public and private stakeholders

**Activity 4:** Preparation of ‘Business Climate Survey in Mongolia 2020 and Implications for the Development Strategy of MNCCI’ study by the National University of Mongolia

**Activity 5:** Initiation of registration for the EU market of seven cosmetics products with ingredients of animal origin, supported by a specialised EU-based service provider

**Activity 6:** First joint meeting of all four clusters to strengthen their cooperation and role as proponents of public-private dialogue (18 June 2020)

**Activity 7:** Training of MNCCI staff and cluster representatives on various topics of relevance for exporters, including training of facilitators (June 2020)

**Activity 8:** Capacity building of MNCCI to register companies under the new EU REX scheme, with about 60 companies successfully registered until the end of the transition period on 30 June 2020

## UPCOMING EVENTS

- / **July-August 2020:** Online training on improving leather product designs and production quality
- / **August 2020:** Training at the borders on the WTO Trade Facilitation Agreement
- / **August 2020:** EU TRAM Steering Committee meeting
- / **August 2020:** Meeting with four clusters on cooperation with the Made-in-Mongolia shop and online sales platform
- / **August 2020:** Meetings with four clusters on developing their websites and an online product catalogue
- / **September 2020:** Participation of the leather cluster at the International Leather Goods Fair in Offenbach (Germany)
- / **September-October 2020:** Further training on ISO standards
- / **September-October 2020:** Consultations of the Working Group on the draft Regulation on safeguards
- / **September-October 2020:** Establishment of the Working Group on the draft Regulation on antidumping and countervailing measures