

JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)

MINISTRY OF INFRASTRUCTURE MONGOLIA*

MONGOL POST COMPANY

**THE STUDY
ON
THE POSTAL SERVICE IMPROVEMENT PLAN
IN
MONGOLIA**

FINAL REPORT

[SUPPORTING]

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*Due to a change of national organization in August 2000, the former Ministry of Industry and Development was replaced by the Ministry of Infrastructure.

Referential Exchange Rate (Monthly Average in November 2000)

One US Dollar = 109.95 Japanese Yen = 1,040 Tugrik

Sources: Bank of Tokyo-Mitsubishi (for USD – Yen conversion)

Trade and Development Bank of Mongolia (for USD – Tugrik conversion)

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1. Methodology and Survey Contents

1.1. Methodology

Customer needs were surveyed by means of questionnaire surveys and face-to-face interviews. Customers were divided into three categories: individuals (i.e., the general public/consumers), Companies (Private and Public), and institutions (governmental agencies and international organizations). Table 1-1 shows the number of samples in each category (on the retrieval basis). The surveys were carried out by Premier International, Inc., in accordance with plans and supervisions made by the JICA Study Team.

Table.1-1 Total Number of Samples

	General Public and Consumers	Private and Public Companies	Government and International Organizations
Questionnaire Surveys	1,000	100	100
Individual Interviews	-	30	30
Group Interviews	50	-	-

Source: JICA Study Team

(1) Three standards for selection of representative locations in Mongolia

In order to obtain sample data representative of Mongolia, the Study Team applied the following three standards in selecting survey locations.

- 1) Economic and infrastructure development
- 2) Business activities
- 3) Representation of all walks of life

(2) Selection of ten locations in four zones

Applying the three aforementioned standards, the Study Team divided Mongolia into four zones and selected a total of seven Aimags and three cities in them, as noted below. The distribution of the number of samples among them was based on population size as well as the siting of business and governmental agencies (see Table 1-2).

Zone 1 – Ulaanbaatar, Darkhan and Erdenet cities

This is the most economically developed zone in Mongolia, which has the most advanced infrastructure and one third of the whole population in Mongolia.

Zone 2 – Selenge, Dornodgovi and Omnogovi Aimags

The Trans-Mongolian railway connecting Russia, Mongolia and China runs through the territory of the first two Aimags. Mongolia's two most busy ports of entry are situated

in Selenge and Dornodgovi Aimags. About 80% of total industrial output in Mongolia are produced within the “Railway Corridor” running across the territories of these Aimags. Omnogovi is one of the least populated and developed Aimag in Mongolia.

Zone 3 – Khovsgol and Zavkhan Aimags

These two Aimags are the most populous in Mongolia. As in any western Aimag, the infrastructure of these two Aimags is underdeveloped. They are far from central electricity grid system and main transportation arteries.

Zone 4 – Bayan-Olgii and Dornod Aimags

Bayan- Olgii is the westernmost and Dornod Aimag is the easternmost Aimag in Mongolia. Besides this geographical fact, Kazakhs account for about one third of the population in Bayan-Olgii Aimag. A large number of these ethnic people have emigrated to Kazakhstan in the past few years calling for increased demands for postal services in the Aimag.

Table. 1-2 Number of Collected Samples in Each Aimag and City

	Zone 1			Zone 2			Zone 3		Zone 4		Total
	UB	Darkhan	Erdenet	Selenge	Dornodgovi	Omnogovi	Khovsgol	Zavkhan	Bayan-Olgii	Dornod	
General Public and Consumers	514	89	91	43	31	33	63	65	31	32	1,000 (unknown=8)
	11	5	5	4	3	3	6	5	4	4	50
Private & Public Companies	56	7	8	4	3	3	6	6	4	3	100
	6	2	2	3	2	2	5	3	3	2	30
Government and International Organizations	54	9	11	3	2	2	5	5	5	4	100
	7	2	2	3	2	2	4	4	2	2	30

Source: JICA Study Team

Note: Numbers in the first line indicated are for questionnaire surveys, and second line for interviews for three target groups

1.2. Survey Contents

The questionnaire surveys employed the forms shown in figures AP-1, AP-2, and AP-3 for the individuals, companies, and institutions respectively. The interview surveys were carried out in accordance with the forms shown in figures AP-4, AP-5, and AP-6. The interviews with individuals were conducted in the group interview format.

In the following analysis, interview results were also combined together from their free comments. Such interviews are outlined in tables AP-7, AP-8 and AP-9.

2. Customers' View on Current MPC Services

In each of the three customer categories, the questionnaire surveys were implemented mainly with existing customers of MPC services. This was done in order to get a better idea of the problems with the current services, and also in the belief that existing customers would be more apt to provide opinions on the kind of value they wanted from services. Although the views of people and organizations that were not making use of MPC services were also polled in the course of the survey, in many cases they had absolutely no impression or image of these services or merely repeated criticisms they had heard about the MPC, without any particular grounds based on first-hand experience. Similarly, they rarely had well-defined opinions or desires about new services.

2.1. Individuals (General Public and Consumers)

In the category of Individuals (General Public and Consumers), there were 1,000 respondents. Of this total, about 84 % had used services at post offices. While the vast majority of these users were newspaper or magazine subscribers, 78.4 % of the respondents used services of some type (postal, financial, telecommunications, Retail services, etc.) at least once about every two months, as shown in the table below.

Frequency of Use of Services at Post Offices

	Number	Percentage N=1,000
More than twice a month	541	54.1
Once a month	173	17.3
Two three times in 6 months	70	7.0
Once in 6 months	36	3.6
Once a year	15	1.5
Very limited	68	6.8
Never used	36	3.6
No Answer	61	6.1
Total	1,000	100.0

} 78.4

Source: JICA Study Team

The following is an outline of the situation in each service category (postal, financial, telecommunications, retail, and other services).

(1) Postal Services

On average, people use the post office once every two months for sending or receiving parcels (each users count for around 27%). Frequency for sending or receiving letters is once a month (users count for about 56% and 48%, respectively), once every two weeks for purchase of newspapers or magazines (users count for about 45%), and once every four days for subscription to newspapers and magazines (users count for about 50.8%).

Frequency of Annual Use for Postal Services

(Frequency of use)

		Average number of times per year
Sending letters	N=569	11.3
Receiving letters	N=486	12.7
Sending parcels	N=271	6.1
Receiving parcels	N=266	6.1
Subscribing newspapers/magazines	N=508	97.9
Buying newspapers/magazines	N=456	26.7
Others mail services	N=70	19.6

(Number of users)

	Number	Percentage N=1,000
Sending letters	569	56.9
Receiving letters	486	48.6
Sending parcels	271	27.1
Receiving parcels	266	26.6
Subscribing newspapers/magazines	508	50.8
Buying newspapers/magazines	456	45.6
Others mail services	70	7.0
No Answer	124	12.4
Total	2,750	?

Source: JICA Study Team

(2) Financial services

On the average, the respondents receive wages (users count for about 10%) and paid utility bills (users count for about 25%) at post offices once a month. Other services, which include receipt of pensions (users count for about 10%), payment of taxes (users count for about 12%), sending of money orders (users count for about 14%), and purchase of insurance (users count for about 11%), are used about once every two months.

Frequency of Use Per Year (Financial Services)

(Frequency of use)

		Average number of times per year
Receiving pensions	N=92	8.9
Receiving wages	N=98	11.8
Paying taxes	N=123	7.9
Paying utility bills	N=252	10.6
Sending money order	N=141	5.0
Receiving money order	N=109	6.4
Buying insurance	N=113	5.6
Other financial services	N=41	6.7

(Number of users)

	Number	Percentage N=1,000
Receiving pensions	92	9.2
Receiving wages	98	9.8
Paying tax es	123	12.3
Paying utility bills	252	25.2
Sending money order	141	14.1
Receiving money order	109	10.9
Buying insurance	113	11.3
Other financial services	41	4.1
No Answer	592	59.2
Total	1,561	?

Source: JICA Study Team

(3) Telecommunications services

Fax services were used an average of once a month (users count for about 17%), and e-mail services (users count for about 8%), once a week. Other, which mostly include telephone services (users count for about 14%), were used once a month.

Frequency of Use Per Year (Telecommunications Services)

(Frequency of use)

		Average number of times per year
Using Fax	N=169	12.8
Using E-mail	N=83	65.9
Other telecom services	N=144	13.3

(Number of users)

	Number	Percentage N=1,000
Using Fax	169	16.9
Using E-mail	83	8.3
Other telecom services	144	14.4
No Answer	699	69.9
Total	1,095	?

(4) Retail services

On the average, the respondents went to post offices to purchase postal products once a month and other products once every two months.

Frequency of Use Per Year (Retail Services)

(Frequency of use)

		Average number of times per year
Buying postal goods	N=426	13.9
Buying other goods	N=36	6.1

(Number of users)

	Number	Percentage N=1,000
Buying postal goods	426	42.6
Buying other goods	36	3.6
No Answer	565	56.5
Total	1,027	?

(5) Other Services

The responses (entered freely by the respondents) for "other" services were led by use of telephones and included mail-order sales, express mail, and purchase of books. Overall, other services were used with an average frequency of just under twice a month (users count for about 3%).

Frequency of Use Per Year (Other Services)

(Frequency of use)

		Average number of times per year
Others	N=33	21.5

(Number of users)

	Number	Percentage N=1,000
Others	33	3.3
No Answer	967	96.7
Total	1,000	100.0

Other comments

- | | |
|-----------------|----------------|
| • express mail | • payphone |
| • buy books | • use tel |
| • po S t card | • mail order |
| • cash transfer | • parcel trade |