



МОНГОЛ УЛСЫН ЗАСГИЙН ГАЗАР



ДЭЛХИЙН БАНК

Press release

June 19, 2009 Ulaanbaatar- A wrap-up meeting of Mongolia's competitiveness scoping mission in Mongolia was held in the Government building. The mission, consisting of Professor Jorge Ramirez-Vallejo of the Harvard Business School's Institute for Strategy and Competitiveness, and a team from the World Bank's International Trade Department in Washington visited Mongolia and consulted with Government and industries on developing a strategy for national competitiveness during the week of June 15-19.

Mr N. Altankhuyag, the first deputy Prime Minister of Mongolia, noted in his opening remarks, *"The importance of improving competitiveness and the need to develop a sustainable, diversified economy in Mongolia have become all the more acute in the wake of the global economic crisis"*. He appreciated the timely response and work done by the team from Harvard Business School and the World Bank as requested by the Government of Mongolia.

Mr Arshad Sayed, Resident Representative and Country Manager, World Bank Mongolia Office said, *"We appreciate that the Government pays special attention to the medium- and long-term development agenda while they make hard decisions and take constructive action against the current economic crisis"*.

This initiative was undertaken in response to the invitation from the Government of Mongolia following Professor Michael Porter's July 2008 lecture "Competitiveness: Creating a Mongolian Economic Strategy" which generated wide interest on the competitiveness agenda within Mongolia. During Professor Porter's lecture, he highlighted many of the important opportunities and challenges for Mongolia in diversifying its economy and promoting sustainable economic growth. Mongolia's highly strategic location offers a significant platform for development; yet its poor transport infrastructure, lack of economic diversity, and weak business environment result in the country being consistently ranked near the bottom in global competitiveness rankings from the World Economic Forum.

During the week, Professor Ramirez-Vallejo and the World Bank team held focus group sessions with several key industries in Mongolia, including cashmere, ICT, meat, mining, and tourism. In addition, they consulted with public and private sector stakeholders including ministries, government agencies, business organizations, NGOs, universities, donors and eminent persons from Mongolia such as the MPs and business leaders. These meetings had four main objectives:

- 1) To explore the current situation in Mongolia and the status of ongoing and past competitiveness initiatives;
- 2) To generate a common language in discussing competitiveness;
- 3) To identify the 'national value proposition' of Mongolia
- 4) To start (or re-energize) the process of building a national competitiveness initiative in Mongolia.

These discussions highlighted many opportunities for Mongolia to facilitate greater competitiveness through coordinated action amongst all stakeholders. In order to achieve this, however, two issues were identified as paramount. First, the need situate the competitiveness initiative within the framework of a ‘national value proposition’ – a clear national economic strategy based on a vision grounded in Mongolia’s *unique* geographic location and the enormous potential of its human capital and natural resources. Second, the need for competitiveness initiatives to be driven by the private sector but supported by strong, ongoing public-private dialogue, with the government and other institutions acting as facilitators to the private sector.

Finally, Professor Ramirez-Vallejo outlined a proposal to establish a ‘Mongolian Council on Competitiveness’ which would act as an umbrella under which a broad program of competitiveness – including cross-cutting national initiatives and specific industry cluster initiatives – could be facilitated. This independent body would be overseen by stakeholders from across the public sector, the private sector, and civil society. He stressed that the mission of achieving substantially improved national competitiveness is not a sprint but a marathon. Countries which have succeeded in raising their competitiveness only do so through a concerted and sustained effort, clearly prioritizing and balancing short, medium and long term issues.

The World Bank and Professor Ramirez-Vallejo of Harvard Business School’s Institute for Strategy and Competitiveness both indicated their continued support for the competitiveness initiative. With the active commitment of the Mongolian private sector and the Government of Mongolia, the next steps will be to operationalize the ‘Mongolian Council on Competitiveness’ and to initiate the development of competitiveness initiatives within individual industry clusters.

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