

Corporate Fund Mobilization for Listed Companies and Economic Development: Case of Mongolian Stock Exchange

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Abstract : The Mongolia Stock Exchange (MSE) serves as a vehicle for executing the privatization policy of Mongolian Government as it transitioned from socialist to free market economy. It was also the intention of the Government to develop the investment and securities market through its establishment and to further boost the ailing Mongolian economy. This paper focuses on the contributions of the Mongolian Stock Exchange (MSE) to the industrial and economic development of Mongolia via Corporate fund mobilization for listed companies in Mongolia. A study of this nature is imperative as economic development in Mongolia has been accelerated by corporate investments. The key purpose of the research was to critically analyze the operations of the MSE to ascertain the extent to which the objectives for which it was established have been accomplished and to assess its contributions to industrial and economic development of Mongolia. In achieving this, secondary data on the activities of the MSE; its market capitalization over the years were collected and analyzed vis-à-vis the figures for Mongolia's macro-economic data for the same time period to determine whether the progressive increase in market capitalization of the MSE has positively impacted on Mongolia's economic growth. Regression analysis package was utilized in dissecting the data. It was proven that the Mongolian Stock Exchange has contributed positively and significantly to Mongolia's economic development though not yet to the desired level. Against the findings of this research, recommendations were made to address, the problems facing the MSE and to enhance its performance and ultimately its contributions to industrial and economic development of the Mongolian nation.

Keywords : Corporate Fund Mobilization, Gross Domestic Product (GDP), market capitalization, purchasing power, stock exchange

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