The Rise of Modern Mongolia

A new generation of Mongolian companies is reshaping the country's economic narrative, demonstrating that innovation, technology and manufacturing can stand alongside mining as powerful drivers of growth and international investment.

| By Matías Godoy |

Long associated with vast mineral wealth and endless grasslands, Mongolia is entering a new chapter of economic development. While mining continues to underpin the economy, a more diversified growth story is emerging—one driven by technology, health care, financial innovation and modern manufacturing. Supported by a young, digitally connected population and a strategic location between two of the world's largest economies, the country is increasingly positioning itself as an attractive destination for investors seeking opportunities beyond traditional resource industries.

Tourism is playing an important role in reshaping that international perception. Growing numbers of visitors are discovering not only Mongolia's dramatic landscapes, nomadic heritage and unique cultural traditions, but also a modern capital city where digital payments are ubiquitous, entrepreneurship is flourishing and businesses are embracing innovation at remarkable speed. For many first-time visitors, the contrast between Mongolia's centuries-old traditions and its rapid technological adoption is one of the country's defining characteristics.

That same balance between heritage and innovation is becoming increasingly evident across the private sector. Companies that were founded during Mongolia's transition to a market economy have matured into sophisticated enterprises, while a new generation of technology businesses is beginning to export products, expertise and intellectual property across Asia. Rather than competing solely on cost, many are building competitive advantages through research, advanced manufacturing, artificial intelligence and locally developed solutions designed for regional markets.

Digital infrastructure has become one of the foundations of this transformation. Once focused primarily on expanding connectivity across one of the world's most sparsely populated nations, the sector is now enabling cloud computing, artificial intelligence, digital finance and next-generation business services. "Our focus is how we can contribute to Mongolian society," said Mobicom CEO Yasuhiro Ochi, reflecting a broader philosophy shared by many business leaders who see technology as a catalyst for long-term national development rather than simply commercial success.

Financial technology is creating another engine for growth. Mongolia's high levels of digital adoption, widespread banking penetration and rapidly expanding cashless economy have created fertile conditions for innovation in financial services. Local fintech firms are increasingly looking beyond domestic borders, exporting technology platforms and expertise to neighboring markets while helping improve financial inclusion at home. "We want to create something that demonstrates Mongolia can be recognized globally through technology, innovation and talent," said AND Global Group CEO Khos-Erdene Baatarkhuu.

Health care and advanced manufacturing are also becoming increasingly important contributors to economic diversification. Drawing on decades of pharmaceutical research, traditional medicine and modern production capabilities, Mongolian companies are developing proprietary products aimed at regional and international markets. Significant investment in research and development, combined with internationally recognized manufacturing standards, is creating opportunities that extend well beyond the country's borders. "The last 36 years were about succeeding in Mongolia. Now it's time to use that experience to go beyond our borders," said MONOS Group CEO Anand Khurelbaatar.

These ambitions are supported by a business community that increasingly views partnerships as essential to future growth.

The Milky Way over a traditional ger in Mongolia. Photo by Patrick Schneider.

Rather than simply exporting products, many companies are seeking joint ventures, technology transfer agreements, research collaborations and long-term strategic investors capable of accelerating regional expansion. The emphasis is on building sustainable relationships that combine local market knowledge with international expertise.

As Mongolia continues to diversify its economy, its competitive advantages are becoming clearer. A youthful workforce, rapidly improving digital infrastructure, abundant natural resources and an entrepreneurial private sector are creating an ecosystem that is both dynamic and increasingly outward-looking. Combined with a tourism sector that is introducing more international visitors to the country each year, these developments are steadily reshaping Mongolia's global image—from a resource-rich frontier market into an emerging center for innovation, advanced manufacturing and regional business opportunity.

From Mongolia to Southeast Asia

AND Global is transforming Mongolia's fintech landscape by combining AI-driven financial technology with inclusive lending solutions, building a regional footprint that is helping position the country as an emerging source of innovation and investment opportunity.

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Beyond Borders

AND Global is demonstrating how a Mongolian technology company can compete on a regional stage, combining fintech innovation with a commitment to financial inclusion. Founded in 2015, the company began by addressing a challenge common across emerging markets: providing access to finance for individuals and small businesses that often lack the collateral required by traditional lenders. Through Mongolia's first digital lending and fintech platform, LendMN, AND Global has helped expand financial access while building a foundation for broader technological innovation.

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KHOS-ERDENE BAATARKHUU
GROUP CEO

Today, the company operates two complementary business lines. Alongside its lending activities, AND Global has developed a suite of fintech solutions powered by artificial intelligence, including credit scoring, intelligent document processing and end-to-end lending systems that support the entire customer journey, from onboarding to debt collection. These solutions have enabled the company to expand beyond Mongolia, establishing a presence in 11 countries across Asia and building relationships with financial institutions seeking more efficient and inclusive digital services.

"We want to create something that not only succeeds as a business but also demonstrates that Mongolia can be recognized globally through technology, innovation, and talent," said Group CEO Khos-Erdene Baatarkhuu. That ambition has shaped the company's growth strategy from the outset. "We gathered all of our know-how, expertise and experience and turned it into products that can help other institutions and markets," he said.

Growth Through Partnership

A defining milestone came with the successful completion of a Series B funding round led by IFC, a member of the World Bank Group, alongside Japan's AEON Financial Service. The achievement positioned AND Global among Mongolia's most successful startup ventures and underscored growing international confidence in the country's technology sector.

Partnerships with organizations such as Marubeni Corporation, SBI Holdings, Microsoft, Standard Chartered Bank and AEON Financial Service have been a cornerstone of AND Global's growth. By working alongside global investors, multinational corporations and regional industry leaders, the company has been able to accelerate its expansion while refining solutions tailored to local market needs. Rather than simply delivering software, AND Global focuses on collaborative partnerships that combine technology, expertise and market insight to create sustainable value for all stakeholders.

That approach is guiding the next phase of expansion. While continuing to strengthen its position in digital lending, particularly for micro and small businesses, AND Global is extending its technology solutions beyond financial institutions into new sectors where embedded finance and AI-driven services can improve customer experiences. The company is also exploring future public listing opportunities as part of its long-term growth ambitions.

With a growing regional footprint, proven technology and a strong appetite for innovation, AND Global is positioning itself as one of Mongolia's emerging technology champions. "We are very hungry," Khos-Erdene said. "We want to build something unique, create value, and put Mongolia firmly on the global map."

Beyond Connectivity

Nearly three decades after introducing mobile communications to Mongolia, Mobicom is redefining what a telecommunications company can be. Having built much of the country's digital backbone, the company is now evolving into a technology platform that connects businesses, powers financial services and develops digital solutions designed to solve uniquely Mongolian challenges.

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YASUHIRO OCHI
CEO OF MOBICOM

More Than a Telecom Operator

When Mobicom launched in 1996, it employed just 17 people. Today, the company has grown to around 1,900 employees and serves more than 1.8 million subscribers in a country of roughly 3.5 million people. Its journey closely mirrors Mongolia's own digital transformation.

Yet the company no longer sees telecommunications as its destination. "Our focus is becoming a technology company," said CEO Yasuhiro Ochi. "We want to provide a digital platform and create new businesses together with our partners."

That shift reflects a broader strategy. Rather than measuring success simply by network coverage or subscriber numbers, Mobicom increasingly measures its contribution by the services and ecosystems it enables across Mongolia's economy.

Building a Network Against the Odds

Creating nationwide connectivity in Mongolia requires overcoming challenges few operators elsewhere encounter. Mobicom has invested in more than 63,000 kilometers of fiber-optic infrastructure and operates over 2,000 base stations across one of the world's most sparsely populated countries. Reaching remote communities often means installing radio towers on mountain peaks, where engineers must climb through snow during winter to repair equipment or refuel backup generators after power failures.

Those conditions have also encouraged innovation. The company has introduced solar-powered sites where possible and is increasingly experimenting with wind generation to improve reliability in isolated locations. Rather than slowing development, Mongolia's geography has become a catalyst for engineering new solutions.

Innovation has been equally consistent across mobile technology. Mobicom introduced the country's first 2G, 3G, 4G and 5G services, continuing a pattern of technological firsts that has defined the business for nearly 30 years. Perhaps the biggest surprise for overseas visitors is performance itself. "If you run a speed test, sometimes it's faster than Tokyo," Ochi said.

Becoming Mongolia's Digital Platform

Connectivity is now only one layer of a much broader ecosystem. The company pioneered Mongolia's first e-commerce platform before expanding into digital payments, which today serve around 1.5 million users. In a country that has rapidly embraced cashless transactions, digital infrastructure has become an important driver of economic activity.

Enterprise services have expanded just as quickly. Today, Mobicom provides cloud infrastructure, enterprise connectivity, cybersecurity, customer support, data analytics and AI-powered business solutions. Its hybrid cloud architecture allows organizations to combine international cloud platforms with locally hosted infrastructure, helping businesses comply with Mongolia's data residency requirements while maintaining global connectivity.

Artificial intelligence is becoming another major pillar. The company has already deployed AI-powered customer service, developed its own large language models and is introducing agentic AI capable of analyzing financial performance, operational metrics and business data before automatically generating reports for management.

Industry-specific AI solutions are also being developed for sectors including banking, health care and retail. "We are not only providing individual services," Ochi explained. "Our strategy is co-creating new business together with our clients."

That philosophy increasingly positions Mobicom as an innovation partner rather than simply a technology supplier.

Technology That Solves Local Problems

Many of Mobicom's newest initiatives begin with practical challenges unique to Mongolia. The company places significant strategic importance on Low Earth Orbit (LEO) direct-to-cell connectivity and is actively exploring its potential to enhance emergency communications across remote and underserved regions where conventional mobile coverage remains limited. Such technology could prove critical for herders working hundreds of kilometers from the nearest settlement during Mongolia's severe winters.

Another concept under development would digitally monitor livestock through geofencing technology, helping families locate animals that roam freely across vast grazing areas. "I don't know whether we can make money from it," Ochi admitted. "It doesn't matter. My focus is how I can contribute to Mongolian society."

That same thinking has shaped projects far beyond telecommunications. Mobicom helped digitally transform Mongolia's traditional wrestling tournaments by introducing large-scale screens, replay technology, interactive audience voting and digital engagement platforms, bringing new audiences to one of the country's oldest sporting traditions.

The company has also become the country's first authorized repair center for leading global smartphone manufacturers, reducing the need for consumers to send expensive devices overseas for servicing.

Most recently, Mobicom expanded into digital life insurance. By integrating insurance into its digital ecosystem through fully online verification and onboarding, the platform attracted around 143,000 users within its first year—rapidly becoming one of Mongolia's largest providers in the segment.

For Ochi, each initiative serves the same objective: using digital technology to remove friction from everyday life.

A Different Investment Story

International investors often underestimate Mongolia's technological maturity. Ochi argues that one of the country's greatest strengths is its people. "Mongolian people are very agile," he said. "They adapt very quickly to new technology."

That willingness to embrace innovation has helped accelerate smartphone adoption, digital payments and AI-based services at remarkable speed. Combined with a young population and growing digital literacy, it creates fertile conditions for technology-driven businesses.

Mobicom believes it can help international companies access those opportunities. The company is actively seeking partnerships spanning digital transformation, AI deployment, cloud services, enterprise platforms, technology transfer and joint ventures. It also works closely with many of Mongolia's leading financial institutions, industrial groups, retailers and consumer businesses, giving it an extensive understanding of the country's commercial landscape.

When asked whether Mobicom should be viewed as a Mongolian company or a Japanese company, Ochi offered an answer that neatly captures the company's identity. "It is a Mongolian company supported by Japanese quality."

He believes that combination brings together international operating standards with the agility of Mongolia's business culture—qualities that international investors increasingly value. As Mongolia's economy continues to diversify, Mobicom intends to play an even broader role in that transformation. The company's ambition is no longer simply to connect people. It is to provide the digital platforms that enable businesses to grow, communities to thrive and investors to participate in the country's next chapter. "If we provide the right digital platform," Ochi said, "it will definitely help boost the economy."

Beyond Borders

From pioneering Mongolia's private pharmaceutical sector to building one of the country's largest health care ecosystems, MONOS is leveraging more than three decades of innovation to position Mongolian manufacturing on the global stage.

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When Mongolia embraced a market economy in 1990, few entrepreneurs could predict how the country's private sector would evolve. Among the first companies to take that leap was MONOS Group, founded by pharmacist Luvsan Khurelbaatar as one of Mongolia's earliest private enterprises. Beginning with a handful of pensioners packaging herbal medicines by hand, the company has grown into an integrated health care conglomerate spanning pharmaceuticals, cosmetics, food production, retail pharmacy, research and development and health care services.

Today, under the leadership of CEO Anand Khurelbaatar, MONOS Group is entering a new phase. Having established a dominant domestic presence, the company is now focused on transforming decades of manufacturing expertise into an international growth platform built on research, innovation and strategic partnerships.

Driving Innovation at Every Stage

Innovation has defined MONOS since its earliest days. Inspired by Mongolia's rich biodiversity and traditional medicinal knowledge, the company combined local herbal ingredients with pharmaceutical science long before natural health products became a global trend.

That culture of innovation continues to shape the business today. The group now operates 17 subsidiaries built around two core manufacturing pillars—pharmaceuticals and cosmetics—supported by wholesale distribution, a nationwide pharmacy network, digital health care services and food production.

Its pharmaceutical division manufactures more than 200 products, with approximately 80 percent consisting of generic medicines and the remainder proprietary brands. Alongside it, MONOS Cosmetics has developed a portfolio of around 250 products ranging from skincare and personal care to shampoos and hygiene solutions. Both businesses have invested heavily in Good Manufacturing Practice (GMP) facilities to support international expansion.

"We want Mongolia to be known not only for mining, but for knowledge, innovation and manufacturing," said Anand Khurelbaatar.

Research with Global Ambitions

Rather than relying solely on generic medicines, MONOS is investing aggressively in proprietary products that combine modern pharmaceutical science with traditional medicine.

Medicine | Beauty and health supplement | Hair regrowth treatment

Around 10 percent of pharmaceutical revenue is reinvested into research and development each year. A dedicated research institute of more than 40 scientists conducts laboratory, pharmacological and preclinical research, with the understanding that bringing a single medicine to market can take close to a decade.

Among the company's most promising developments is a proprietary nano-calcium formulation designed to support osteoporosis treatment. Combining nano-calcium, vitamin D3 and a traditional herbal ingredient used historically for bone health, the product has undergone approximately 10 years of laboratory, animal and human testing.

According to Anand Khurelbaatar, commercialization has already begun internationally, with licensing rights for South Korea secured by a pharmaceutical partner while opportunities remain available in other markets.

Another breakthrough is Chundolo, a traditional medicine reformulated into a modern tablet with antiviral properties. Developed during the COVID-19 pandemic, the product reflects MONOS' broader strategy of transforming traditional medical knowledge into internationally competitive pharmaceutical products.

"We're connecting traditional medicine with Western medicine to create innovative products that nobody else can make," Anand explained.

Building an Integrated Health Care Ecosystem

MONOS' competitive advantage extends well beyond manufacturing.

Its nationwide pharmacy network has grown to approximately 270 stores, making it one of Mongolia's largest health care retailers. The company pioneered self-service pharmacy layouts, introduced digital ordering through its eMonos platform and now delivers medicines within hours while integrating prescription verification with licensed pharmacists.

The network also provides free health screening services, including blood pressure and osteoporosis checks, reflecting MONOS' broader commitment to preventive health care.

Meanwhile, its distribution business imports approximately 4,500 health care products from around 200 international suppliers across Japan, South Korea, Germany, Switzerland, France, the United Kingdom and the United States, giving the group a uniquely diversified health care ecosystem.

This vertically integrated model—from research and manufacturing to distribution, retail and digital health—creates significant operational advantages while allowing MONOS to respond rapidly to changing consumer needs.

Expanding Across Central Asia

While Mongolia remains a growing market, MONOS sees its greatest opportunity beyond national borders. Rather than competing immediately in saturated Western markets, the company has identified Central Asia as the primary focus of its expansion strategy. Similar consumer preferences, regulatory environments and climatic conditions make countries such as Kyrgyzstan, Kazakhstan and Uzbekistan attractive entry points.

MONOS established operations in Bishkek several years ago and has already registered dozens of products for sale. The next stage involves establishing regional manufacturing facilities that can reduce logistics costs while serving a market of more than 100 million consumers.

The strategy is supported by products specifically developed for harsher climates, including cosmetics formulated with richer moisturizing properties than many Southeast Asian alternatives. "We're open to everything," Anand said when discussing partnerships. "Joint ventures, technology transfer, investment or strategic cooperation—we're looking for partners who want to grow together."

Strengthening Governance for Sustainable Growth

International expansion has been supported by continuous improvements in corporate governance. A long-standing partnership with the European Bank for Reconstruction and Development (EBRD) helped finance GMP-certified manufacturing facilities while introducing international governance standards and management practices that continue to shape the organization today.

Professional management is now embedded across the group, with subsidiary companies operating under experienced executive teams while strategic oversight remains at board level.

The group's listed subsidiary, Monos Foods, represents another step in this evolution, providing additional access to capital markets while supporting the company's expansion into health-focused consumer products.

For Anand Khurelbaatar, the next chapter extends beyond commercial success. Having spent more than three decades proving that sophisticated health care products can be designed, manufactured and commercialized in Mongolia, MONOS now aims to demonstrate that Mongolian innovation can compete internationally. "The last 36 years were about succeeding in Mongolia," Anand said. "Now it's time to use that experience to go beyond our borders."

MONOS GROUP

The Milky Way over a traditional ger in Mongolia. Photo by Patrick Schneider.