
A Conversation with Mr. Telmen Gerelt, Mongol Post

- *Interviewee: Mr. Telmen Gerelt, CEO of Mongol Post JSC*
- *Interviewer: APPU Bureau*

Q1: Can you share your background and your vision for Mongol Post?

Mr. Telmen Gerelt: Certainly. I served as Deputy CEO of Mongol Post from 2016 to 2020, during a transformative period when the government partially privatized the company. My experience spans the private sector, including co-founding an e-commerce platform in Mongolia. When I joined Mongol Post, our revenue was heavily dependent on traditional mail, which was declining. We implemented a strategy focusing on improving mail efficiency, expanding logistics business, and introducing financial services. This approach helped us double our revenue and increase profitability tenfold within two years. I returned as CEO this year, after serving on the board during the pandemic years. My strategy now includes enhancing traditional mail into new services, expanding international mail exchanges, building logistics business lines and integrating financial services to support Mongolia's vast rural areas.

Q2: What challenges did Mongol Post face during the pandemic, and how are you addressing them?

Mr. Telmen Gerelt: The pandemic severely disrupted logistics, halting inbound mail from key regions like Japan. Posts are still recovering from the backlog. The board of directors decided to review the management, leading to my appointment through an open competition. My focus is on increasing productivity and efficiency, especially in international exchanges. Mongolia, with its small population, relies heavily on international revenue. Our new international mail processing center at the new international airport is a significant milestone. Additionally, liberalizing air flights will enhance our international exchanges, critical for our landlocked country bordered by China and Russia.

Q3: How does Mongol Post balance its universal service obligation with profitability?

Mr. Telmen Gerelt: Mongolia is vast, and providing services to remote areas is costly. While our operations in Ulaanbaatar and international markets are profitable, they subsidize the rural areas. About 30% of our volume comes from these remote regions, but they are expensive to serve. To address this, we are building five sub-logistic centers as part of a regional development program. These centers will enhance logistics, leveraging our extensive network to serve both public and private sectors efficiently. Our goal is to diminish the urban-rural divide by ensuring timely delivery of services and products across the country.

Q4: What are the strategic directions you're focusing on in the coming years?

Mr. Telmen Gerelt: Our strategy has four main directions: enhancing traditional mail with new services, expanding logistics into regional supply-chain, upgrading e-commerce logistics and opening our network to

public and private sectors. We recently received a financial inclusion project grant from the UPU, supported by the Japan Fund. This will equip 150 remote areas with POS machines, enabling them to offer various services, including financial and online shopping. Our postmen will act as mobile branches, delivering products and services even in the remotest areas. Additionally, we are integrating digital services to improve accessibility for rural populations. This holistic approach aims to increase network usage and collaboration with diverse sectors, driving growth and inclusivity.

Q5: What are the current challenges and priorities for Mongol Post?

Mr. Telmen Gerelt: The main challenge is the lack of government attention and support for the postal sector over the past decade. We are a partially state-owned enterprise, which places us in a unique position, not fully benefiting from either public or private sector policies. This ambiguous status affects our ability to upgrade infrastructure and receive necessary support. Another significant challenge is the outdated postal law, which needs urgent revision to reflect current realities. I am working on advocating for policy changes and legal reforms to create a favorable environment for the postal sector in whole. Engaging with the government and international communities is crucial to highlight the sector's importance and secure the necessary support for sustainable growth.

Q6: How do you see the competition in Mongolia, and what is your approach to customer service?

Mr. Telmen Gerelt: Domestically, we face competition from over 90 licensed private postal companies. Our strategy is to balance profitability in urban and international markets with the cost of serving rural areas. We need government support to sustain this balance. Customer expectations have changed; they demand faster, cheaper services. To meet these needs, we've introduced products like same-day delivery. We also need to upgrade the infrastructure and improve our branding and market presence to be more competitive. Despite the challenges, our network's trustworthiness, especially for remote deliveries, remains a significant advantage.

Q7: How does your background in ecommerce and the financial sector benefit Mongolia Post?

Mr. Telmen Gerelt: My experience in ecommerce and financial technology brings valuable insights into modernizing Mongol Post. I aim to leverage this knowledge to accelerate our development, particularly in integrating financial services and enhancing logistics. For instance, securing the Japanese grant for financial inclusion projects reflects how my background helps in achieving strategic goals. The postal sector globally is focusing on financial services and ecommerce logistics, areas where my expertise can significantly contribute to Mongol Post's growth and innovation.