

Recent Energy-Sector Developments in Mongolia

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The Mongolian government has enacted a new energy law, which was approved by parliament in February 2001. The previous law dated from 1995. The new law foresees a more competitive energy market in Mongolia. Under the new law, the electricity market will be divided into three areas: electricity generation, transmission, and distribution.

We also want to establish an energy development agency. Plans for such an agency were approved in April 2001.

Our next area of action will be pricing, which has been a problem. Energy price increases during 2000 and 2001 included an 85% rise in heating prices and 15% for electricity. Even after these increases, however, prices are still very low by international market standards.