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Main article

MNCCI: On the threshold of
a new era

Business environment

Let's free the "shackled horse"

Advisor to "Nomin Holding" LLC
and Honored Worker of
Trade of Mongolia

A. SHAGDARSUREN

The Man

**WHO
MASTERED TIME**

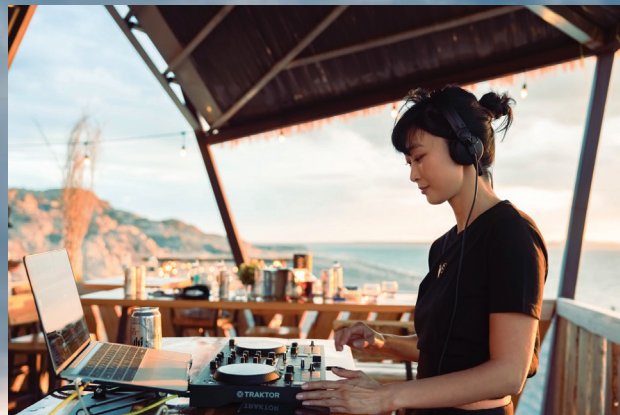


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CONTENTS



05 EDITORIAL NOTE

Business “Sharks” in One Issue

06 MAIN GUEST

The Man Who Mastered Time

14 MAIN ARTICLE

MNCCI: On the threshold of a new era

18 GUEST

If Parliament delivers, spring could mark a season of reform

24 BUSINESS ENVIRONMENT

Let`s free the “shackled horse”

26 BADRAKH ENERGY

Zuuvch-Ovoo project marks a significant technological step forward for Mongolia’s mining sector





BUSINESS “SHARKS” IN ONE ISSUE

In the mid-1990s—a time of scarcity and hardship—everything in Ulaanbaatar seemed somewhat “dim.” Yet the arrival of various foreign-brand electronic goods added a new “color” to people’s lives.

In this issue of Mongolian Economy magazine, our guest is A. Shagdarsuren, Advisor to Nomin Holding and Honored Trade Worker of Mongolia. Reflecting on that period, he noted “The business activities of “Nomin” extended beyond commerce; they played a pivotal role in transforming the everyday consumption patterns of Mongolian households. Through the introduction of leading electronic brands from countries such as Japan and Singapore, Mongolians transitioned from hand-washing to washing machines, from straw brooms to vacuum cleaners, from postal communication to mobile phones, from preserved meat to fridge, and from radio to color television. This shift marked a profound modernization of daily life.” Mongolians respectfully refer to A. Shagdarsuren as “Mr. Nomin.” There is perhaps no greater honor than being identified and respected by what one has built. Yet, to define him solely by “Nomin” would be somewhat limiting. A closer look at his 85-year life journey reveals many more dimensions to his story.

In addition to a profile feature on the founder of one of Mongolia’s major business entities, this issue also includes a comprehensive content package on the Mongolian National Chamber of Commerce and Industry—the country’s principal business representative organization.

We spoke with B. Lkhagvajav, President of the Chamber and Honoured Economist, about a series of legislative initiatives that aim to bring clarity and momentum to the business environment. These include the Social Insurance and Tax reform packages, the Investment Law, the Commercial Law, the Chamber Law, and proposed regulations on capping loan interest rates. We also cover the Chamber’s long-term development vision for the next 60 years, its “Chamber 5.0” concept, and the significance of declaring 2026 as the “Year of Policy Advocacy.”

Another highlight of this issue is Badrakh Energy, an ambitious team setting a strong example of foreign investment by extracting innovative mineral resources and strategically important products in Mongolia’s mining sector. We interviewed the company’s CEO, K. Prin, about the Zuuvch-Ovoo project. Notably, this marks her first in-depth media interview since arriving in Mongolia last autumn. ■

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A. Shagdarsuren

Advisor to “Nomin Holding” LLC and Honored Worker of Trade of Mongolia

The Man WHO MASTERED TIME



A. Shagdarsuren is widely respected among Mongolians as the “Founder of Nomin,” a figure so closely associated with the enterprise he built that the brand itself has become part of his identity. Few honors are more enduring than being remembered through what one has created.

Yet reducing A. Shagdarsuren to this single honor would be misleading. A closer reading of his 85-year life reveals a far more layered biography shaped by multiple roles, experiences, and legacies. This article seeks to illuminate those roles.

A Son from the Torguud Lands

Few Mongolians remain untouched by the story of the great Torguud migration, a historical journey often recalled with both pride and sorrow. In 1630, approximately 250,000 Oirat Mongols migrated to the fertile lands along the Volga River in present-day Russia. After 140 years, they embarked on another vast journey, covering roughly 4,800 kilometers to return to their ancestral homeland. During this return migration, an estimated 100,000 people perished due to conflict and various diseases. Ultimately, only around 20,000 households—approximately 70,000 people—reached regions of Züüingar, Bor Tal, Minjit Bulgan, and the mountains of Mergen Baitag.

Within local historical memory, the Torguud are often divided into the western “van’s khoshun” and the eastern “beis khoshun,” named after their jasagh`s (head or leader) titles. The “van’s khoshun” included families from the Hongoraachin clan, to which A. Shagdarsuren’s father, Amarbayar, belonged.

A. Shagdarsuren was born on May 1, 1941, in a place called Zel Mod, Shar Khuls, Bulgan soum of Khovd Province, as the youngest son of a herder family headed by Amarbayar. At that time, Mongolia’s western border was marked by instability and severe hardship, with conditions described as almost a war. In his own recollections, Shagdarsuren has described how his family endured extreme insecurity, at times hiding in mountainous areas and moving across lands to survive.

“I herded sheep and lambs with my mother from an early age, processed raw livestock materials, worked the land with my father, planted crops, handled horses and camels, churned airag, gathered firewood, and carried water and ice. These memories have never left me,” he wrote in his book *Daldugaar Zurlug* (Seventieth Crossroad).

His elder brother A. Pagma and sister A. Tseveg were significantly older, and he often learned from them, aspiring to become like them. His brother, A. Pagma, was among the first medical doctors from Western Mongolia and was recognized as one of Khovd Province’s top 100 figures. He devoted his life to obstetrics and gynecology, serving in both urban and rural hospitals.

Notably, the Mongolian People’s Republic Hero E. Shiileg was his maternal uncle. During periods of unrest in the western border regions—when Kuomintang forces and the bandit groups of Ospan carried out raids—E. Shiileg served in the border troops’ auxiliary armed group as a highly experienced machine gunner and commander. He participated in numerous engagements and fought with distinction. He also took part in the entire duration of the Battle of Khalkhin Gol. In recognition of his service, he was awarded the title Hero of the Mongolian People’s Republic in 1984, on the occasion of the 45th anniversary of the Battle of Khalkhin Gol.

“If I do not write about my brother—and about the many others who fought without receiving the title of ‘hero’—then the memory of those years may end with me. Why don’t we make a documentary together?” A. Shagdarsuren once told me. Following this idea, he and I collaborated on the documentary “Hero of the Mongolian People’s Republic: A Son of the Torguud Lands”, recalls State Honored Cultural Worker B. Nagnadorj.

Throughout his life, A. Shagdarsuren has remained deeply engaged with initiatives supporting his native land and the Torguud community. In 2014, he financed and established a statue complex honoring Heroes of the Mongolian People’s Republic B. Badam and E. Shiileg in Bulgan soum. He also helped to build a national wrestling training ground, donated a family health center named after his brother A. Pagma, and built the first warehouse-style retail store in the provincial center, later followed by a full commercial trade center.

Mongolians work five days a week, but in reality, we should be working six. Countries such as Japan, Korea, and Hong Kong did not develop by prioritizing rest



Throughout his life, A. Shagdarsuren has remained deeply engaged with initiatives supporting his native land and the Torguud community

▶ Although the Torguud population is small, the community has produced a remarkable number of distinguished figures: two State Heroes, nine Labor Heroes, 18 Distinguished veterans of Revolutionary Struggle, and over 60 recipients of People's and Honored titles. Among them is A. Shagdarsuren himself—advisor to “Nomin Holding” LLC and recipient of the title Honored Worker of Trade of Mongolia.

A Relentless Pursuit of Time

“I used to deliver lectures in the 1970s on the ‘Value of Time,’ speaking to workers and employees in factories and state enterprises. The question of how to use the 24 hours in a day concerns everyone, which made it a particularly engaging topic. Although we have repeated since our school days that ‘a minute

once lost never returns,’ we have not fully developed the habit of using time wisely. If you can gain time, you can gain everything,” A. Shagdarsuren reflected.

This principle has remained central to his life—and one he has consistently sought to pass on to others. In 2008, he founded the NGO “Mongol Temuulel – Beautiful Mongolia”, which organized week-long campaigns at universities, inviting respected and widely recognized figures to deliver lectures and public talks. One such initiative, titled “The Early-Rising Mongolian,” emphasized discipline and productive use of time. He has repeatedly stressed that “today’s youth must be provided with an environment that enables them to spend their free time in a constructive and meaningful way.”

In a 2018 interview, he articulated a more uncompromising view: “Mongolians work five days a week, but in reality, we should be working six. Countries such as Japan, Korea, and Hong Kong did not develop by prioritizing rest. They reached their current level of development through relentless effort—often sacrificing rest and comfort.” This perspective reflects his broader philosophy in which both individual and national development are inseparable from the disciplined use of time.

A clear testament to his personal commitment is his habit of keeping daily journals for more than two decades—a practice that underscores both consistency and self-discipline. Alongside this, A. Shagdarsuren began his literary pursuits in the 1980s and has since authored more than 20 books, as well as dozens of songs, poems, essays, and travel writings. His works span politics, economics, history, culture, and poetry. Among them are numerous titles connected to his heritage and homeland, including “Torguud Folk Literature,” “A Compendium of Proverbs,” “Folk Songs and Music of Western Mongolia,” “Interpretations of Oirat Linguistic Expressions,” and “A Brief History of the Torguud.” He has also written extensively on “Nomin Holding,” as well as on the aspirations, values, and traditions of the Mongolian people.

Beyond his own authorship, he has supported nearly 50 works by writers, poets, filmmakers, and other artists, providing sponsorship and patronage that have contributed to Mongolia’s intellectual and cultural landscape.

This commitment is also reflected at the ▶

► corporate level. “Nomin Holding” LLC has sponsored, published, and collaborated on dozens of intellectual and cultural works, in alignment with the founders’ vision and interests. These include major projects such as the 11-volume “100 Kings of Mongolia,” the two-part “Eight Bogds” series, series of volumes by the Foundation of Statehood and Kingship, works on Genghis Khan including encyclopedic editions, and the quarterly literary magazine “Seasons and Writers.” In total, the company has supported around 40 such publications.

While his literary and cultural contributions are significant, his professional foundation lies in engineering and construction. In line with his training, he played an active role in the development of Mongolia’s construction sector and the urban expansion of Ulaanbaatar, participating directly in what would today be described as large-scale infrastructure projects.

After graduating in 1964 from the National University of Mongolia with a degree in civil engineering, he began his career as a technician at the prefabrication plant of the Building Production Industrial Complex of Ulaanbaatar. Within just a month, he was promoted to chief engineer—marking the beginning of his long-standing engagement in both construction and leadership. Projects he contributed to include the building of what is now Atar-Urguu JSC, prefabricated houses in the 15th microdistrict, a 100-bus depot, the Ministry of Telecommunications building, the Sukhbaatar District General Hospital, Mongol Kino Studio, buildings of the Institutes of chemistry, physics, and history under the Mongolian Academy of Sciences, the expansion of the National Sports Stadium, and the Central Cultural Palace of Mongolian Trade Unions, among other major structures.

Yet among all these endeavors, the “construction” to which he devoted the greatest share of his time and energy is undoubtedly what is known today as “Nomin Holding” LLC.

A. Shagdarsuren of “Nomin”

Four years ago, I had the opportunity, as a journalist, to attend the 30th anniversary celebration of “Nomin Holding” LLC, held at ASEM Villa. Surrounded by representatives of dozens of international brands—people conversing in multiple languages, discussing both past and future cooperation, and honoring

long-standing partnerships—it became clear that “Nomin Holding” LLC operates on a truly global scale.

Many of its international partners expressed that what distinguishes “Nomin” is its strong financial foundation, expansive business platform, ethical leadership, and trustworthy relationships. Among them, Pierluigi Marinelli, Sales Director and Development Manager of Italy’s TEDDY Group—which produces well-known brands such as Terranova and Calliope—remarked “It is not easy to find a company and people as solid as Nomin. In Italy, we say a table with ten legs—not four—is truly reliable. It means you can build and place anything upon it. In the same way, our company values long-term partnerships. With Nomin, we believe we have exactly that kind of relationship.”

Founded in 1992, Nomin Holding has since grown into an enormous group with around 30 subsidiaries and more than 6,300 employees. Its core operations span six major sectors: retail and services, import-export and distribution, technology, manufacturing, construction and real estate, finance, and aviation. Serving over two million customers monthly (including repeat clients), the scale of its operations speaks for itself. The group collaborates with nearly 10,000 domestic small and medium-sized producers and entrepreneurs, as well as over 700 international brands and partners. Most recently, it established “Chinggis Airlines Unity” LLC, introducing ATR 72-600 aircraft with 70-seat capacity to the market. The company has begun operating domestic flights across nine provinces, a development that is certain to make a tangible contribution to advancing the tourism sector and attracting international visitors to Mongolia.

Today, “Nomin Holding” LLC is widely recognized in Mongolia as one of the country’s leading private-sector representatives and a source of national pride. At its core lies a remarkable achievement: building a major, multi-sector enterprise over 34 years from what began as a family business. It would not be an exaggeration to view this as a defining contribution by A. Shagdarsuren’s family to Mongolia’s economic development.

As he himself has emphasized “We have never entered sectors such as mining, alcohol, or tobacco—industries tied to excise goods. We have never operated bars or entertainment venues. We have remained free from corruption,

Most recently, “Chinggis Airlines Unity” LLC was established, introducing ATR 72-600 aircraft with 70-seat capacity to the market

I have always viewed Mongolia's development with great optimism, and I believe Mongolians are destined to play a role in shaping the world

► competed fairly, and paid our taxes honestly. For 21 consecutive years, we have been ranked among Mongolia's Top 100 enterprises."

The early 1990s were a difficult period in Mongolia. Following the government's well-known Resolution No. 20, currency depreciation and rapidly rising prices severely impacted living standards, pushing many households into hardship. Poverty was common. At the time, A. Shagdarsuren was serving as Deputy Governor of Ocityabr District in Ulaanbaatar. He worked tirelessly to organize a distribution of rationed goods at shops, ensuring supplies reached households across the district. The workload was immense, and the strain eventually took a toll on his health—prompting him to reconsider his priorities and devote attention to his family.

Despite years of selfless public service, he had accumulated little personal wealth. Yet Mongolia's transition to a market economy had opened new opportunities for those willing to think strategically and work diligently. This turning point laid the foundation for what would become "Nomin Holding."

The journey began modestly. His wife, R. Sodnom, who was skilled in handicrafts, began sewing various garments at home. Due to material shortages, she sourced scraps from leather factories and crafted well-designed jackets that quickly sold at high prices. Soon, hats and souvenirs made from fox, sable, and marmot fur began attracting both domestic and international buyers. Recognizing the potential, the family decided to formalize their efforts. On July 11, 1992, they established a private enterprise named "Nomin-5," symbolizing the five family members involved.

Recalling that time, A. Shagdarsuren noted "We worked from home with simple sewing machines. My eldest son, Sh. Ulambayar, ran a small 'audio and video recording' service in the 15th microdistrict—essentially copying music from vinyl records, something like a small studio today. When we registered the enterprise, we ambitiously projected high revenues and obtained a company license for radio electronics production and repair, domestic and foreign trade, and intermediary services. The name 'Nomin-5' represents our family of five."

A turning point came the following year when his son, Sh. Bayarsaikhan, returned from

Singapore after watching a concert by famous singer Michael Jackson. He came back from Singapore with watches, mobile phones, and cameras, all of which sold immediately. What began as small-scale trading—initially carrying goods in suitcases—quickly evolved into cargo shipments and eventually 20- to 40-ton container imports of electronic goods. Remarkably, foreign partners extended favorable terms, requiring only partial upfront payment, which significantly supported the company's early growth. One memorable milestone came during the 1996 Naadam festival, when the company sold 70 televisions in a single day—a moment of both pride and validation.

The business activities of "Nomin" extended beyond commerce; they played a pivotal role in transforming the everyday consumption patterns of Mongolian households. Through the introduction of leading electronic brands from countries such as Japan and Singapore, Mongolians transitioned from hand-washing to washing machines, from straw brooms to vacuum cleaners, from postal communication to mobile phones, from preserved meat to fridge, and from radio to color television. This shift marked a profound modernization of daily life. Today, it is hardly an exaggeration to say that nearly every Mongolian household has, at some point, purchased goods, insurance services, or home products from "Nomin."

Asked about the secret behind the family business's success, A. Shagdarsuren offers a characteristically straightforward answer: "There is no secret. Everything we do is transparent. Our goal is to deliver safe, high-quality food and consumer goods that meet health standards—quickly, affordably, and with guaranteed customer satisfaction. We continuously improve the quality and effectiveness of cooperation among customers, partners, and suppliers."

Building a family business is never without its challenges—particularly in terms of corporate governance. It requires committing all financial resources, time, and energy toward a single goal, a risk few are willing to take. In the case of "Nomin Holding," success can be attributed not only to discipline and tireless effort but also to the founder's ability to educate and empower his three sons—equipping them with the knowledge and skills needed to sustain and ►

► expand the business.

As a result, the group’s diverse subsidiaries and daughter companies have become reliable taxpayers, key contributors to the state budget, and trusted partners to consumers across both urban and rural Mongolia—firmly establishing “Nomin” as one of the country’s leading enterprises.

Years of Serving the State

“I have always viewed Mongolia’s development with great optimism, and I believe Mongolians are destined to play a role in shaping the world. There is a saying: when the state’s vision is dimmed, the people’s sight is blinded; when the pillars of the state shake, the pillars of a household break. That is why it is essential for the state to remain stable and for the people to live in peace,” says A. Shagdarseren.

Between 1969 and 1976, he held a series of responsible positions within the state system. These included serving as the first secretary of the Central Committee of the Trade Union of Workers in Construction, Forestry, and Wood Processing Industries under the Central Council of the Mongolian Trade Unions; the first director of the Central Cultural Palace of Mongolian Trade Unions; the first secretary for Industry and services of the Sukhbaatar District Party Committee; and deputy chairman of the Executive Administration of the People’s Deputies’ Assembly of the Octyabr District.

However, his election to the State Great Khural (Parliament) for the 2000–2004 term represented the highest platform on which he could apply his long-standing experience in leadership and governance to public service. At the time of his decision to enter politics—competing against then-ruling party leader and former Prime Minister R. Amarjargal—there were even remarks suggesting he was making an unnecessary move: that he should continue focusing on business instead. Few expected him to succeed in such a high-profile contest. Yet for A. Shagdarseren, business had never been an end in itself; his long-standing aspiration had always been to contribute to the state and to create value for society.

During his parliamentary term, he served on the Standing Committees on Economics and on Budget, and was a member of inter-parliamentary friendship groups with Japan,



China, Australia, and Canada. He also chaired working groups responsible for drafting the Law on Registration and Licensing of Business Activities and the Law on Investment, and participated in several other legislative drafting groups focused on key economic and social reforms. Notably, between 2000 and 2004, the State Great Khural adopted 990 laws and resolutions, of which 26 percent were reviewed by the Economic and Budget Standing Committees—illustrating the scale of their workload and influence.

Among the many legislative efforts of that period, one law stands out. As head of





Today, it is hardly an exaggeration to say that nearly every Mongolian household has, at some point, purchased goods from “Nomin.”

▶ the working group drafting the Law on Registration and Licensing of Business Activities, he stated in a 2002 interview with *Unuudur* (“Today” newspaper) “This law is designed to protect the lawful rights and interests of citizens and business entities, to enable them to operate freely within the bounds of the law, to limit state interference in business activities as much as possible, and to eliminate the environment in which bureaucracy and corruption can take root—ultimately aiming to establish efficient, prompt, and hassle-free public services. In essence, it is a comprehensive piece of state policy of significant importance.”

Beyond this, he contributed meaningfully to legislation and policy frameworks in critical national development areas, including land ownership, foreign investment, foreign trade, the Millennium Road project, and the banking sector. Reflecting on his parliamentary service, he later authored a memoir titled “My Service to the State,” which documented his work and confirmed that his time in public

office was marked by tangible contributions and active participation.

He described those four years as follows:

“Working in a parliamentary chamber alongside colleagues selected from every corner of the country, sharing one breath and one purpose for four years, was truly a great privilege and an important school of statecraft for me. The more we researched, debated, and discussed, the deeper we understood the issues and learned from one another. It was one of the most meaningful periods of my life. Working with many talented and promising parliamentarians was a great fortune.”

Looking back today, one cannot help but reflect that the Torguud boy from Mongolia’s far western frontier—guided by a lifelong respect for knowledge, discipline, and time—ultimately served in the highest institutions of the state and went on to build one of the country’s largest corporate groups. It is, in every sense, a story shaped by both determination and fortune. ■



УЛСЫН ИХ ДЭЛГҮҮР

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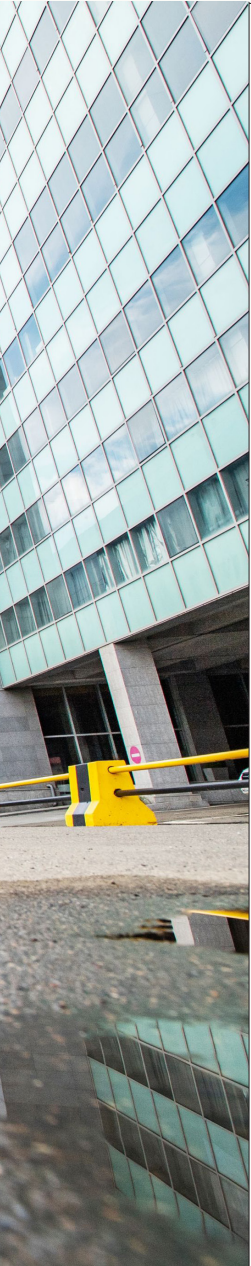
MNCCI: ON THE THRESHOLD OF A NEW ERA

The “Chamber Law” will define the institutional development of MNCCI and the evolution of its ecosystem.

One of the bright examples of institutional development among Mongolia’s non-governmental organizations is the Mongolian National Chamber of Commerce and Industry (MNCCI). Having spent nearly half of its history under the socialist system, the organization was originally established under a government ministry. Yet in 1990, it became one of the first institutions to open its doors to the winds of

democratic change. At that time, there was an urgent need to institutionalize the voice of the private sector. Beyond this, the logic of its mandate required a structure capable of embodying the “spirit” of a free market economy. The Chamber assumed this role and thus became one of Mongolia’s earliest non-governmental institutions.

Today, MNCCI operates branches in every province and brings together more than 6,700 members. Beyond its domestic presence, it continues to expand its partnerships and cooperation internationally. Among the thousands of NGOs operating in Mongolia, only few have achieved ►



such a consolidated and institutionalized form. In addition, the Chamber serves as a strong voice of the private sector and a key participant in policy dialogue. It plays a defining role in shaping the “climate” of Mongolia’s business ecosystem. It is therefore not incidental that it is described as a prime example of institutional development at the beginning of the essay.

Now entering a new era, MNCCI looks to the future with growing optimism. However, to realize this optimism, it sees a clear need to update the Law on Chamber of Commerce and Industry, which dates back three decades, and align it with international trends and the accelerating pace of business development. For this reason, there is a growing view that Parliament should reform the Law, originally adopted 31 years ago, as its current framework may increasingly constrain business development rather than support it.

A Law of high expectations

As its role expanded significantly alongside Mongolia’s transition to a market economy, MNCCI got its own dedicated law in 1995. This was a pivotal step that strengthened its institutional independence. However, what was once a progressive legal framework has gradually become less suited to an increasingly dynamic business environment of today. Over the past 30 years, the global economic landscape has shifted significantly, and domestic market dynamics have accelerated. At the same time, the needs, expectations, and ambitions of the private sector have evolved considerably. Against this backdrop, there is now a clear necessity to update the Chamber Law.

In response to these developments, leaders of the Chamber, together with representatives of the business community, have drafted a new legislative proposal. On December 17, 2025, Members of Parliament Kh. Gankhuyag and D. Enkhtuvshin submitted the revised draft law to Parliament. The Chamber is now closely awaiting its review and adoption.

The draft law has been developed drawing on international best practices, including France’s Commercial Code, which has a history of over 200 years, as well as the policy and regulatory framework of the International Chamber of Commerce (ICC), a century-old global organization representing over 45 million companies across

130 countries. The aim is to adapt these principles to Mongolia’s domestic business environment. According to Chamber leadership, this would create opportunities for major enterprises operating in a small, landlocked market to expand internationally.

MNCCI is a member of both the International Chamber of Commerce and the World Chambers Federation. In this context, it emphasizes the importance of adopting globally recognized standards in business relations and governance. It also expects that, by enabling the Chamber to perform certain common services and functions in line with international counterparts, the overall business environment would see meaningful improvement.

At the same time, the Chamber seeks to strengthen its role as the official representative institution of the private sector through the new legal framework. While Mongolia’s Constitution recognizes a multi-structured economy, it does not clearly define a single institutional representative for the private sector. Although more than 30,000 NGOs in Mongolia represent various interest areas, some have, according

to MNCCI Presidential Advisor M. Sarandavaa, become instruments of political influence rather than purely representative bodies.

If the Chamber is defined in law as the official representative body of the private sector, it would significantly improve the quality of policy dialogue and establish a stronger institutional foundation for the voice of business. For this reason, the new draft law seeks to formalize the Chamber’s already recognized mandate of representation.

Beyond this, a range of new regulatory arrangements were introduced in the draft law. One of the most notable is the proposed hybrid membership model, combining voluntary and mandatory membership elements, similar to practices in chambers worldwide. Under this framework, VAT-registered enterprises would initially fall under mandatory membership, while SMEs would participate on a voluntary basis. According to the drafters, this approach is designed to expand representational coverage of the Chamber, integrate large businesses into the ►



Submitting the revised draft of the Law on the Chamber of Commerce and Industry to N. Uchral, Speaker of Parliament. December 17, 2025

A hybrid membership model—combining both voluntary and mandatory elements—is proposed, in line with practices adopted by chambers worldwide.

- ▶ system, and avoid placing undue pressure on smaller enterprises.
- The proposal also outlines a structured, multi-level support system for businesses at local, regional, and international levels. This is intended to enhance access to foreign markets and align the support system with SME incubation strategies.
- At a broader level, as Mongolia’s private sector reaches a more advanced stage of development and seeks the next phase of growth, the new law can be seen not merely as institutional reform of one organization, but as an attempt to reshape the “architecture of representation” in Mongolia. Ultimately, however, its implementation will depend on the outcome of the spring parliamentary session, as this highly anticipated legislation moves through the legislative process.
- Globally, chambers of commerce and industry have evolved into a form of “soft infrastructure” supporting economic policy. In systems such as Germany’s IHK network, France’s chamber structure, and the Korea Chamber of Commerce and Industry (KCCI), chambers do not merely represent businesses—they also play roles in vocational education, standard-setting, export facilitation, and, in some cases, quasi-public functions.
- These international examples demonstrate a common pattern: chambers tend to have clearly defined legal mandates, broad representational coverage, and formal participation in policy formulation. In contrast, Mongolia’s chamber system remains largely voluntary in nature, which has limited its operational scope and policy influence.

The Chamber’s Next Era

If the proposed law is adopted, the Chamber’s next era will take on a new shape. While it has historically served as the voice of business, it would increasingly become a key institutional actor in broader economic transformation.

Mongolia’s economy remains heavily concentrated in the mining sector. This structure increases vulnerability to external shocks and constrains long-term sustainable growth. In such a context, expanding the Chamber’s mandate and capacity could make it a main driver of export diversification, stronger links between domestic production and international markets, and improved business competitiveness—functions commonly observed in chambers worldwide.

MNCCI has undertaken substantial research in preparation for this next phase. It has expanded international cooperation and taken an active role in high-level state visits. Through these efforts, it is not only learning from global practices but also building cross-border business linkages and more importantly, opening access to new markets. In this sense, the Chamber’s foreign relations have become an important mechanism for translating diplomacy into real economic outcomes.

New opportunities are emerging across the Eurasian region, and there is an expectation within the Chamber that, in the coming decade, a market of more than 200 million consumers will open its doors to Mongolia. At the same time, while trade barriers and tariff constraints previously limited exports, now under these new circumstances, real opportunities to expand export capacities can be seen through the Chamber’s “window”.

Ultimately, the Chamber’s primary aspiration is to expand its operational space through legal reform. If new legislation, updated policy frameworks, and institutional leadership are aligned, the Chamber believes it can evolve beyond a “soft infrastructure” role and become a genuine accelerator of economic development. They emphasize, the Chamber’s history is not merely the story of a single institution. It will be a reflection of institutional evolution and the broader transformation of Mongolia’s economic ecosystem. ■

2011-2026

Mongolian
Economy

15th Anniversary



More than ten draft laws carrying hopes of lighting a path forward for businesses will be considered during Parliament's spring session. Among them, reforms to the Social Insurance and Tax Law packages, amendments to the Investment Law, as well as new legislation on Commerce, Chamber of Commerce and Industry, and Interest rate caps are generating particularly high expectations.

B. Lkhagvajav

President of the Mongolian National Chamber of Commerce and Industry and Honoured Economist of Mongolia



IF PARLIAMENT DELIVERS,

spring could mark a season of reform

► **First, could you walk our readers through the main changes proposed in the revised Tax Reform Package?**

Today, businesses and individuals in Mongolia are subject to more than 30 different taxes, fees, and charges. While they come under various names, taxes remain the core source of public revenue. That said, the tax system has been gradually improving, with successive reforms aimed at reducing the overall tax burden. For instance, under the 2019 regulation, companies with annual revenues of up to MNT 1.5 billion became eligible to reclaim 90% of the taxes they paid upon filing their returns. In effect, this reduced their real tax burden to around 10%. Currently, about 90% of Mongolian companies fall within this category.

By comparison, individuals receive a 20% VAT refund, whereas businesses can reclaim up to 90% of their corporate income tax. This suggests that corporate income tax itself is not the primary burden—rather, the issue lies in the threshold structure. Therefore, the threshold would need to be raised from MNT 6 billion to MNT 12 billion, and an intermediate 15% tax bracket introduced before the current 25% rate. These changes have been incorporated into the draft.

Regarding VAT reform, the proposal emphasizes a shift toward a cash-based system. At present, revenue is recorded at the point of sale, even though actual payment may only be received months later. This creates a situation where businesses are required to pay taxes on income they have not yet collected. Moreover, delays trigger penalties. This leads to an accumulation of VAT liabilities. Transitioning to a cash-based VAT system would address this issue. In addition, requiring VAT reporting on a quarterly rather than monthly basis would significantly reduce the administrative burden on businesses. Monthly reporting, as it stands, remains a major source of pressure.

You have been both a critic of the VAT system and actively involved in its reform. How do you respond to those criticisms?

Around 100 countries worldwide use value-added tax systems. Mongolia first adopted its VAT law in 1997, implementing it in 1998

as a replacement for the previous sales tax. However, the version in force between 1998 and 2016 had significant shortcomings.

As a result, the system deviated from its original principles. One major issue was the fragmentation of businesses. With a threshold set at MNT 10 million, any entity exceeding that level became liable for VAT. This incentivized companies to underreport revenue or split into smaller entities to avoid registration. In some cases, individuals even established dozens—sometimes over a hundred—separate companies. This highlights the importance of carefully designing threshold policies in tax legislation.

At the time, in 2005, I personally filed a petition with the Constitutional Court. The ruling did not go in my favor. Later, I was told that had the decision supported my claim, all legal acts between 1998 and 2005 could have been invalidated, potentially forcing the state to repay substantial amounts. Today, the threshold has been raised to MNT 50 million. In practice, any business that does not issue VAT receipts is effectively operating informally.

Over the past decade, the VAT system has improved significantly. Citizens now receive a 20% refund, and the system contributes meaningfully to state revenue. Moreover, the banking sector has been one of the biggest beneficiaries of VAT reform through the expansion of cashless transactions. When the revised law came into effect on January 1, 2016, there were around 1,600 cash registers and 14,000 POS terminals in use. Within a year, that number rose to 100,000, and after two years, to 200,000. Today, VAT receipts are issued at approximately 350,000 points of sale, of which 250,000 are POS terminals. The scale of this transformation clearly illustrates its impact on the banking system.

The QR-coded sculpture in your office is quite intriguing. What is the story behind it?

It has an interesting background. Last autumn, I traveled to Scotland with friends on a private visit. While in Edinburgh, I came across a statue of William Pitt, who became the Prime Minister of the United Kingdom at the age of 25. His historical significance lies in establishing the

From our perspective, the priority is clear: these systemic reforms aimed at improving the business environment must be adopted.



“VAT Man,” a 2025 sculpture by D. Tuvdendorj. The QR code embedded in the work allows viewers to access key figures and information highlighting the importance VAT.



First and foremost, businesses need cheap financing. But money is extremely expensive in Mongolia.

▶ personal income tax system—what we now know as the tax deducted directly from our salaries. Before this reform, taxation largely applied to the wealthy, who in turn leveraged their tax contributions to gain influence and business advantages. Pitt introduced a system in which every citizen became part of the tax base. Today, personal income tax is used in more than 200 countries and has endured for over two centuries. Its introduction significantly expanded the British treasury. Naturally, once everyone became part of the tax system, it created an entirely new mechanism that had not existed before. In that sense, he can be regarded as someone who made a major breakthrough in tax system design. This inspired the idea for the sculpture. I later met sculptor D. Tuvdendorj, who studied in Poland, and we discussed the concept at an exhibition. He created the piece using a traditional Mongolian papier-mâché technique commonly used for ceremonial masks, such as those seen in Tsam dances. The sculpture itself is modeled on my own facial features. And resulting in the character we call “VAT Man.” It was displayed at an exhibition last autumn. It has now been ten years since Mongolia implemented its current VAT law. Over the past decade, tax revenues have consistently exceeded

targets by at least 10% annually. It is largely due to improved VAT compliance. At the same time, revenues from other taxes have also increased. One distinctive feature of Mongolia’s VAT system is that it returns 20% of paid VAT to citizens, while also incorporating a lottery incentive. This kind of hybrid system is rare globally. Brazil has a somewhat similar approach, but very few countries have implemented it as successfully.

Social security contributions are also a major burden for employers. What proposals has the Chamber submitted to Parliament in this area?

Yes, this is a very important issue. In Mongolia, there is indeed a system where creating jobs and paying wages effectively becomes a financial burden for employers. When companies try to show goodwill toward employees by increasing salaries, the associated social insurance contribution costs rise accordingly.

It is now time to move from a pay-as-you-go system toward a fully-funded system. In addition, the Law on Supplementary Private Pension Insurance should be adopted. At present, social insurance contributions have effectively become a condition for accessing bank loans, while the system itself is increasingly unable to fulfill its core function of protecting contributors and managing risk. By 2030, the Social Insurance Fund deficit is expected to reach MNT 2 trillion, or around 3% of GDP.

On social insurance reform, I previously submitted a proposal that was rejected, but I intend to reintroduce it. This concerns the abolition of sick leave payments covered by employers. When an employee is hospitalized, the company pays for the first five days of leave. At the same time, employers already pay 50% of employees’ health insurance contributions every month. This creates duplication and an unnecessary burden. On average, companies pay around MNT 24 billion annually in sick leave-related costs, and this should be discontinued. The sick leave compensation mechanism is essentially a remnant of the socialist system. Secondly, there is no need for employers to be responsible for health insurance contributions at all. This should be an individual responsibility. In many Western countries, individuals pay their own insurance premiums. ▶

► Instead, the state treats the private sector as if it were a charitable organization or a source of unlimited revenue. As a result, the private sector is being increasingly squeezed, while the public sector continues to expand. This parliamentary session will discuss a wide range of laws related to the business environment. If Parliament delivers on its responsibilities, this spring could become a “spring of reform.” Key initiatives include reducing the burden on the private sector, privatizing state-owned enterprises, and limiting political involvement in markets. To be frank, last year’s July–August period was dominated by political disputes and conflict. There are concerns that this spring could follow a similar path. From our perspective, the priority is clear: these systemic reforms aimed at improving the business environment must be adopted. Whether Parliament is dissolved afterward is not the issue.

Of course, all the draft laws are important. But as the President of the Chamber, which ones do you prioritize most?

First, the Social Insurance Law, second, the Tax Law packages, and third, the Investment Law. There are very high expectations for all three. I would also add the Commerce Law, which would comprehensively regulate trade and business relations. Ideally, it should be developed as a major chapter within the Civil Code. The Civil Code already contains provisions on contracts and agreements, and commercial relations should be more systematically incorporated within that framework.

In addition, the revised Law on the Mongolian National Chamber of Commerce and Industry is also on the agenda. This will be its third major revision, after its initial adoption in 1995 and amendment in 1996.

The Investment Law has been under discussion for many years and continues to attract criticism. In your view, what is its main flaw?

The Investment Law was first adopted in 2013. The main reason behind its adoption was the sudden collapse of what was once referred to as the “famous 17% growth of economy,” which burst like a bubble in a very short period. By October 2013, foreign direct investment had fallen sharply to just USD 100 million. The root

of the problem, however, lay in an earlier law enacted prior to 2013, which imposed strict limitations on the sectors open to investors. The new law was intended to address this. However, due to inconsistencies with tax provisions, it effectively became a “non-functioning law.” For example, the law includes a provision granting tax incentives if an investor reinvests profits from an initial investment exceeding MNT 10 billion. Yet, because the Tax Law did not incorporate corresponding provisions, this clause remained largely symbolic. In effect, we have constrained our own ability to attract additional investment. In reality, foreign investors are more inclined to reinvest repeatedly based on established relationships, rather than making a one-off investment.

At the same time, the investment environment is highly competitive. No one will invest simply because Mongolia is a beautiful country. We recently visited several Central Asian countries, and their investment laws allow many things that are restricted in Mongolia. Investor rights are strongly protected.

Kazakhstan, for instance, has attracted around USD 424 billion in investment, largely due to its favorable legal framework. Investors are assured that they can repatriate their capital, that they will not face excessive tax barriers, and that disputes can be resolved through international arbitration mechanisms in neutral jurisdictions. This creates a sense of security and trust.

While Mongolia once outperformed Central Asian peers, it has now fallen behind on many fronts. Infrastructure—particularly energy, transport, and logistics—lags significantly. Investors do not assess laws alone; they also look at hard infrastructure.

Today, very few countries still rely on diesel locomotives running at 40 km/h, with single-track railways. Road infrastructure, too, falls short of international standards. If Mongolia aims to attract investment and integrate with the global economy, these structural issues must be addressed.

What additional policy support is needed to improve Mongolia’s business environment and support entrepreneurs?

When state policy is well-designed, citizens tend to retain a strong work ethic.





▶ First and foremost, we need cheap financing. In other words, the cost of capital for businesses must be reasonable. At present, money is extremely expensive in Mongolia. Bank lending rates start at around 17%, while loans from non-bank financial institutions can reach 30–40%. Smaller businesses tend to face even higher borrowing costs, while larger firms benefit from lower rates. The case of the Development Bank illustrates this imbalance. Increasing competition by allowing foreign banks to enter the market is therefore essential.

At the same time, the system that generates excessively high returns on deposits needs to be changed. As long as deposit interest rates remain high, lending rates will not come down. Notably, around 97% of total deposits are concentrated among just 3% of depositors. In effect, the entire system is structured to sustain returns for this small group. High deposit rates also discourage productive activity—those with capital have little incentive to invest when they can simply earn

returns from savings. As a result, the lack of affordable capital drives up wage costs, social insurance contributions, and tax burdens. Starting a business increasingly becomes a high-risk endeavor.

In addition, the labor market itself lacks dynamism—another constraint on the business environment. A growing number of people want to live on social welfare, while politicians increasingly compete in elections by promising benefits and distributing cash. If a mindset takes hold in which people believe that entrepreneurship leads to debt, and that decent wages are unattainable, it will over time result in brain drain. At the same time, productivity among those who choose to live on modest incomes risks declining.

One clear observation from Central Asian countries is that when state policy is well-designed, citizens tend to retain a strong work ethic. In Mongolia's case, while that work ethic still exists, it is no longer as strong as it once was. That is a matter of concern. ■

Mongolia once outperformed Central Asian peers, it has now fallen behind on many fronts.



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The Mongolian National Chamber of Commerce and Industry (MNCCI) has announced that, through policy advocacy, it aims to remove the “shackles” holding back businesses and to help steer the economy to its next stage of development.

LET'S FREE THE “SHACKLED HORSE”

More serious regulations that often override and obscure the intent of the laws

The MNCCI has declared this year the “Year of Policy Advocacy.” The designation reflects an open acknowledgment of the structural problems embedded in Mongolia’s business environment. More than three decades have passed since Mongolia transitioned to a market economy. Yet the business environment is still not governed by market principles alone; instead, it remains shaped by a dense web of regulations, permits, and informal networks of preferential access. This is a widely recognized truth. Ultimately, these distortions have blurred the boundaries between politics and business. Against this backdrop, the Chamber has set out to implement a phased strategy of policy advocacy aimed at “freeing the shackled horse” of the free market. Policy advocacy, in this context, refers to influencing public policy by clearly identifying systemic problems and ensuring that viable solutions are acknowledged and adopted at the state level. In other words, it is not merely about voicing complaints, but about proposing solutions and working to institutionalize them. In Mongolia, however, this concept has long been misunderstood and often confused with

“lobbying.” In reality, policy advocacy is not a tool for privileged access or vested interests. Rather, it is a long-term corrective mechanism aimed at ensuring fair competition, leveling regulatory conditions, and improving the efficiency of state intervention in the economy.

Interviews with MNCCI leadership and business representatives consistently point to one core distortion in Mongolia’s economic environment: the overly close relationship between business and politics. This has even given rise to what some describe as a “preferential economy,” where competitive advantage is determined not by market performance but by proximity to power.

This raises a fundamental question: where did such a system originate? The answer, in practice, is clear—it begins with the system of permits and licensing.

The Permit System

One of the most fragile aspects of Mongolia’s business environment is the process of granting and obtaining permits and licenses. Whether starting a small business or implementing a ▶

► large-scale project, applicants must navigate a complex web of approvals. Some procedures overlap, while others are arguably unnecessary, yet still mandatory. More critically, the permit system has become a structural channel through which corruption can emerge, undermining fair competition and acting as an effective barrier to market entry.

At present, Mongolia has around 250 types of special permits and 121 types of general permits regulated not only by law but also by a parallel layer of quasi-legal regulations. In order to obtain these permits, applicants are required to submit 9 to 33 different documents,

Policy advocacy refers to identifying systemic problems and ensuring that viable solutions are acknowledged and adopted at the state level

pass through 39 to 138 procedural stages, and wait 21 to 100 days for approval. In such conditions, reducing the number of permits is essential—but equally important is the question of who issues them. For example, some permits in the service sector could be issued not by the state, but by professional associations. This is one of the key concepts embedded in the revised draft law on the Chamber of Commerce and Industry. If the MNCCI were to issue certain permits transparently and in digital

form, it would significantly reduce the opportunity for interference by local authorities or politically affiliated actors. In this sense, it represents one of the Chamber’s most significant attempts to “clean up” the business environment.

An economy burdened by excess regulation

If business owners were asked what the biggest obstacle is after permits and licensing, many would likely point not to taxes, but to a regulatory “jungle” of rules and procedures.

According to MNCCI President B. Lkhagvajav, “while Mongolia has more than 930 active laws, an additional 2,768 regulations are effectively grinding down business activity.” However, the issue is not merely the number. The more serious problem is that these regulations often override and obscure the intent of the laws, making the legal environment unpredictable.

Government ministries frequently issue regulations that exceed or reinterpret the scope of legislation. In many cases, these rules are designed in ways that serve institutional convenience rather than legal clarity. As a result, businesses operate in an environment where predictability is weak. The consequences are clear: investment shrinks, small and medium-sized enterprises are pushed out of the market, large companies are

forced into constant regulatory negotiation with the state, and long-term strategic planning becomes increasingly difficult. Against this backdrop, the Chamber’s policy advocacy agenda aims to dismantle what can be described as a “rule-heavy economy”.

State-Set Prices

In certain sectors, it is not market pricing but administratively determined “fee ceilings” that define the rules of the game. The energy sector is one of the most affected victim. Under market principles, prices should be determined by supply and demand. However, when prices are set through political decisions, it almost frightens investors. This is one of the key reasons foreign investment has been limited in the energy sector.

As a result, the sector ends up as a “victim structure” sustained by subsidies and routinely blamed for a wide range of problems. At the same time, they can also become a “magic wand” for electoral promises. In either case, it is locked into a rather unfortunate trajectory.

What would happen if real market pricing were introduced in the energy sector? In theory, private investors would enter the market more actively, and a broader mix of energy sources would be built. However, since the “rules of game” does not allow this, the state itself is often forced to start, finance, and execute projects. This has led to long-life, high-cost projects, while structural inefficiencies in the sector persist.

Best practices from global Chambers

In many countries, chambers of commerce and industry play a central role in policy advocacy. The U.S. Chamber of Commerce, for example, actively participates in shaping tax policy and has even defended its positions in court.

In Germany, the Chambers of Industry and Commerce (IHK) are deeply involved in setting industry standards, maintaining business registries, supporting start-ups, and advising government policy. In Singapore, business associations have played a key role in improving the regulatory environment—digitizing permit systems, accelerating dispute resolution, reducing business registration time, and building integrated public-private platforms for economic coordination.

These examples suggest that chambers are increasingly not just service providers, but key participants in shaping the “rules of the game.” In a small and open economy like Mongolia, the impact of both good and bad policy is amplified. Against this reality, MNCCI aims—through policy advocacy—to play a more active role in legal and regulatory reform, stabilize the business environment, attract investment, and promote fair competition through systemic solutions rather than fragmented interventions. ■



ZUUVCH- OVOO

PROJECT MARKS
A SIGNIFICANT
TECHNOLOGICAL
STEP FORWARD
FOR MONGOLIA'S
MINING SECTOR

Coralie Prin

General Director of
Badrakh Energy LLC

The primary factor that will help us meet our 2028 deadline is effectiveness in our communication.

Mongolian Economy magazine spoke with Coralie Prin, General Director of Badrakh Energy LLC, the joint venture between Mongolia and France and the company which is implementing Mongolia's second-largest mining mega-project. She has been with the Orano Group since 2007, holding positions in the field of Business, Strategy and Finance before moving to Mongolia.

► **What key activities have been implemented since then? How would you assess the overall progress to date?**

There are three main activities that have been our focus since then. First, we have been working hard to comply with the fundamental and legal requirements of the investment agreement. First, as you may know, it is about the new model of foreign direct investment in Mongolia, in which 24% Mongolian ownership of Badrakh Energy is replaced by special (5%) and increased (up to 9%) royalties. Our effort has been to ensure that we would comply with this new setting, including the transfer of shares to Orano Mining Expansion.

The second main activity, which to us is an important one, has been to finalize the detailed environmental impact assessment. This is an important part of our work, and we are in the last steps of validation to ensure that we fully understand our environmental impact in the province where we operate.

The second aspect is linked to the kick-off of the project itself. We are developing our mine in three main areas. The first area is linked to infrastructure. We are currently developing our project in Dornogobi province in a largely untouched steppe area. As a result, we are required to develop all of the basic infrastructures from scratch. This includes securing electricity and developing road infrastructure to ensure that we can reach our site.

The second area is linked to the kick-off of our project in terms of developing our industrial facilities. These facilities are essentially the heart of our operation. We are developing a uranium treatment plant and a plant to develop our leaching solution required for extraction. We are also introducing a brand new mining technique to Mongolia, which is a significant step forward

in Mongolian mining sector. Given the technical complexity, we are currently working with an experienced international engineering company to design and develop these facilities.

The third area is linked to our site preparation and our workforce accommodation. In addition to our preliminary works, we are establishing a permanent camp that is designed to provide a safe and comfortable environment to our employees. We are making significant progress in awarding our contracts. We have awarded our road and power line construction contracts to Mongolian companies. We also awarded our temporary camp construction contract to a Mongolian company.

I think there is a possibility for other uranium projects in Mongolia.

Finally, we have been gearing up to operate. Our plan is to be in operation before the end of 2028. To us, it is tomorrow. Workforce readiness is an integral part of our plan to operate. Over 2025, we have doubled our workforce. Our plan is to double it again by the end of this year.

Could you illustrate, with one or two concrete examples, how the investment agreement aligns with and serves the interests of both parties?

Orano Mining has committed to ensure that 51% of its benefits go to Mongolia. For example, 100% of its royalties and income taxes accrue directly to Mongolia. For dividends, 90% goes to Orano Mining and 10% to Mongolia. If Mongolia fails to get 51% of the target benefits, Orano Mining makes a back payment to it. In this way, we ensure that over 50% of the benefits of this project accrue to Mongolian citizens at all times.

From Orano’s perspective, there is renewed momentum worldwide to use nuclear energy. It is largely driven by

the energy transition and the need to diversify electricity supply and other energy sources. Nuclear power is increasingly being considered as a viable and strategic solution to meet the energy needs of many countries. There is a very clear growth in demand for uranium.

For Orano Mining, this represents an important opportunity to diversify our portfolio of mining activities. We are currently active in Canada and Kazakhstan. Mongolia represents an important opportunity to diversify our portfolio and add another territory to our activities. We are talking here about diversification not only in terms of territory, but also in terms of sources.

In this context, Mongolia is an important partner of our strategy of diversification of our sources of supply.

Orano Group currently operates in several countries worldwide. Could you elaborate on the key projects the Group is implementing internationally?

As you can understand, the Orano Group operates across the entire nuclear fuel cycle. In this context, Mongolia represents today a top priority for our mining division. With the Zuuvch-Ovoo project, we are aiming to begin physical construction in the coming months. This project represents an important strategic priority for us, and we are receiving strong support from our colleagues in Paris to move this project forward.

Aside from Mongolia, we have today two major projects under implementation. The first project is related to the increase of capacity of our current enrichment plant in France. The second is related to the project of building a uranium enrichment facility on U.S. territory. Orano has been selected by the Department of Energy to receive 900 million US dollars of funding to build this facility on U.S. territory, ►

► specifically on the territory of Oak Ridge, Tennessee. The total cost of this project is estimated at almost 5 billion US dollars.

If we look at the other end of the nuclear fuel cycle, we also have to think about spent nuclear fuel management. Orano is one of the few companies in the world that has recognized expertise in spent nuclear fuel treatment and recycling. The facilities we have are over 30 years old and could last another 15 to 25 years. But we have to think about what is next.

So, we are working on a number of projects, which are new designs, R&D, and technologies to be ready by 2040-2050 to open a new generation of spent nuclear fuel treatment plants and fuel fabrication plants. This would enable us to get the maximum out of nuclear fuel and to be closer to a recyclable fuel.

How do you expect the Zuuvch-Ovoo deposit project to impact Mongolia–France bilateral cooperation? How would you evaluate its potential influence on investment flows and on other companies operating in the sector?

Whenever we have the opportunity, we are very open to sharing our experience in Mongolia. Although our work today faces some challenges, we understand that our progress is primarily the result of our efforts to thoroughly understand the expectations of stakeholders and to build relationships based on mutual trust.

We aim to share this experience and provide open

information to assist investors who are interested in Mongolia. Our investment model is quite clear, and I can say that 100% of the pre-production investment is financed by Orano Mining and the Orano Group. At the same time, as discussed earlier, 51% of the total benefits of the project will stay in Mongolia.

I think, in addition to the financial aspects, this project can bring benefits to the Mongolian economy. For example, employment is an essential aspect of our commitment to the Mongolian people. I can say that in total, there will be about 800 people employed directly by Badrakh Energy, and there will be an additional 800 people employed by contractors.

Job opportunities and economic benefits are not limited to the national level, but they are also will be felt in Dornogobi province. When developing our project, we included proposals to ensure local development and economic benefits, and we are now working to turn these into a concrete plan.

In addition, I would like to say that in the future, we would like to restart the exploration works. Zuuvch-Ovoo is the first step, and I think there is a possibility for other uranium projects in Mongolia.

You have been living and working in Mongolia for the last eight months. I think you have been familiar with working with Mongolians, and you are getting to know about its business environment. How would you assess the country’s current investment climate?

One aspect of the business culture in Mongolia, ►

In January 2025, the Government of Mongolia and Orano Mining signed an investment agreement to develop the Zuuvch-Ovoo uranium mining project.



Construction of temporary facilities for the Zuuvch-Ovoo Project. Ulaanbadrakh soum, Dornogobi province

► which caught my attention, is the pace at which things can happen. Obviously, decision-making is always a process, and this is not unique to Mongolia, as you will encounter the same process everywhere in the world. But the moment the decision has been made, things can happen very quickly, and this, in my opinion, is one aspect which I really liked, as it makes you be prepared.

That's very reassuring to hear, because many Mongolians are accustomed to hearing that government officials can be bureaucratic and slow in decision-making.

It is still bureaucratic, of course, but I don't know many countries where bureaucracy is absent. There are cultural differences, naturally. Even in France, for example, if we were to build a new nuclear facility, we would have to request permits, submit reports, and answer questions from the nuclear safety agency and the public.

To me, this level of scrutiny is not unusual because we work in a highly regulated industry. What is particular to Mongolia is that we are working with a new type of mineral and introducing a new type of mining technique.

It is true that some of it takes time, but that is only because decision-makers must get to know this new type of project. They must understand what is acceptable and how it works in relation to what is not acceptable and how it works in relation to global benchmarks. This is not something that can

be assumed; it must be understood through careful study and relation to global benchmarks.

It is a normal process and one that is necessary. It is only reasonable and prudent to proceed cautiously and to ensure that all stakeholders understand the scope of the project.

Once this is accomplished, however, we have also seen that things can accelerate very quickly.

I realize it may be a bit early to ask, but the project start deadline is set for 2028. Do you think it is possible to meet that target?

Every person at Badrakh Energy LLC is fully committed to this goal. One of the key factors that will help us meet our objectives is to ensure that there is coordination and effectiveness in our relations with all public entities that are in charge of validating our permits. We are assuming that our construction and operation permits will be granted in due time.

This also involves a retro-planning of our ability to submit all documentation in due time. What is important is to ensure that we are able to present high-quality documentation in a timely fashion, as well as to keep the relevant administrations informed of when to expect our documentation so that it is processed as established in law. Of course, there will be some back-and-forth along the way, but in my view, the primary factor that will help us meet our 2028 deadline is to ensure that there is effectiveness in our communication. ■

