

POLICIES TO SUPPORT SMALL AND MEDIUM SIZE ENTERPRISES AND ITS IMPLEMENTATION in KHENTII PROVINCE, MONGOLIA

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Abstract— The development of a country is mostly based on small and medium enterprises, and its development having major impacts on solving social and governmental issues. In other words, the development of small and medium sized enterprises contributes to the country's monetary situation, technological innovation, creation of jobs, and increasing number of businesses. Since the beginning of the 21st century, the reputation of small and medium enterprises has grown significantly and its impact on socio-economic development has been widely recognized. Thus, this article attempts to determine the importance of small and medium enterprises in its economy. Therefore, not only in the Mongolian SMEs, we focus on province-based SMEs according to the data studied in the frame work of the topic of policies to support small and medium size enterprises and its implementation in Khentii province, Mongolia.

Keywords—Academic studies, benefits, development, government, growth, efficiency, implementation, policies, SMEs; small businesses;

I. INTRODUCTION

In accordance with the relevant studies and related researches on implementation of policies to support small and medium size enterprises in Khentii province, Mongolia, it expects to have long recognized the significance of SMEs from the beginning and the middle of the development of the country. Small and medium enterprises play a key role in creating competition and accelerating economic growth. Since the 1990s, small and medium-sized enterprises in Mongolia have developed and established their own historical development and experience, and have taken a strong position in the country's economic structure. The emergence of the small and medium sized enterprises has created a new entrepreneurial environment and on the other hand, the major national crisis and decaying processes have greatly contributed to this. In particular, about 70 percent of the population like Khentii, Mongolia is central to the urban area, most of which are market-based, low-budget, low population size, unemployment and poverty are important sectors for national economic security. Today, SMEs are engaged in middle-income groups, which are the basis of sustainable economic development of many countries. Developed countries such as the United States, Great Britain, France, Japan and Singapore have been particularly important in developing SMEs and have been developed as one of the priorities of the state policy. As a result of many international successes, Mongolia [Mongolian State Statistical Office, Statistical Yearbook 2009. p.300 Ulaanbaatar, Mongolia; Central Intelligence Agency, "CIA Factbook, 2010"] is now open to developing the SMEs and developing into the developed world. Mainly and logically what it does say is that the policies to support small and medium size enterprises and its implementation in Khentii province, Mongolia should be studied in the real platform for further needs and developments, regionally.

RESEARCH BACKGROUND

The solutions on SMEs to attain fruitful and optimal policies and implementations to support small and medium size enterprises in Khentii province, Mongolia should be studied in the real platform for further needs and developments, regionally, since small and medium sized enterprises (SMEs) are responsible for addressing many of the country's most pressing issues, such as increasing the production of consumer goods, developing aimag centers, reducing workforce, improving employment, infrastructure development, and creating new products and services comparing to the case studies of the most developed and developed countries, are the main pillar of the national economy. SMEs contribute substantially to employment and GDP output. When classifying business owners are large, medium and small, they use several criteria factors.

- I. Total Assets: Cash held by the entity, inventories, land, machinery, equipment and other resources
- II. Your capital: Total capital invested
- III. Annual sales revenue
- IV. Number of employees

In addition, each country determines different levels of economic development, market size, and state related participation in business, employment status, and budget [A "budget organization" is a registered, non-profit entity owned by the state administration and local government.].

RESEARCH OBJECTIVES

To study the current situation of the Mongolian SMEs based on international perspective and relevant studies by focusing on fruitful and optimal policies and implementations to support small and medium size enterprises in Khentii province, the main objective of this study is to determine current engagement of Mongolian SMEs policies towards supporting small and medium size enterprises in Khentii province. Hence, it is to aim for:

The objectives of this research are as follows:

1. To define what procedures of supporting small and medium size enterprises in Khentii province;
2. To have research previous studies that shall be helpful in supporting small and medium size enterprises in Khentii province;

HYPOTHESES AND SIGNIFICANCE OF THE STUDY

In accord to this academic paper, these hypotheses as below indicated are important to study:

Hypothesis:

Supporting small and medium size enterprises in Khentii province is a key to keep the stable economic and social development regionally in every sector of business. However, many governmental and province based SMEs [Heritage Foundation – Index of Economic Freedom 2010] are not the same for the factual implementation and will be studied in this research towards theoretical and legal platforms of supporting small and medium size enterprises in Khentii province.

II. GOVERNMENTAL POLICIES TO SUPPORT SMES AND CURRENT IMPLEMENTATION OF RELEVANT PROGRAMS

Historically and up to the present in wide range of studies what the policies of Mongolia for implementing in Khentii are implemented in urban, suburban and rural areas and hence, let we discuss more about those issues below. The Mongolian Law on SMEs provides annual sales income of up to MNT 250 million up to MNT 1 billion. SMEs have the advantage of being able to market the product to market ready, competitively, short-term product production and services, and flexibility to acquire new product markets, and to personally communicate with their customers and employees.

The SMEs trends are divided into three categories.

- 1) Small Import Factory
- 2) Small factory with export oriented
- 3) Targeted to the domestic market

Imported from our country is dependent on changes in exchange rates. Therefore, the production of economic independence is crucial. SMEs have become the first country to develop their prosperity. As the history of human development develops, narrowing of the work schedule and the development of labor diversification has resulted in the improvement of labor tools and equipment, which resulted in the creation of first small workshops. SMEs are the first unit of business sector for development and development. At the same time, they have played an important role in the development of the country's history and have become the main sector of the economic strategy [Report UNICEF Country Statistics] of developing countries. It is also important to reduce unemployment, poverty reduction, economic growth, and accelerate regional development. In our country SMEs development trends are:

- i. In recent years, it has been successful in comparison with competitors
- ii. Simple management structure
- iii. Female labor force is increasing
- iv. The spread of SMEs has increased
- v. Increased consumer demand in the market and reduced product life cycle and increased diversity
- vi. Labor force reduction and automation have been automated
- vii. Capital and financial environment are in place
- viii. People have an interest in having their own assets

The Government of Mongolia established SMEs policies and guidelines, in which the Law on Small and Medium Enterprises was approved in 2007, the SMEs, the Government Implementing Agency, and the Development Fund for SMEs in 2009. The government has been focusing on improving the business environment and SMEs in 2009. "Year of Production Support", 2010 "Business Environment Reform Year", "Year of Employment Promotion" and 2011 "Year of Support for Family Development" In 2014, the Government approved the "Small and Medium Enterprises Promotion Program (2014-2016)". Within the framework of this program, 2016 will be announced by the "Year of Promotion of Domestic Production and Sales", promoting competitiveness of small and medium-sized enterprises and increasing employment in specific policies and

activities. Since the start of the transition to Mongolia's new social and economic system in the early 1990s, the private sector has emerged and emerged as a condition. Particularly, the initial investment was low, and SMEs were created in the economy of low-cost sectors and made rapid competition. In addition, Mongolia has been focusing on the development of SMEs since 2005 and has been taking regular action from year to year.

Specifying the role of SMEs in Mongolia:

- a) 81% of the total active enterprises, or 58,482, are operating
- b) About 70 percent of total employees or 719,172 people work
- c) 67% of total workforce is SME sector
- d) Over 20 percent of GDP and 2.3 percent of exports
- e) 19% of corporate income tax
- f) 22% of VAT.

Manufacturing is a country of independence. Domestic products are a guarantee of healthy living for Mongolians. This shows that small and medium-sized enterprises play an important role in the economic development of the country. This has strengthened the position of private sector SMEs in the Mongolian economy and strengthens its dominance.

According to statistics of the National Statistics Office of Mongolia in 2016 [ILO: Decent work and the informal economy. Report of the Director General, International Labor Conference, 90th Session, Geneva, 2002.], 141.5 thousand businesses and organizations are operating nationwide, of which 72.2 thousand are operating, of which 81% or 58.5 thousand are active in the SME sector. A small and medium enterprise that pays regular tax is 42098 [In this situation, registered refers to official registration with the State Registration Office as a business/enterprise, with obligations to pay state taxes.]. Although SMEs are dominant in the private sector, the number of taxpayers indicates that the financial situation is severe.

ARGUMENT 1: ANALYSIS ON SMALL AND MEDIUM ENTERPRISE POLICIES (SMEPOL).

Analysis on Small and Medium Enterprise Policies results show that the need for SMEs in rural areas is relatively high compared to SMEs in Khentii province. This is due to the fact that poverty and unemployment are relatively high in rural areas. In terms of geographic location and operating classification, more than half of SMEs involved in the survey are required to finance their financing through bank loans. It is observed that more than half of the funding is spent on business operations and working capital. The survey results show that the difficulty of obtaining a loan, interest on financing, availability of funding from the capital market, funding duration and financing is a major problem in the financial environment. For businesses that have been involved in loans and loans, the loan interest rates are high, the loan terms are short, and the main loan size is difficult to do business [E, Z., & Hong, Z. 2018]. On the other hand, about 20 percent of SMEs who have borrowed loan terms and conditions have no difficulty in repaying their loans. At the end of 2008, about 35 percent of SMEs paid regular taxes. This shows that 30 percent of SMEs are stable and stable income. In the past year, however, SMEs (27%) who did not get the loan due to loan conditions were difficult to identify, the loan conditions were difficult because the loan conditions were difficult due to the high interest rates, short loan terms and collateral value. replied. Even though the loan was issued to lenders, there were still a number of SMEs who could not be financed due to failure to comply with the loan requirements. The reasons for which they did not receive the loans were that they did not receive a loan due to the high risk of collateral, lack of fixed income and non-receipt of fixed income [Based on the National Statistics

Office definition, a company is considered inactive if it fails to submit a quarterly corporate income tax (CIT) report to the general taxation authority for any given consecutive 18-month period]. Analysis on Small and Medium Enterprise Policies show that the biggest problem of SMEs cannot be reached is collateral for implementing a Loan Guarantee Institution or Collateral Support Service to support sustainable livelihoods of vulnerable SMEs who are unable to access credit because of lack of collateral, high risk of business, fixed income or non-revenue approval documents, importantly. The majority (70%) of SMEs involved in the sample survey considered that there was a need for further financing, while about 30% did not need financing. Here is a summary of SMEs and about 70 percent of the stakeholders face financial difficulties, and some financial needs are emerging. In the future 51% of SME entrepreneurs who need funding need to finance up to MNT 1 million up to MNT 10 million, while 32% of SME companies are between 10 million to 50 million MNT and 46% above 50 million MNT for funding is needed.

The average interest rate of the SMEs is 5.8%, which is two times lower than the loan interest rate. It is recommended that half of SMEs who are in need of financing preferably from 5 to 15 percent interest rate. It is desirable to identify these SMEs depending on the nature of the business sector. For example, interest rates for entrepreneurs are 5% to 10%, 10% to 15% discount on discounted interest rates for services and trade sectors.

ARGUMENT 2: OPERATIONS OF GOVERNMENTAL ORGANIZATION ON SMES.

Promoting and supporting small and medium-sized enterprises (SMEs) is still an economic priority of the world's countries. Development of SMEs plays an important role in economic growth while reducing poverty and unemployment. In addition, SME development contributes to reducing inequalities in income, supporting social stability, and promoting private sector development. The Bank of Mongolia's Monetary Policy and Research Department, MEC co-organized a sample survey between March and April of 2011, aiming to identify the current development [Conference. (International labor Office, Geneva, 2007). 8 Ibid.: Local economic development and decent work research kit, Manila, ILO, 2006 (Geneva, ILO, 2007).], challenges and financing of SMEs in Mongolia. Within the scope of this study, SMEs have been classified and sampled in accordance with Article 5 of the Law on Small and Medium Enterprises. Based on the economic sector, geographical location and number of employees, the random sampling unit was selected.

The purpose of this study is to identify which factors affect the macroeconomic environment, the social environment, the general business environment, and the cost of SMEs in Khentii province and rural areas and to find out how much government policy is available, The SME financing situation and the future needs. The Law on Small and Medium Enterprises was passed on 27 July 2007, "The Customs and VAT Exemptions for Small and Medium Enterprises" under the State Policy [State policy on informal employment, 1.3. <http://www.legalinfo.mn/annex/details/3226?lawid=6542>.] and Guidelines on Setting and Promoting SMEs.

"The law was adopted and enforced in 2009. The Ministry of Food, Agriculture and Light Industry and Small and Medium Enterprise Development Fund have been established to support the activities of SMEs. However, SMEs still face difficulties in macroeconomic [Parliament of Mongolia: Report on Mongolia's macro-economic state in 2013 and forecast for 2014. Available at: www.parliament.mn/files/download/45734 (in Mongolian only).], social, legal, infrastructure, and financing issues in our country. Therefore, the types of difficulties and problems faced by SMEs and enterprises are being identified at the national level, as well as to identify the reasons for their impact on the economic sectors of the capital city and provinces .

Article 15.1.4 of the "Small and Medium Industry Law" provides that small and medium sized enterprises support financial development and improve their own capital adequacy. However, the lowest rates are in Khentii

area when looking at the support of SMEs by provinces for investment. The survey was aimed at setting the current financial condition of SMEs, determining the difficulty of borrowing and paying and the interest, amount and timing of future financing required.

III. RECONSTRUCTION AND DEVELOPMENT OF POLICIES TO SUPPORT SMES IN KHENTII PROVINCE

For the development in SMEs in the regions, this states that 31% of the funding sources considered SMEs to be in need, include working capital, 12% to expand business operations, 18% to purchase machinery and equipment, 23% to expand and build new buildings, 7% plans to train employees. The share of this spending is almost the same as for SMEs spending. In other words, the sources of funding for most of the SMEs are needed to finance their working capital and equipment. 34% of all SMEs involved in the survey need 10 to 50 million tugrugs for business activities, while 15% are from 5 to 10 and 19% are from 50 to 100 million tugriks. The average amount of financing available to SMEs is approximately MNT 73.0 million. When considering the required funding for SMEs and enterprises, 51% of citizens need funding from 1 to 10 million tugrugs, while 30% of them need 10 to 50 million tugrugs. However, 32% of enterprises need 10 to 50 million MNT and 46% more than 50 million MNT [USAID/Mongolia Strategy 2004-2008; EPRC Mid-Term Evaluation]. As shown above, the average funding requirement for SMEs is about MNT 36.0 million and the business value is about MNT 100 million [Mongolia applies a two-tier tax system, where firms must pay 10 per cent of their annual income (less allowable deductions) up to a maximum of MNT 3 billion. Greater annual incomes pay a higher rate of 25 per cent. For the purposes of this study, however, a MNT 1.5 billion threshold has been assumed, based on the historical tendency of Mongolian enterprises.]. More than half of SMEs who need financing in the future assume that 45% of them have financial resources for more than 5 years. However, 30% of SMEs need financing from 3 to 5 years, and 19% are financing from 1 to 3 years. Average interest rate requested by SMEs is 5.8%. The interest rate requested is approximately half the discounted rate of interest on Special Funds. The survey findings suggest that about 30 people who are interested in financing will be interested in further interest-bearing loans. This is unlikely to be available today because of the insufficient financial resources of soft loans. On the other hand, 15% of the loan interest rate is 10% to 15%. 31% of the respondents replied that the loan interest rate is 5 to 10%. From this perspective, half of SMEs who have the real needs of financing are considered to be preferable to 5 to 15% interest rate loans. It is possible to define interest rates ranging from 5% to 15% depending on the specific features of the industry. In other words, the interest rates for entrepreneurs are 5% to 10%, and discount rates for services and trade sectors are 10 to 15% [World Bank, Mongolia Quarterly Economic Update, p. 18].

ARGUMENT 1. CURRENT DEVELOPMENTS OF SUPPORTING SMES IN KHENTII PROVINCES.

According to statistics of the National Statistics Office of Mongolia in 2016, 141.5 thousand businesses and organizations are operating nationwide, of which 72.2 thousand are operating, of which 81% or 58.5 thousand are active in the SME sector [ILO: Measuring informality: A new statistical manual on the informal sector and informal employment (Geneva, International Labour Office, 2013)]. A small and medium enterprise that pays regular tax is 42098. Although SMEs are dominant in the private sector, the number of taxpayers indicates that the financial situation is severe. According to a World Bank study, SMEs are more developed in low-income and low income countries. In recent years, the government has taken many measures to develop SMEs in Mongolia, and measures to support the financing have fallen [World Bank, 2010].

TABLE 1. WORLD BANK, THE INTERNATIONAL SME CATEGORIES IDENTIFIED AS BELOW:

	Production Type	Main assets /myan.am.dollar/	Number of employees
1	Micro	20.0	1-19
2	Small	100.0	20-99
3	Middle	2000.0	100-499

Source: L.Oyuuntsetseg "SME's technical and economic feasibility study to develop methodical recommendations" Online 2002

[Assuming exchange rates per USD in 2000 and 2017 of 1,091 MNT and 1,350 MNT respectively. 52]

TABLE 2. SOME DEVELOPED COUNTRIES TOWARDS TYPE AND NUMBER OF EMPLOYEES IN KHENTII, MONGOLIA

State Name	Micro	Small	Middle
European Union	1-9	50	51-250
Great Britain	1-24	25-99	200
France	1-9	10-50	51-200
Germany	1-9	10-49	50-499
Japan	1-10	11-50	51-500
USA	1-24	25-99	100-499
Mongolian	1-9	10-19	20-49

Source: <http://fxclubmongolia.blog.gogo.mn>

One of the biggest impediments to SMEs in Khentii is the funding environment, as is the case with developing countries: Lack of access to credit, the basic conditions of the loan are hard (high interest rate, low amount, short term), weak capital market development, lack of collateral and guarantee. The amount of concessional lending offered by international organizations and government is not sufficient to finance SMEs (there is no possibility to financially support), while SMEs have a low interest rate, medium and long term, and sufficient funding for entrepreneurship. The resources are currently inadequate for our banks and financial institutions [<https://www.montsame.mn/en/read/122278>]. Due to the lack of capital market development (especially in the rural areas), entrepreneurs have limited access to funds based on their capital, technology and technology, as well as unemployment and poverty are still high, as collateral for capital and guarantees for financing is difficult .

A. TABLE 3. ENTITIES - NUMBER OF EMPLOYEES CATEGORY

		Employee numbers and categories				
		1-9	10-19	20-49	50 more	Total
2012	Number	43501	3732	2824	1881	51938
	%	83.8	7.2	5.4	3.6	100
2013	Number	46347	3789	2990	1803	54929
	%	84.4	6.9	5.4	3.3	100
2014	Number	50932	3953	3134	1824	59843
	%	85.1	6.6	5.2	3	100
2015	Number	53218	4864	3827	2392	64301
	%	82.8	7.6	6	3.7	100
2016	Number	60668	5078	3979	2457	72182
	%	84.1	7	5.5	3.4	100

According to the number of employees in Khentii province, the number of enterprises with 1-9 employees is 60,668 and 84.1% of the total number of entrepreneurs is most small businesses. The development of SMEs is not only in the single economy but also in the society [Booklet-8; Shadow economy (Mongolbank, 2013), p. 22.], or in the absence of unemployment, reducing poverty and creating a household producer. Internationally, SMEs development is defined by GDP and employment contribution.

ARGUMENT 2. ANALYSIS ON POLICIES AND ITS IMPLEMENTATION IN SMES OF KHENTII PROVINCE AND URGENT ISSUES.

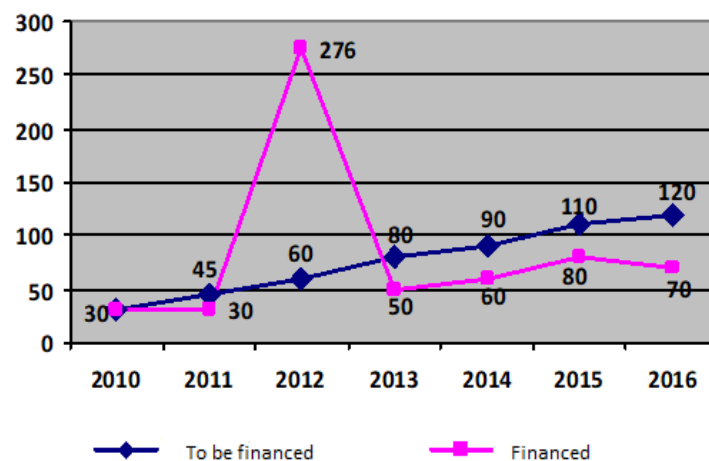


Figure 1. SME finance (in billions of MNT)

About 70 percent of SMEs are in constant financial difficulties, and there is a significant amount of money to overcome this problem. The government's lack of access to funding from SMEs is limited to financing from SMEs. Therefore, it is necessary to make financing policy and operational support more accessible, to improve implementation, to reduce the number of public service lines, to reduce the bureaucracy and red tape, and to support more and more funding and tax policies [2014, SI Chamber of Commerce, Enhancing SME Development for Economic Growth and Prosperity for Solomon Islands: Perspectives from the SICCI.]. A large percentage of SMEs are self-employed and households. However, the uncertainty of government policies promotes hidden economy and the informal sector as an offshore legal environment. Looking at the difficulties faced by businesses in our country, taxes and fees, state regulation, financial difficulties and high interest rates are a major problem. There are many factors influencing macroeconomic situation, social change [ILO: Conclusions concerning the promotion of sustainable enterprises, International Labor Conference, 96th Session, Geneva, 2007. See the ILO program on Enabling Environment for Sustainable Enterprise (ESEE).], legal environment, infrastructure development, funding sources, market conditions, costs and business skills of entrepreneurs. Most of the SMEs involved in the survey considered that the favorable economic environment for SMEs was not sufficient enough to illustrate that the business environment and opportunities are poor in our country.

Approximately one tenth of the respondents think that economic opportunities are available for the business sector. It is possible to conclude that the activities of very small business entities and SMEs are relatively stable. The benefits of economic growth are only accessible to about 30% of SMEs, indicating that the wealth generated by society is inequalities in its distribution system. Also, respondents said that the inflation rate was stable and the low exchange rate of tugrug would have a positive effect on their business. Poverty and unemployment are the main obstacles to the social development of SMEs. High levels of poverty and

unemployment are likely to indicate weak consumer purchasing power, which may lead to an inadequate sale of SMEs, lack of funding for long-term and financial difficulties such as credit repayment burden. On the other hand, poverty and unemployment are high in the society, as a part of the SMEs has no collateral and guarantee for financing. The findings show that bribes, crimes and political instability are largely obstructing the development of SMEs.

IV. CONCLUSIONS

In recent years, our country with the examples for policies and implementation to support SMEs in Khentii province has provided sufficient loans, support and projects from international organizations and developed countries, but the livelihood of the population has not been improved and the government's work is inadequate. In particular, the policies and directions of small and medium-sized enterprises have not been practiced and practiced in real-time, so they should learn from the experiences of some of the small and medium-sized companies that are developing small and medium sized enterprises.

1. In Khentii province, companies in the market that lack products to protect the products from the imported products are not in the market, and the big companies are losing market share in imported goods. The way out of this can gradually restrict the import of goods by means of a state-of-the-art taxpayer regulatory environment to bring the same product into the national importers.

2. Positive impression on national production.

At the same time, Germany teaches kindergarten education. For example, where do you get milk from children? With the questions raised, the farmer followed the farm with the practice of gaining the best of milk, as a result of supporting the national production of children to the consumers, to encourage consumers to become more intelligent in their lives. It also should use in the area of Khentii for supporting SMEs.

3. Tax deduction of tax burdens is taken from all entities in the same way, as a tax-tight policy compared to other countries in the stand-alone producers. It is important that the first three years of operation be exempt from all kinds of taxation, thereby limiting the development of the underdeveloped economy, and it is important for the government to relate the producers to their producers to pay their taxes.

4. Financial constraints will solve the problem by establishing a Government of the Development Bank for the purpose of solving this, and solving the financial problem with quality investment in low interest rates.

5. High interest rates are important for producers to make longer and low interest rates through State Bank and other banks to avoid this problem. For example, 5 to 10 years old rate is 0.5 - 0.8. This can be resolved by the government through the distribution of funds from the Millennium Challenge Account and other loans and grants.

6. State participation is the most important tool for small and medium enterprises. These include:

- a. The law prohibits ruling parties to promise cash promises as election advertisements.

- b. Concentrate on SMEs and Government policies together.

- c. Implement policy development SMEs for 10 years and not longer than 1-4 years.

Growing profitability in any business will depend on the ownership of the business, especially in regards to the development of Khentii province and the policy and development of SMEs should be getting attentions to develop all the sectors furthermore.

V. RESULTS AND DISCUSSION

RECOMMENDATIONS AND DISCUSSION ON POLICY DEVELOPMENT OF SMES IN KHENTII PROVINCE

Additionally, the legal and regulatory environment is one of the most important factors in the SME development and has been required to support SMEs development through a comprehensive set of policies and legal regulation over the years. In 2007, “SME Law”, it was first approved by the parliament and it is paying attention to the Government’s favorable business environment. However, the results of the polls conclude that the general legal environment of our country is “getting worse”. Especially, public service organizations are “worst” and not firmly transparent, and there is too much pressure on inspection. In addition, the legal and tax system has been assessed as “bad”, the higher the tax burden on taxpayers, and the greater the tax evasion. The most serious problem facing market entrepreneurs is unfair competition. Here, businesses and entities that are unfairly engaged in competition and acting in the competition are still in society and on the other hand show the results of the organization’s competence to regulate competition. In addition, respondents noted that the market capacity is low and the insurance system is weak. One of the important factors in doing business is infrastructure issues. According to the survey, the infrastructure situation in Khentii, Mongolia is slightly worse, but it is considered the most affordable compared to other business environment factors. In the infrastructure context, transport development is the worst, and the issue of heating and water is the next. However, the power supply and information and communications development have been relatively good. As seen from the data, the number of cellular and internet users has increased substantially in recent years and access to all provinces has become the main reason for the relatively good assessment of information and communication.

The cost and difficulty of identifying the activities of business entities is a key factor in further policy development is very important. The survey results show that SMEs are the most difficult factor for borrowing costs such as interest rates, fees, equipment, and rental costs. In particular, the most complicated interest expense of the loan is the consequence of further financing and their business operations. Also, the fees and charges paid were difficult to prove to be too high in terms of time spent on obtaining licenses and licenses. Although the equipment for SMEs is exempt from import duties, the survey finds that the cost of equipment and equipment is still very difficult, indicating that the financial capacity of businesses continues to deteriorate.

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