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"Saikhanbileg proposes Mongolian Meat"

Mongolian Prime Minister attended the Asia Investment Conference organized by Credit Suisse. During the event, he explained about the current economic situation and mining industry in Mongolia. He wanted to stress non-mining sectors such as animal husbandry. He highlighted Mongolian meat can be a very competitive product in the world market.

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Saikhanbileg Chimeg, Prime Minister of Mongolia, attended Asia Investment Conference held by Credit Suisse. He wanted to attract as much investment as he could. The 19th Annual Asian Investment Conference (AIC) took place from 5th-7th April in Hong Kong. The AIC, was organized by Credit Suisse and was attended by top figures from the world of finance, economics, and politics, ranging from UN Secretary General Ban Ki-moon to Sir John Sawers, former head of UK's MI6.



Mongolia's mining boom, based on feeding neighboring China coal and copper, has turned into a bust. The country's currency has plunged and foreign exchange reserves have depleted. It did manage last week to raise a \$500 million bond from international markets, but at an interest rate of nearly 11%. Less than 3 1/2 years ago, it paid 4.125% on a similar bond.

Prime Minister Saikhanbileg Chimed, speaking to investors at a Credit Suisse conference in Hong Kong, tried to put a happy face on the non-mining parts of the economy. For instance, he boasted of the country's herd of 54 million livestock, notably sheep, goats, horses, camels and yaks, who graze on Mongolia's vast and empty steppes. "We have the most democratic livestock, because they are free to go where they want and eat what they want," he said. That makes for the world's tastiest organic meat, apparently. Too bad meat isn't as valuable as copper.

HKSE CE meets Prime Minister

The Chief Executive, Mr C Y Leung, met the visiting Prime Minister of Mongolia, Mr Chimed Saikhanbileg, at Government House this afternoon (April 7) to exchange views on issues of mutual concern.

Mr Leung said that Hong Kong plays an active role in facilitating the implementation of the country's Belt and Road Initiative. Noting that Mongolia is one of the countries along the Belt and Road, he said that the two sides could enhance economic and trade co-operation to tap the vast development opportunities brought about by the Initiative. He also welcomed Mongolian enterprises to establish a presence in Hong Kong to leverage on the city's role as a "super-connector" to open up more business opportunities.



“Mongolia is back and open for business!”

The Mongolian delegation was headed by Prime Minister Ch.Saikhanbileg and included the CEO of Erdenes Mongol LLC, the Governor of the Bank of Mongolia.

Mr Saikhanbileg was one of the key speakers. In his address, which took place on the last day of the conference he said: “My message is a simple one. Mongolia is back and is open for business”. He did not shy away from the problems of 2015 and domestic concerns over foreign direct investment (FDI) and slumping metal prices, which slowed the country’s economy down to a crawl. A number of very positive things have happened since then. The PM, clearly wishing to reassure foreign investors said that Mongolia is “creating a rainbow economy”, offering investment opportunities in agri-business, tourism, health care, construction and power generation. Economic diversification is important to counter the current 80% GDP which comes from raw material exports, which, are subject to international commodity fluctuations.

Mr Saikhanbileg also noted: “the 11th Asian-Europe Meeting (ASEM) Summit will be held in Mongolia this July. The heads of 53 countries will participate. We hope that Mongolia will create a great stimulus in inter-continental relations. As a result of ASEM, cooperation between Asia and Europe will be strengthened. In history, Mongolia has been a bridge, connecting Asia and Europe”.



Regarding the AIC organizers, the PM said: “The Mongolian Development Bank started co-operation with Credit Suisse in 2014. Credit Suisse was the first coordinator of the USD 300 million joint loan and has financed major projects, supporting exports”.

Prime Minister noted that the Government has raised USD 750 million as a joint loan, co-operating with Credit Suisse. During the AIC he held many meetings, including with officials from. Mr Saikhanbileg also gave an interview to Bloomberg TV.

In a speech given at the AIC, the PM stressed that even though the nation’s economy faced difficulties in 2015, the government has moved forward on some of the nation’s mega projects, advancing the country’s economy. He introduced the conference attendees to the nation’s current economic situation, stable political conditions, and measures being taken for drawing in investment.

He added that he hopes Mongolia will greatly contribute to boosting ties between Asia and Europe by organizing the summit. “Throughout history, Mongolia was a bridge between Asia and Europe, and it still connects these continents by railways and airways. I am confident that the cooperation between Asia and Europe will strengthen as a result of the summit,” Ch.Saikhanbileg said.



After his speech, Ch.Saikhanbileg, President of Mongol Bank N.Zoljargal, State Secretary of the Foreign Affairs Ministry D.Gankhuyag, State Secretary of the Finance Ministry Kh.Gantsogt, Consul-General of Mongolia to Hong Kong B.Otgonjargal, Director of Development Bank N.Munkhbat, and Executive Director of Erdenes Mongol B.Byambasaikhan met with Director of Loan Syndication at Credit Suisse Saurabh Banglani, Deputy Director of Credit Suisse Ali Alam, and other Credit Suisse representatives.

Ch.Saikhanbileg pointed out that the Cabinet and Credit Suisse managed to raise 750 million USD by issuing bonds and joint credit in a short period of time, and exchanged views on broadening mutually-beneficial cooperation with Credit Suisse authorities.

Ch.Saikhanbileg said that collaboration between the two parties is expanding, and underlined that the Hong Kong Trade Development Council is playing a key role in supporting economic and investment ties between Mongolia and Hong Kong. The PM also mentioned collaboration between the Mongolian Stock Exchange and the Hong Kong Stock Exchange, and highlighted the significance of boosting cooperation in the stock market. At the end of the meeting, the parties agreed to organize an exhibition to promote Mongolia in Hong Kong.

Concluding his visit to Hong Kong and participation in the AIC, the PM said that the conference was a great opportunity for presenting the nation's economic and financial situation, investment potential, and business environment.

The PM emphasized, “One of priorities of the Mongolian government is allowing Mongolians to become owners of wealth from mineral resources, and to create a fund of wealth by transmitting Erdenes Mongol into a Singaporean Temasek model. We met with investors who can collaborate with Mongolia on this matter. The Nobel Fund and Canada's Pension Fund expressed interest in cooperation.”

Ch.Saikhanbileg concluded that the purpose of his visit had been fulfilled successfully. He emphasized that investors are still interested in Mongolia, and Mongolia managed to deliver its message that the country is still friendly to foreign investors.

The Prime Minister of Mongolia Ch.Saikhan underlined that Mongolia came back to business, in his report on Thursday at the 11th Annual Asian Investment Conference running in Hong Kong, a Special Administrative Region of the People's Republic of China (PRC).

Conclusion of Visit

The Prime Minister of Mongolia Ch.Saikhanbileg Friday gave an interview, concluding his visit to Hong Kong, a Special Administration Region of China, and a participation in the 19th Annual Asian Investment Conference (AAIC).

Mr Saikhanbileg took part in the 19th AAIC as a general panelist, which took part April 5-8 in Hong Kong with a participation of some 600 high-level delegates, to give details about present situation of economy, financial and fiscal conditions, investments and business environment.



Within the AAIC, the PM held meetings with some officials such as Mr Jin Liqun, the first president of the Asian Infrastructure Investment Bank (AIIB), to share views on cooperation issues. The AIIB expressed a readiness to collaborate in the biggest projects on infrastructure in Mongolia. Furthermore, the sides concurred to co-organize an exhibition in Hong Kong to advertise Mongolia-made products and services.

"One of the vital actions of the Mongolian government is to let people of Mongolia become owner of wealth from mineral resources and to create a fund of wealth by transmitting the 'Erdenes MGL' LLC into a Singaporean Temasek model. So we met with some investors who can collaborate with Mongolia in this work. The Nobel Fund and the Canada's Pension Fund have an interest in the issue. They proposed to cooperate with our government, in the first turn, in setting up a business-focused board independent from the government. To express my opinion, I gave interviews to CNN Asia, Bloomberg and Credit Suisse TV channels," Saikhanbileg said.

He also said he had exchanged views with Mr Leung Chun-ying, the Chief Executive of Hong Kong, on attracting investors and businessmen to Mongolia for boosting innovation and technological spheres in Mongolia.

The Hong Kong's side touched upon an issue of double-tax, saying it is possible to hold negotiations on it if investments from Hong Kong increase to Mongolia.

The Premier emphasized that a purpose of his visit has been fulfilled successfully. He said investors are still interested in Mongolia, and that Mongolia managed to deliver its message that it is still friendly to foreign investors.

Summary

As a PM during the difficult economic times for Mongolia, Saikhanbileg has been doing a great job to raise funding internationally. More support is needed for him and Mongolia will benefit from the fund-raising.

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