

Preface

Mongolia has achieved remarkably high economic growth. Its average gross domestic product (GDP) growth rate was 7.2% during the period 2008–2018, the second-fastest amongst East Asian countries over that period. In 2018, Mongolia's real GDP per capita amounted to US\$4,017. This strong economic growth from 2008–2018 was accompanied by an increase in energy consumption in all sectors. With its promising long-term development prospects, the rise of the country's energy consumption should continue into the future.

Mongolia has set its Nationally Determined Contribution (NDC) to reduce its total national greenhouse gas emissions – excluding land use, land use change, and forestry – by 14% by 2030, compared with the projected emissions under the business-as-usual scenario. Reaching this NDC target would not be possible without improvements in energy efficiency in all sectors, especially in residential, commercial, industrial, transport, and power generation.

The Economic Research Institute for ASEAN and East Asia (ERIA) was honoured by the request to conduct this study on Mongolia's energy efficiency indicators 2019, which establishes a solid starting point for further policy measures to improve energy efficiency in Mongolia. The study has compiled and collected data on energy consumption and sectoral activities, and defined and estimated energy indicators for the first time. The report shows that energy efficiency should be a high priority issue on the political agenda.

Mongolia has abundant natural and mineral resources. To efficiently meet most of its daily energy needs these resources need to be properly developed and managed. Its energy policy aims to ensure access of its citizens to modern energy services developed on the basis of its important and high potential renewable energy sources. At the same time, it is developing infrastructures to optimise the use of its mineral deposits as energy feedstock. Mongolia also recognises electricity as the main source driving economic development and addresses the need to generate and distribute more power in terms of greater volume, density, and reliability.

The increase of energy demand puts pressure on the government to take energy conservation seriously. Energy efficiency figures prominently in Mongolia's National Green Development Plan approved by Parliament in June 2014. For example, the government aims to reduce greenhouse gas emissions in the energy sector through an increase in energy efficiency of 20% by 2030, whilst seeking to reduce building heat losses by 20% and 40% by 2020 and 2030, respectively.

In the 'State Policy on Energy 2015–2030', energy efficiency was one of the three major policy principles approved by the Government of Mongolia. On 26 November 2015, the Parliament ratified the Energy Conservation Law, which requires a subset of Mongolia's electricity and heat consumers (referred to as 'designated entities') to implement activities aimed at improving energy efficiency.

Energy efficiency indicators are widely considered an important tool for supporting energy efficiency and conservation policymaking, to design effective policies, and to monitor progress towards policy objectives.

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We will continue to work together to build the energy data to support energy policies and planning in Mongolia.



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