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ADB Provides $30Mn Financing to Boost Mongoliaâ??s Cashmere Value Chain and Food Service Sector

23 September 2026 | News

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The Asian Development Bank (ADB) signed a combined $30 million loan (in togrog equivalent) with Gobi Joint Stock Company (Gobi), Tavan Bogd Foods LLC (TBF), and Tavan Bogd Foods Pizza LLC (TBFP) to strengthen Mongolia's cashmere value chain and expand employment opportunities in the country’s burgeoning food service sector.

The loan comprises $15 million in assistance to Gobi, $10 million to TBF, and $5 million to TBFP. The support to Gobi, Mongolia’s leading cashmere manufacturer, will finance the sustainable procurement of raw cashmere from nomadic herders and the processing of high-value cashmere products. The support to TBF and TBFP will expand food service operations in and outside Ulaanbaatar. Together, the three companies employ about 3,244 people, and the project is expected to create 367 new jobs, at least 220 of them for women.

“This project demonstrates how private sector investment can strengthen rural livelihoods and create quality jobs," said ADB Country Director for Mongolia John Juhyun Jeong. "By supporting Gobi's work with herder cooperatives and expanding access to formal employment through TBF and TBFP, we are helping build a more diversified, inclusive, and resilient economy. The project reflects our continued commitment to partnering with the private sector in Mongolia to drive sustainable growth."

Mongolia produces approximately 45 per cent of the world's raw cashmere, yet only 10 per cent of this is processed domestically into higher-value products. The project will increase domestic value addition by supporting cashmere sourcing, processing, and garment manufacturing, while strengthening links between local cashmere herders, processors, and export markets. It will also expand formal employment opportunities in Mongolia's growing food service sector, particularly for women and young workers.

The project supports ADB's priorities on private sector development, food systems transformation, resilience, equal opportunities for women and girls, and quality job creation. Mongolia's cashmere industry remains vulnerable to extreme weather-related shocks affecting livestock and herder livelihoods. By improving value addition and strengthening market linkages, the project is expected to enhance the sector's resilience while increasing income opportunities throughout the

supply chain.

"Cashmere is one of Mongolia's important export industries, and Gobi JSC has long been a pillar of that industry, supporting thousands of herder households across the country. We are grateful to ADB for its continued partnership and confidence in Gobi JSC and Tavan Bogd Group," said Gobi JSC Chief Executive Officer Amarsaikhan Baatarsaikhan. "This financing will help secure the raw cashmere supply chain, ensuring Gobi JSC can continue to source quality material directly from local herders while sustaining jobs and export competitiveness for years to come."