



Press Release
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AmCham Mongolia hosts Post-Pandemic Economic Recovery Meeting

ULAANBAATAR, Mongolia – The American Chamber of Commerce in Mongolia (AmCham Mongolia) held its June Monthly Meeting online, Post-Pandemic Economic Recovery, on June 2, 2021.

The panelists for the event were independent economist Dr. Khashchuluun Chuluundorj, CEO & COO of Big Sun Holdings Group, Inc. Michael J. Woods, and Resident Representative of the International Monetary Fund (IMF) in Mongolia Seok Hyun Yoon.

The meeting was well attended by representatives of the AmCham community, foreign and domestic investors, and SMEs.

In her opening remarks, Ms. Munkhnasan Narmandakh, vice chairwoman of AmCham’s Board of Directors, stated, “In the first nine months of 2020, the Mongolian economy contracted by 7.3 percent, one of the worst contractions since the 1990s. The mining sector was significantly affected by a sharp decline in demand for key commodities and border closures with China. In fact, firm-level surveys indicate that the impact of the COVID-19 shock was most severe for small and young firms, and for enterprises in the manufacturing, tourism, trade, transportation, construction, and education sectors. However, generous economic support provided by the government has so far prevented a wave of business closures.”



The bottom line is that global prospects remain highly uncertain, particularly as new virus mutations raise concerns, even as growing vaccine coverage lifts some of the pessimistic sentiment. Mr. Yoon noted, “Economic recovery is diverse across countries and sectors. Recently, the IMF revised our global growth projections; 2021 projects about six percent, but moderating into four percent in 2022. So, normally, we assume that Mongolia’s potential growth is five percent. Currently, the economy has not recovered to a pre-crisis level. Overall, we don’t know how this pandemic situation will evolve. The second risk is the global economy’s uncertainty, as we expect a third wave in European and some Asian countries. The third risk is the U.S. inflation expectation, and the last risk is China’s financial sector and risk to Mongolia’s economy.”

Dr. Ch. Khashchuluun stated that the economic situation has been driven by domestic politics for the past two consecutive years, which has made Mongolia's economic picture a little blurry. If we assume that the election will end on time, Q3 and Q4 will give a clearer picture of the economy. On the consumer front, there is a lot of demand, which has seen reserved spending in the last two years. However, there has been a huge increase in imports and consumer purchases as the border has been slowly reopened.



Mr. Woods noted, “The main thing that the Americans and Chinese have done is securing as many vaccination doses as possible; the second is the systematic vaccination process. The economic recovery here has been technology and innovation-driven.”

The discussion was followed by a Q & A session.

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 to 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.