

## ADB extends \$10 Mn social loan to premium nexus to modernise Mongolia's food distribution network

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**Financing will expand cold chain infrastructure, strengthen retail access, generate employment and empower women entrepreneurs across urban and rural Mongolia**



The Asian Development Bank (ADB) has signed a \$10 million social loan with Premium Nexus JSC, Mongolia's largest convenience store operator, to strengthen the country's food distribution ecosystem through expanded retail infrastructure, enhanced cold chain logistics and greater access to affordable food and essential goods. The investment underscores ADB's growing focus on building resilient, inclusive and efficient food systems across emerging Asian economies.

The financing will support the expansion of Premium Nexus' retail and logistics operations, enabling the company to improve supply chain efficiency while addressing longstanding gaps in food accessibility, particularly in underserved rural regions beyond the capital city of Ulaanbaatar.

At the core of the project is the development of a modern cold chain distribution centre alongside the establishment of 240 new CU convenience stores across urban and rural Mongolia. The expansion is expected to strengthen product availability, reduce supply chain bottlenecks and improve the distribution of fresh food and essential consumer goods throughout the country.

According to Chandra Mohan Arora, Country Operations Head for Mongolia at ADB, unequal access to safe and affordable food continues to pose challenges for many communities, particularly outside major urban centres. He noted that strengthening logistics infrastructure and modern retail networks would improve the consistency and reach of food distribution while simultaneously creating new economic opportunities, especially for women entrepreneurs.

Mongolia's retail sector is undergoing rapid transformation, driven by urbanisation, changing consumer preferences and increasing demand for modern retail formats. However, fragmented supply chains, inadequate logistics infrastructure and

inconsistent food distribution continue to constrain market efficiency and limit access to quality products across large parts of the country.

The project seeks to address these structural challenges by integrating retail expansion with supply chain modernisation. Beyond improving food availability, the investment is expected to generate approximately 900 new jobs, with a strong emphasis on creating employment opportunities for women and workers in rural communities.

The initiative also places significant focus on advancing women's economic participation. Premium Nexus plans to expand franchise opportunities for women entrepreneurs, improve access to financing and increase the visibility of products manufactured by women-owned businesses across its retail network. In addition, the number of local suppliers supporting the company's operations is expected to increase from 420 to 453, strengthening domestic value chains and supporting local enterprise development.

Chinzorig Ganbold, Chief Executive Officer of Premium Nexus, described the partnership as an investment that extends beyond commercial expansion, positioning it as a catalyst for strengthening Mongolia's food security, supply chain resilience and inclusive economic development. He added that the social loan designation reflects the company's commitment to generating measurable social impact for consumers, businesses and communities across the country.

The financing has been independently verified as a social loan by Det Norske Veritas (DNV) under internationally recognised Social Loan Principles, with proceeds dedicated to employment generation, improved access to essential services and broader socioeconomic empowerment. The transaction is also expected to encourage wider adoption of thematic and impact-focused financing within Mongolia's financial sector.

Established in 2017, Premium Nexus operates Mongolia's CU convenience store network under an exclusive franchise agreement with South Korea's BGF Retail Company Limited. As of March 2026, the company manages 557 stores nationwide and employs more than 5,200 people, making it the country's second-largest private sector employer.

The investment reflects ADB's broader strategy of supporting sustainable food systems through infrastructure development, private sector partnerships and inclusive financing. As Mongolia continues to modernise its retail landscape amid rising consumer demand and urban growth, investments in logistics, cold chain infrastructure and organised retail are expected to play an increasingly important role in strengthening food security, reducing post-harvest losses and improving market access for producers and consumers alike.