



Press release
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Contact
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AmCham Mongolia’s monthly meeting encourages rapid restructuring of State Owned Enterprises (SOE)

ULAANBAATAR, Mongolia – American Chamber of Commerce (AmCham Mongolia) organized its April Monthly Meeting, Promoting The Private Sector-led Economic Development of Mongolia.

The panelists for the event were T. Dorjkhand, Member of Parliament, Jargal DeFacto, Independent Economist, U. Ganzorig, Founder/Chairman of Mandal Financial Group, John Cheng, Economic and Commercial Section Chief at the U.S. Embassy, and B. Tsengel, Head of State Property Coordination Policy Agency.

The monthly meeting was held in a hybrid format – in-person and virtual, with more than 80 people, including representatives of the AmCham community, foreign and domestic investors, diplomatic officials along with media journalists.

In his opening remark, Mr. Tsengel, Head of State Property Coordination Policy Agency gave detailed information about State Owned Enterprises’ (SOE) current state, citing legislative changes to adopted for a more efficient and productive entities to become. He also noted the “New Economic Recovery” policy is reflecting governance changes and human resource procedures for appointing heads of SOE companies to reduce corruption, politically motivated appointments.



Mr. Dorjkhand, MP stressed the current structure of the governing body, and how it regulates SOEs are bringing detrimental effects to competitiveness of the private sector, with increasingly difficult circumstances for the private businesses to win tender (bids) is a sure signal of reform and restricting time has come. In addition, he emphasized the large scale corruption is halting growth of private sectors and has been more or less the same for the past 30 years. “The government cannot do business with itself”. It is evident when the fiscal year concludes with the top companies recognized end up being those who have the paid the most taxes, in other words state owned entities.

Mandal Financial Group's Founder/Chairman Mr. Ganzorig proposed that relationships between public-private engagements should be formed at least 3 to 5 years (thus exceeding the so called 4-year lifecycle of politics), or even on longer term that is carefully planned and guaranteed. He urged participants to be proactive when demanding accountability from the Government.



Mr. John Cheng, Economic and Commercial Section Chief at the U.S. Embassy in Mongolia explained that Mongolia's government, much like many other governments across the globe, must balance /its responsibilities as market regulator, SOE operator, and fiscal agent. He encouraged the Mongolian government to consider practical steps and applicable international examples its strengthens and SOE governance and transparency, and promotes a transition toward a market-oriented environment that can unlock both domestic and foreign investment.

In his speech, Mr. Jargalsaikhan, founder of DeFacto research institute pointed that in order to achieve maximized growth and efficiency, companies will need increased cluster initiatives in all sections of the economy. Furthermore, current structure of the government and practice is not very appealing towards private sector, a major reform should be considered with urgency. The four-year cycle and regulations will need to be more stable and forthcoming, to achieve this, we must not look to the "General Election Committee" but formulate it as the "Votes Committee", working on a daily basis to ensure monitoring is in place and mechanisms put in place to ensure it.



At the end of the monthly meeting, speakers provided answers to all their questions and added remarks.

About AmCham Mongolia

The American Chamber of Commerce (AmCham) in Mongolia is an independent membership-driven organization that seeks to build, strengthen, and protect business between the United States and Mongolia, and actively promote Mongolia as a destination for American investment. AmCham Mongolia is accredited by the U.S. Chamber of Commerce as its official affiliate in Mongolia. Based in Washington, D.C., the U.S. Chamber of Commerce is the largest federation in the world, with over 3 million members.