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Politics

2015 Spring Plenary Session of State Great Khural Commences

April 6 (infomongolia.com) The 2015 Spring Plenary Session of the State Great Khural (Parliament) commences today from April 06, 2015, where Speaker of the Parliament Z.Enkhbold will open the session and as customary foreign envoys to Mongolia are to attend the opening ceremony.

Following the ceremony, Speaker Z.Enkhbold will introduce agendas for Spring Plenary Session, which will be lasting until July 01, 2015 according to the Law on Parliament of Mongolia, after which political parties and coalition having seats in the Parliament will held its meetings.

The Session will be taking place on every Thursdays and Fridays and President of Mongolia usually delivers a speech on the opening day, but this time, President Ts.Elbegdorj will not address and it was said he will be reporting on upcoming Friday's Session.



Parliament Speaker of Mongolia Threatens to Dismiss Cabinet Members If to Ratify Agreement on Tavan Tolgoi Project

April 6 (infomongolia.com) Today morning at 11:40 am the State Great Khural (Parliament) of Mongolia opened its Spring Plenary Session and the opening remarks by Speaker Zandaakhuu ENKHBOLD, in particular, his expression on Tavan Tolgoi Project was in a center of attention.

In this statement, Parliament Speaker Z.Enkhbold concerned, "Yesterday, Prime Minister of Mongolia Ch.Saikhanbileg announced to ratify the Tavan Tolgoi Project at the today's scheduled Cabinet meeting. In this regard, I am officially acknowledge to make accountability measures by dismissing members of the Cabinet, if they approve a n agreement on exploitation of Tavan Tolgoi coal mine without hearing at the Parliament. The Tavan Tolgoi Project which is ongoing today has been breaching the Parliament's Resolution No.37 issued in 2012 that allows exploiting the deposit as well as the Government Action Plan for 2012-2016. Prior, the Parliament expressed its official position by delivering a letter to the Head of Government last Friday, April 03, 2015.

If to look deeper on circumstances arise, the Agreement to approve will outcome Mongolia's economy to be almost entirely dependent only on one state, which does not comply with a National Security Concept. In other words, it cites the total investment volume into Mongolia from one country shall not exceed one-third of the total investments. But in this case, both investors - Mongolian Mining Corporation, which is listed on Hong Kong Stock Exchange and the China Shenhua Energy - into Tavan Tolgoi Project are not registered as legal entities, besides, are not Mongolian domestic investors.

Today's expected to ratify agreements and contracts are unable to meet Mongolia's national interests. Consequently, I am against approving such obviously detrimental agreement to expect serious consequences and therefore, this issue should be promptly discussed and agreed at the Parliament".

Parliament to adopt development priorities for 2016

Ulaanbaatar, April 6 (MONTSAME) The regular spring session of the State Great Khural opened on April 6, with attendance of 67 parliament members or 88.2 percent.

This session will discuss an observance of the general directions of the economic and social development in 2014, a Financial Report of government for 2014, and will read and adopt the draft laws on adoption of State Budget Performance in 2014, Budget Scope Statement of the Master Budget in 2015, the Budget Conception for 2017-2018, and on the General Directions of the Economic and Social Development in 2016.



The Speaker said in his opening speech that one year was left until the completion of the term for this parliament, formed on the results of the parliamentary election of 2012. Although parliament resolved many issues regarding the country's development policies, more issues await unsettled, said the Speaker.

He is deeply concerned with the major discharging in state servant positions and that parliament had recently been receiving great amount of complaints. The Speaker obligated the Council for State Service to pay attention and to run a strict monitoring over these events.

Mr Enkhbold also expressed his position over the draft agreement on Tavan tolgoi operations, developed in February and released April 6. The agreement needs to be changed, noted the Speaker.

PM requests DP faction to discuss Tavan Tolgoi agreement asap

Ulaanbaatar, April 7 (MONTSAME) The Prime Minister Ch.Saikhanbileg and the Speaker Z.Enkhbold called April 6 a press conference to inform about the results of the meeting held the same day by the Democratic Party (DP) parliamentary faction. The faction agreed on three matters regarding the discussion of the draft agreement on Tavan Tolgoi operations, said Kh.Garamgaibaatar MP, the head of the faction.

The faction members agreed on setting up a working group in cooperation with other parties' members in parliament, on a necessity to have the draft discussed by the State Great Khural and on assigning related officials to sign the agreement only after a careful reading by parliament, he stressed. While answering questions, the Prime Minister said he had requested his faction to work for concluding the discussion within two weeks. "The cabinet will discuss the draft on today's (Tuesday) session and present some issues to parliament. When I addressed the nation as the PM, I said it was necessary to forward the mega projects. Therefore, in order to prevent a public misunderstanding, the draft will be read by parliament and will be settled by the cabinet," he said.

Cabinet meeting in brief

Ulaanbaatar, April 7 (MONTSAME) The cabinet on Monday decided that "National Corporation of Civil Aviation" state-run institution is to be established after separating the Authority of Airports and the Authority of Air Navigation from functions of the Civil Aviation Authority (CAA).

- The cabinet re-approved a structure and maximum number of staffers of the Administrative Offices of the "Altanbulag", "Zamyn-Uud" and "Tsagaannuur" economic free zones.

- The cabinet discussed draft directives the Mongolian side must adhere to during official visit of Turkey's Minister of Foreign Affairs Mevlut Cavuřoglu to Mongolia on April 11-13. The directives will be approved by the PM.

- The cabinet discussed outcomes of the official visit of the Speaker Z.Enkhbold to Japan paid on February 23-27 of 2015. An obligation was given to the FM to submit the matter to the National Security Council (NSC).



- The Minister of Road and Transportation N.Tomorkhuu spoke about a second Mongolia-China-Russia consultative meeting of Vice Ministers of railway affairs to be held here this April 9-10. The cabinet backed draft directives for the Mongolian side.
- N.Tomorkhuu briefed about a working course of the "New Railways" project on constructing base structures of railways at first and second phases, reflected in the state policy on railway transportation.
- The Minister of Finance J.Erdenebat presented a draft national report themed "Managing the transmission from Millennium Developmental Goals to Sustainable Developmental Goals". This report will be submitted to the United Nations Economic and Social Council (ECOSOC).
- Head of the Cabinet Secretariat of Government S.Bayartsogt presented the 2014 implementation of goals and measures reflected in the National Developmental Strategy (NDS) based on the Millennium Developmental Goals of Mongolia. Obligations were given to the capital city's Mayor and to governors of aimags to intensify the realization of these goals.
- The cabinet decided to convey its proposals and conclusion to a draft new wording of the law on social welfare for elders, initiated by N.Nomtoibayar MP.
- The Minister of Mining Jigjid reported that requests of 12 companies have been backed on obtaining special licenses of gold exploration, and that official letters on it will be sent to the Bank of Mongolia.

State Minister M.Enkhsaikhan received representatives of Sumitomo Corp., on TT negotiation

April 7 (gogo.mn) Tavantolgoi Project Leader and State Minister M.Enkhsaikhan received General Manager of Coal Dept. at Sumitomo Corporation, Susumu Ishihara that participated in Investor Consortium.

During the meeting, Mr.Susumu Ishihara said "I arrived in UB to participate in signing of TT investment agreement. It has become difficult for me as I haven't been psychologically prepared for the delay of signing. TT project is very important for both Government of Japan and Sumitomo Corporation. During the Mongolian Prime Minister's visit to Japan in February of this year, CEO of Sumitomo Corporation Mr. K.Nakamura hold meeting with PM Ch.Saikhanbileg specifically and discussed on TT investment. We had assumption that the agreement is to be submitted for the approval by the Government to State Great Khural."

Tavantolgoi Project Leader and State Minister M.Enkhsaikhan said: "First of all, I want to express my gratitude on your great effort. Spring session of the Parliament was started, yesterday. Parliament has owned right to finalize the TT investment agreement and the decision is to be made within two weeks. Working group consisted of representatives from the parties. TT investment agreement for 30 years. Therefore, before the agreement is signed, discussing by the Parliament will not be difficult and we see it as a great opportunity."



At the end of the meeting, Mr.Susumu Ishihara said: "We hope that either Investor side and Mongolian side will succeed on mutually beneficial basis."

Official Website of President of Mongolia Now Available in Audio Version

April 7 (infomongolia.com) On April 07, 2015, the official website of the President of Mongolia, www.president.mn, has been commencing to launch an audible version as a part of activities to promote President and his Office.

A window with a play button will appear below to each latest issue to make it more accessible to people. Also, the Office IT developers plan to introduce the audio version in English as well.

Earlier, in order to promote the official use of the traditional script, the Mongolian traditional script version on the President's website was first launched in 2012 upon an initiative of the President Ts.Elbegdorj.

Moreover, the Office of the President requested to register its site domain name in Mongolian Cyrillic, after which the Ерөнхийлөгч.мон was created in May 2014, when the Internet Corporation for Assigned Names and Numbers (ICANN) officially announced that preparations for .мон (mon) and .мн (mn) Mongolian Cyrillic domains had been successfully completed for Mongolian use.

Deputy Head of Cabinet Secretariat appointed

Ulaanbaatar, April 7 (MONTSAME) The Cabinet Secretariat for Government appointed Tuesday Mr G.Ganbold as its deputy head. He has replaced by Ch.Sainbileg who got another appointment.

Ganbold Galsan began his career from the Central Committee of the former Confederation of Mongolian Revolutionary Youths (CMRY). He has worked as a deputy leader of the Union of Mongolian Students and head of the Union of Mongolian Youths, as first deputy chair of the Cabinet Secretariat and a general-coordinator at the "Golomt" commercial bank. In 1990s, he was elected member of the People's Khural. Since 2012, he has been working as an executive director of the "Golomt" bank.

MPP to conduct opinion poll among public

April 7 (gogo.mn) Today at State House, MPP administration announced its preparation for conducting opinion poll among the public.

MPP group decided to take part in spring session of State Great Khural with principles on electoral system. In other words, they will organize public opinion poll on majority and proportional system which is existing currently. They will not use electronic voting machine during the poll.



"Because of the General Election Committee, electronic voting machine would not be permitted to conduct a poll. Even, the paper of the machine is purchased from the abroad." Head of MPP, M.Enkhbold said.

"Therefore, the poll result will be counted manually by hand. After the poll, we will work for reflecting views of public on electoral system to the law on election." he said.

Additionally, MPP considered that the proportional election system is inappropriate for Mongolia. After, the 2012 elections, MPP won 26 seats at the Parliament by party list. Thus, MPP considered that those candidates are announced by political parties and they could not represent the public.

S.Bayar's secret properties exposed

Ulaanbaatar, April 8 (MONTSAME) Ms G.Uyanga MP unfolded on April 8 an information about the unreported properties abroad that belong to Bayar Sanjaa, a former Prime Minister.

She said at a press conference that this information was sent from golomt.org to her and to her advisor and political analyst D.Gankhuyag. "I assumed that this information must be shared with the public and be investigated by the legal authorities," said the MP. These documents do not have S.Bayar's name on, but all receipts and ownership certificates are going by the names of his three daughters and wives. Luxury high-class private apartments and penthouses in New York and Seattle have been purchased by his daughters and his ex-wife O.Gereltuya and his second wife E.Suvd. The seven properties' costs stand at 11-12 million USD, equal to 20 billion Togrog, according to the current exchange rate, she said.

A former PM S.Bayar inked the Oyu Tolgoi agreement on October 6 of 2009 and voluntarily resigned from the PM soon after, on October 28 due to his "health problems", as he had said. He had left the country the same year to get a medical attention in Washington of the USA. The documents show that these properties were purchased right after the signing of the Oyu Tolgoi agreement.

Ms Uyanga said she believes that the purchases are closely with the OT agreement.

Law on Establishing Casino in Mongolia Step Closer to Ratify

April 8 (infomongolia.com) Since the beginning of 2015 Spring Plenary Session of the State Great Khural (Parliament) from Monday, April 06, all affiliated Standing Committees and Party Groups have also started to hold scheduled meets in the Government House.

So, at today's Legal Standing Committee's meeting, it was reviewed a draft bill on the Law on Establishing Casino in Mongolia as well as to annul the ban of previous law enacted back in 1997.

The meeting concluded with 78.6% of approval to submit to the Parliament and this is a step closer for ratification, because the draft bill of the Law on Casino was earlier backed at the Cabinet meeting held last February.



According to meeting resolution, there are two casino facilities will be erected, but the locations are not revealed yet, which will be finalized at the Cabinet meeting-level. Also, applicants willing to be granted a limited casino license shall pay 35 billion MNT (Tugrug) or approx. 17 and half million USD in tax with an effective period of 10 years. Moreover, initiators say only a foreign national who reached the age of 21 years old is authorized to enter the Casino, where a Mongolian citizen is prohibited to play.

However, many compromises were aroused due to affirmative action by the Government of Mongolia to its people as well as the high rate of taxes, but the bill initiators claimed that pursuant to international practices same license for 10-year period ranges between 20 and 75 billion USD and thus, it could be changed at the Parliament hearings. In addition, a civil right would be also considered such as setting a limit for a Mongolian citizen per entrance like Singaporean Casino.

The Law on Casino had been discussed since 1990s whilst once was rejected and not supported to date, but in recent years, Mongolian Government authorities have been actively striving to restore the bill as well as launching other gambling games such as short-distance horse racing betting.

If the Parliament of Mongolia proceeds the Law on Casino, it anticipates not only to increase the flow of tourists and direct investments, but also it estimates to collect 74-138 billion MNT in taxes annually.

President reports to Parliament

Ulaanbaatar, April 10 (MONTSAME) The President of Mongolia Ts.Elbegdorj gave parliament on Friday a report on his works implemented in a period from June 18 of 2009 to these days.

Previous presidents used to report through official letters, but Mr Elbegdorj preferred to report personally. This the very first time in the 25 years of the democracy when parliamentary session witnesses such an event, this is demonstrating a distinguished feature of the democratic values.

The President not only spoke about the works, done in nine main spheres, but also informed all about the activities planned. Mr Elbegdorj said many types of works have been done in such directions as a civil participation increase and local authorities promotion; ensuring the national security; enhancing justice and laws; supporting wealth makers; environment and environmentally-friendly development; Mongolian history, national culture, custom and their propaganda; foreign policy; and support to public proposals and ideas.

He said, for instance that he had worked on raising Mongolia's position at the international arena, and that a tradition has been set up to hold talks and meeting of the Presidents of Mongolia, China and Russia. Mr Elbegdorj emphasized that Mongolia's "Third Neighbour" policy has achieved a success, for instance Mongolia has become the 57th member of the Organization for Security and Co-operation in Europe (OSCE) and has established the Economic Partnership Agreement (EPA) with Japan. Mongolia has ratified a treaty on transparency established with the USA. Mentioning that Mongolia has been establishing diplomatic relations with all members of the United Nations, Mr Elbegdorj said there are only 14 countries left. In the past six years, Mongolia established such ties with 30 countries, he added.



Foreign Relations

China Voice: China's diplomacy highlights neighbors

BEIJING, April 9 (Xinhua) -- Exemplifying the Chinese proverb "a near neighbor is better than a distant cousin", China's recent political exchanges with its neighbors have shown its priorities in diplomacy.

The ongoing visit to China by Vietnamese Communist Party chief Nguyen Phu Trong will help cement Sino-Vietnamese friendship and ease the doubt caused by maritime disputes.

Political dignitaries from neighboring Russia, Thailand and Turkmenistan, as well as Belarus, are also visiting China. Meanwhile, Foreign Minister Wang Yi is on an official visit to Belarus.

Earlier this month, Wang held talks with his Mongolian counterpart in Beijing and they pledged to work together to commemorate the 70th anniversary of the end of the World War II.

The Chinese government attaches great importance to ties with neighboring countries and neighborhood diplomacy has always been a pillar and principal for the country's diplomatic layout.

China is surrounded by the largest number of neighbors in the world's most diversified and complicated political landscape. The area is stable on the whole, and most of the neighboring countries have a friendly and mutually beneficial relationship with China. After Xi Jinping took office as state leader in 2013, neighborhood diplomacy has entered a new phase, featuring amity, sincerity, mutual benefit and inclusiveness.

Neighbors visited by Xi included Russia, Turkmenistan, Kazakstan, Uzbekistan, kyrgyzstan, Indonesia and Malaysia in 2013 and the Republic of Korea, Mongolia, kyrgyzstan, the Maldives, Sri Lanka and India in 2014. In November, Xi also set foot on Australia, New Zealand and Fiji, lands considered on the periphery of Chinese neighborhood diplomacy.

With proactive diplomacy reaping fruitful results, China is more actively setting the agenda for regional development. In a speech at the fourth summit of the Conference on Interaction and Confidence-Building Measures in Asia last May, Xi called for a "new Asian security concept", adding, "For most Asian countries, development means the greatest security and the master key to regional security."

He then raised the concept of a "community of common destiny" at the Boao Forum for Asia in April 2013. Last November's 22nd APEC Economic Leaders Meeting was also a diplomatic arena hosted by China.

As neighbors have been closely linked to China on the economic front, the China-proposed Silk Road Economic Belt and the 21st-Century Maritime Silk Road initiatives strike a chord among the country's regional partners. Most of China's neighbors have said they will link their own policies with the "Belt and Road" strategy, which has enormous potential to benefit them.



However, China's emphasis on neighborhood diplomacy is by no means seeking hegemony. The country always treats neighbors as friends and partners, to make them feel safe and to help them develop. Cooperation with neighbors should be based on mutual benefit and common interests.

A good neighbor should not be traded for gold. As 2015 marks the 60th anniversary of the Bandung Conference, where Zhou Enlai was a diplomatic exemplar, we may review the spirit of "peaceful coexistence" and "seeking common ground while shelving differences" advocated by the late Chinese premier at the landmark Afro-Asian meeting.

Ambassador of Belarus Stanislav Chepurnoy held a meeting in the Ministry of Foreign Affairs of Mongolia

On April 9, 2015 Ambassador Extraordinary and Plenipotentiary of the Republic of Belarus to Mongolia Stanislav Chepurnoy met with the Vice Minister of Foreign Affairs of Mongolia Ms. Navaan-Yunden Oyundari.

The meeting focused on the preparation for the consultations between the foreign ministries of Belarus and Mongolia to be held in April 2015.

Stanislav Chepurnoy and Navaan-Yunden Oyundari also discussed issues of visits exchange, prospects of the development of relations between Belarus and Mongolia, including economic, scientific and educational ties, widening of the legal base of the bilateral interaction and cooperation between Mongolia and EAEU.

Government of Japan to Provide Non-Refundable Aid to Mongolia with Total Value of 1 Billion Yen

April 6 (infomongolia.com) On April 06, 2015, Minister for Foreign Affairs of Mongolia, Lundeg PUREVSUREN and the Ambassador Extraordinary and Plenipotentiary of Japan to Mongolia, Takenori Shimizu have signed a Note to Exchange between the Governments of Mongolia and Japan.

The Exchange Note is to implement two Projects on Supplying Hospital and Water Treatment Equipment in the frames of Japan Government Non-refundable Aid to Mongolia with total value of 1 billion JPY or equivalent to 16 billion and 700 million MNT (Tugrug).

The first project is aimed to supply health centers in a Sum (sub-administrative unit of an Aimag) and inter-Sum regions with equipment of primary medical services. In the scope of this project, these health centers are to receive diagnostic and surgical equipment made in Japan as well as treatment apparatus for care and nursing centers. By accomplishing this project, local health centers in far destinations will be receiving same services as urban areas.



The second project of supplying water treatment equipment is targeted to clean the Tuul River from pollution of raw sewage. The implementation of this project will be of great importance to eliminate water pollution problems facing today.

FM's visit to China concluded

Ulaanbaatar, April 6 (MONTSAME) Mongolia's Minister of Foreign Affairs L.Purevsuren paid an official visit to the People's Republic of China by invitation of his Chinese counterpart Mr Wang Yi on April 1-3.

On the first day of the visit, the two FMs held official talks, exchanging views on the bilateral cooperation in all spheres, on international and regional issues, expressing a mutual satisfaction with an expansion of the Mongolia-China relations and cooperation in all sectors, with deepening of the political trust and mutual understanding in accordance with ideology of the Treaty on Friendly Relations and Cooperation, and with forwarding of the ties at a level of the comprehensive strategic partnership. They reaffirmed their willingness to enrich the ties with a new content, shared views on opportunities to widen the collaboration, underlined an importance of maintaining a frequency of high-level mutual visits, discussed visits and events expected to run this year, and reached a principal agreement. After this, Purevsuren was received by Mr Li Yuanchao, the Vice President of China.

As the head of the Mongolian side of the Mongolia--China intergovernmental commission, Purevsuren also met with Mr Gao Hucheng, China's Minister of Commerce and the head of the Chinese side. They affirmed a mutual aspiration to intensify an implementation of many agreements made during the state visit of the PRC President to Mongolia in 2014, especially works in transit transportation, energy, infrastructure and financial spheres. Furthermore, they appraised an importance of refining the bilateral trade and economic mechanism and an implementation of the biggest projects that will significantly contribute to the economic development of the two countries. The parties also agreed that the Mongolia-China-Russia trilateral mechanism has become an important direction of the cooperation, and concurred to coordinate Mongolia's "Steppe road" initiative with China's "Silk road and economic belt" initiative and to analyze a matter on establishing the Mongolia-China-Russia economic corridor.

Mongolia Constructs ASEM Village to Accommodate Heads of State and Government to Participate in 2016 ASEM Summit in Ulaanbaatar

April 7 (infomongolia.com) Mongolia to host the 11th Asia-Europe Meeting (ASEM) in its capital city of Ulaanbaatar in 2016, which is considered to be a way of deepening the relations between Asia and Europe at all levels.



Following the Presidential Decree, Prime Minister of Mongolia Ch.Saikhanbileg is chairing the National Council to deal with specific duties on organizing and making directions for the 2016 ASEM Summit in Ulaanbaatar.

According to recent news on preparations, organizers for this biggest event ever to host by Mongolian Government had established a contract with a local firm constructing the ASEM Village to accommodate heads of state and government from over 50 countries as expected today.

Constructional works of the ASEM Village have been already started, which locates south to Ulaanbaatar on the edge of strictly protected area at the Bogd Khan Mt., where MCS Group is executing the Village homes and pursuant to officials, each block will not exceed a two-story flat with latest eco-technology to meet all required standards.

During the ASEM Summit, Ulaanbaatar anticipates to welcome over seven thousand guests and in order to suit these participants, the National Council had also selected some 30 hotels throughout the city, of which the first block of a 5-star Shangri-La Hotel to open this June, where big meetings to be held and some others by early next year.

According to Chief of Staff of the President's Office P.Tsagaan, Vice Chairman of the National Council, all expenses for preparation works will be covered by the Government and soon to ratify at the Cabinet meeting. Moreover, there are 7-8 meetings and events will be organized before the 2016 ASEM Summit starting from this year.

Foreign Minister of Turkey, Mevlut Cavusoglu to Pay Official Visit to Mongolia on April 11-13, 2015

April 7 (infomongolia.com) At the invitation of the Minister for Foreign Affairs of Mongolia, L.Purevsuren, the Minister for Foreign Affairs of the Republic of Turkey, Mr. Mevlut Cavusoglu is paying an official visit to Mongolia on April 11-13, 2015.

This is the first-ever visit to be conducted at Turkish Foreign Minister-level and due to upcoming visit, the Embassy of Turkey in Ulaanbaatar hosted a press conference in its venue today on April 07, 2015.

Diplomatic relations between the Republic of Turkey and Mongolia were established on June 24, 1969. The Embassy of Turkey in Ulaanbaatar and the Embassy of Mongolia in Ankara were opened respectively in 1996 and 1997, and currently headed by Ambassador of Turkey to Mongolia Mr. Murat Karagoz and Ambassador of Mongolia to Turkey, Mr. Badamdorj BATKHISHIG.

President of Hungary to Pay Official Visit to Mongolia on April 13-14, 2015

April 8 (infomongolia.com) The President of Hungary Janos Ader is paying official visits to East Asian countries these days including the Republic of Singapore, the Republic of Korea and Mongolia.



The visit in above three states is primarily focused to attend a water treatment issue meetings, where Hungarian President J.Ader will be participating in a Conference at the Ministry of Environment and Water Management in Singapore, and to open the VII World Water Forum in South Korea.

The state head of Hungary will be paying an official visit to Mongolia on April 13-14, 2015 and during his visit, Mr. Janos Ader to meet the President of Mongolia Ts.Elbegdorj, Prime Minister Ch.Saikhanbileg and other officials.

This visit to Mongolia is coinciding with the 65th anniversary of the establishment of diplomatic relations inked back on April 28, 1950. The last time a Hungarian President paid an official visit to Mongolia was in 1994, and the Mongolian President visited Hungary in October 2014.

The Henley & Partners Visa Restrictions Index 2015: Mongolia

April 10 (infomongolia.com) The Henley & Partners firm in collaboration with the International Air Transport Association (IATA), which maintains the world's largest database of travel information, have jointly released an annual the Henley & Partners Visa Restrictions Index for 2015.

The Henley & Partners Visa Restrictions Index is a global ranking of countries according to the travel freedom that their citizens enjoy.

Henley & Partners analyze the visa regulations of all countries and territories in the world and present an index which ranks each by the number of other countries that their citizens can travel to without having to obtain a visa.

In the 2015 Index there are 219 destination countries (territories) in total and the amount of nationalities (passports) evaluated is 199, of which 193 countries are UN Member States, where Mongolian nationals can travel without a visa to 51 states of the world and ranks at the 77th place on Henley & Partners Visa Restrictions Index 2015.

Foreign Trade

Domestic Manufacturers plan to do external trades worth MNT 38 billion

April 8 (gogo.mn) Mongol Jinchin /Mongolian Carrier/ Project to market domestic brand products on the global market and lead the sales is to be implemented with the support of Ministry of Industry, Capital city SME Development Center and Mongolian Chamber of Commerce and Trade. The implementation of the project will be led by the Royal Resource Mongolia LLC, professional foreign trade entity.

First phase of the initiative will be cooperation with over 100 entities that operate in non-mining sectors.



Detailed information is to be given at 9AM on April 10th, during the conference to be held at the Chinggis Hotel. According to the estimates of the Royal Resource Mongolia LLC it is expected to the external trades of MNT 38 billion and accumulate MNT 466 million in taxes during 2015-2016.

Moreover, the trade centers are planned to be operating in China, Russia, Japan, European countries and North America. More detailed information on how the domestic companies can advertise their products at overseas market can be gathered at the conference scheduled next Friday.

Business

Turkish businessmen to come

Ulaanbaatar, April 6 (MONTSAME) A business delegation of Turkey's Association of Exporters will visit Mongolia on this April 6-9.

The delegation of 14 business people will be received at the "Blue Sky" hotel by state and private sector's officials. A head of the Investment Authority S.Javkhlanbaatar will highlight for the guests investment-regarding environment and opportunities and will be followed by a department head of the Ministry of Food and Agriculture D.Tsogbadrakh with views exchange.

On April 8, the delegation will meet with their Mongolian counterparts at the National Chamber of Commerce and Industry (NCCI).

As expected, such a visit will run every year.

Mongolia-Japan Business Forum in Ulaanbaatar to Promote Cooperation in Agricultural Industry

April 10 (infomongolia.com) On April 15, 2015, Ministry of Food and Agriculture is hosting Mongolia-Japan Business Forum to introduce the implementation of Mongolia-Japan Economic Partnership Agreement signed in Tokyo last February as well as to promote enterprises in agricultural spheres and create new partnership between the industries.

The Business Forum is mainly focused on introducing know-how from Japan, acclimatizing new technology, attracting investment in agricultural sector, producing organic products on Mongolian soil and further to supply Japanese market.

The event will be beginning at 02:00 pm in Chinggis Khaan Hotel in Ulaanbaatar, where experts from the host Ministry, Ministry of Foreign Affairs, Ministry of Industry and the Invest Mongolia Agency are to attend the Mongolia-Japan Business Forum.



Economy

Mongolia Economic Forum: Building Credibility through Provincial Competitiveness Data

April 8 (asiafoundation.org) For years, Mongolia's economy outpaced most of the world, riding a mining boom to double-digit growth that peaked in 2011 at 17.5 percent. But since then, the economic tide has slowly turned, with growth dropping to 12.3 percent in 2012, 11.7 percent in 2013, and 7.8 percent in 2014. The Asian Development Bank predicts that economic growth will slow again this year, to a dismal 3 percent, before rebounding slightly to 5 percent in 2016.

Falling global commodity prices bear part of the blame for Mongolia's declining growth, but another factor is lack of investor confidence. Foreign direct investment in Mongolia fell 58 percent in 2014 according to the World Bank, due to conflicts over mining agreements and licensing, and investor insecurity over the stability of the regulatory framework.

On April 2 and 3 in Ulaanbaatar, Mongolia hosted the sixth annual Mongolia Economic Forum (MEF), under the theme, "Building Credibility." In his opening speech, Prime Minister Saikhanbileg called building trust among investors more important than ever to reviving Mongolia's economy. He was echoed on day two by President Elbegdorj, who called for Mongolians to recognize past mistakes and work together to build consensus on the nation's future.

A special session on the second day focused on competitiveness, particularly in local and regional economic development. The panel, moderated by distinguished Mongolian journalist B. Oyunchimeg, included L. Enkh-Amaglan, MP from Khuvsgul; Governor J. Batsuuri of Sukhbaatar province; Jean-Francois Lengelle, project manager of the OECD Eurasia Competitiveness Program; and Meloney C. Lindberg, country representative of The Asia Foundation.

Following a presentation on Mongolia's overall competitiveness by presidential Chief of Staff P. Tsagaan, chair of the Economic Policy and Competitiveness Research Center (EPCRC), the discussion turned to the results of the latest Mongolian Provincial Competitiveness Survey, recently conducted for the third time by the EPCRC with support from The Asia Foundation. The survey uses 180 criteria to rank Mongolia's 21 provinces or aimags in four main categories: economic performance, governance efficiency, business efficiency, and infrastructure. The survey combines statistical data with the results of questionnaires distributed to the private sector by the EPCRC in collaboration with local chapters of the Mongolian National Chamber of Commerce and Industry in each province.

This year, for the first time, results of the Provincial Competitiveness Survey have been made available online, on a new website developed by EPCRC and The Asia Foundation. Visitors can now compare economic competitiveness between all 21 provinces using easy-to-read graphs and tables. "Economic data can be quite dry and



difficult to digest,” said Lindberg during the session. “The website, for the first time, makes the data accessible to all in an easy-to-understand way, thereby enhancing transparency and providing an important basis for evidence-based advocacy, policy, and public-private dialogue by the local private sector and local governments.” The Mongolian Provincial Competitiveness Survey is one of many economic governance indexes that the Foundation supports across Asia to promote private sector development.

The second day of the MEF also featured a session on economic development in the capital, Ulaanbaatar, which accounts for more than 60 percent of Mongolia's GDP. Capital City Governor and Mayor Erdene Bat-Uul delivered a presentation on the Ulaanbaatar Economic Development Strategy, launched in 2014 with support from The Asia Foundation. In a major shift from traditional top-down economic planning, city authorities spent a year on a series of structured dialogues with representatives from the private sector, civil society, academia, and the national government to develop a vision for Ulaanbaatar's future.

An executive committee and five sub-committees met over the course of six months to discuss the challenges and opportunities in each of five areas: growth and development; infrastructure and transportation; finance and taxation; health, education, culture, and tourism; and intergovernmental relations. The resulting economic development strategy lays out a vision for Ulaanbaatar until 2030, with clear long-term, mid-term, and short-term goals and the steps needed to achieve them. The Asia Foundation is currently supporting the city's Economic Development Agency in implementing the strategy, which includes establishing an Ulaanbaatar Economic Development Corporation to attract and professionally manage foreign investment.

As Mongolia faces economic challenges, the sixth annual MEF showed that the government recognizes the need to rebuild its credibility. Going forward, policymakers at all levels must continue to make positive changes based on the survey results and the Ulaanbaatar Economic Development Strategy, so that Mongolia will once again become an attractive destination for foreign investors.

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Mongolia Economic Forum 2015 ends

April 6 (news.mn) The Mongolia Economic Forum, carried out over two days in Ulaanbaatar, ended on April 3.

Around 1,500 foreign and domestic representatives participated in the forum. This year's forum followed the theme of “credibility” and closing remarks were made by Speaker of Parliament Z.Enkhbold.

The following are highlights from the speech given by Speaker Z.Enkhbold:



This year's forum is being held in circumstances where economic growth has decreased and the business environment faces crisis and difficulties. It is necessary to formulate long term development trends for economic development.

Indeed, difficulties which have been created by present economic conditions require us to correctly understand interactions between economic sectors, to address policy problems, and to implement planned projects and construction.

One of the advantages of this year's forum is that we have discussed the short term swings of the economy and long term directions for economic development from different points of view.

Another feature of the Mongolian economy is that the development of infrastructure and other sectors is very weak.

Thus, the main policy of our economy is to correctly deal with the short term swings of the mining sector and create long term growth; to create an investment environment maintaining industrial policy.

The foundation of the industrial sector is one of the stages which inevitably should be passed on, like when someone is raising a child and teaching him or her to read and write.

We can compete in the global market only by producing value added products and raising our national wealth. Thus, our economy can be stabilized and the speed of economic development will increase.

Along with intensification of economic development, we should pay attention to agricultural sector development. As a result, employment will be stabilized and it will become a foundation for the development of the domestic market.

The economy of Mongolia is multipronged and has a richness of dynamics. We could not discuss this issue completely by only meeting once a year.

We should always be discussing the issues which have been raised during this forum, and study more accurate data and figures to reflect results in the economic and social policy of Mongolia.

Stock Exchange

Stock exchange news for April 6

Ulaanbaatar, April 6 (MONTSAME) At the Stock Exchange trades on Monday, a total of 18 thousand and 211 units of 26 JSCs were traded costing MNT 18 million 772 thousand and 379.00.

"Hermes center" /10 thousand and 057 units/, "APU" /2,953 units/, "Remikon" /1,572 units/, "State Department Store" /1,247 units/ and "Moninjbar" /1,010 units/ were the most actively traded in terms of trading volume, in terms of trading value were "APU" (MNT 10 million 420 thousand and 550), "UB-BUK" (MNT one million and 750 thousand), "Hermes center" (MNT one million 307 thousand and 450) "Mudix" (MNT one million and 120 thousand), "Arig gal" (MNT 839 thousand and 010).



The total market capitalization was set at MNT one trillion 341 billion 436 million 886 thousand and 334. The Index of Top-20 JSCs was 13,455.78, increasing 0.68% and the all index of MSE was 974.69, increasing 0.57% against the previous day.

Stock exchange news for April 7

Ulaanbaatar, April 7 (MONTSAME) At the Stock Exchange trades on Tuesday, a total of 360 thousand and 859 units of 17 JSCs were traded costing MNT 32 billion 631 million 255 thousand and 054.50.

"Hermes center" /10 thousand units/, "Olloo" /5,000 units/, "APU" /2,121 units/, "Genco tour bureau" /1,970 units/ and "Khokh gan" /1,533 units/ were the most actively traded in terms of trading volume, in terms of trading value were "APU" (MNT seven million 557 thousand and 940), "Talkh chikher" (MNT seven million 118 thousand and 700), "Tavantolgoi" (MNT one million 319 thousand and 332), "Hermes center" (MNT one million 300 thousand and 040), "Gobi" (MNT 616 thousand and 460).

The total market capitalization was set at MNT one trillion 335 billion 078 million 901 thousand and 150. The Index of Top-20 JSCs was 13,434.39, decreasing 0.16% and the all index of MSE was 973.65, decreasing 0.11% against the previous day.

Stock exchange news for April 8

Ulaanbaatar, April 8 (MONTSAME) At the Stock Exchange trades on Wednesday, a total of 12 thousand and 522 units of 14 JSCs were traded costing MNT six million 434 thousand and 169.50.

"Hermes center" /9,800 units/, "Remikon" /1,537 units/, "Genco tour bureau" /260 units/, "Makh impex" /200 units/ and "Khokh gan" /157 units/ were the most actively traded in terms of trading volume, in terms of trading value were "Darkhan nekhii" (MNT one million and 551 thousand), "Gutal" (MNT one million and 540 thousand), "Hermes center" (MNT one million and 274 thousand), "Makh impex" (MNT 630 thousand), "Material impex" (MNT 400 thousand).

The total market capitalization was set at MNT one trillion 349 billion 529 million 220 thousand and 550. The Index of Top-20 JSCs was 13,530.85, increasing 0.72% and the all index of MSE was 977.62, increasing 0.41% against the previous day.

Stock exchange news for April 9

Ulaanbaatar, April 9 (MONTSAME) At the Stock Exchange trades on Thursday, a total of 6,088 units of 16 JSCs were traded costing MNT 12 million 701 thousand and 644.00.

"Genco tour bureau" /1,767 units/, "State Department Store" /1,597 units/, "APU" /1,272 units/, "Makh impex" /310 units/ and "Remikon" /261 units/ were the most actively traded in terms of trading volume, in terms of trading value were "APU" (MNT four million 468 thousand and 050), "Gobi" (MNT one million 449 thousand and 940), "Material impex" (MNT one million and 290 thousand), "Darkhan nekhii" (MNT one million 072 thousand and 500), "Material impex" (MNT 976 thousand and 510).



The total market capitalization was set at MNT one trillion 326 billion 736 million 732 thousand and 865. The Index of Top-20 JSCs was 13,321.52, decreasing 1.55% and the all index of MSE was 968.00, decreasing 0.98% against the previous day.

Stock exchange news for April 10

Ulaanbaatar, April 10 (MONTSAME) At the Stock Exchange trades on Friday, a total of 96 thousand and 292 units of 17 JSCs were traded costing MNT 15 million 060 thousand and 715.00.

"E-trans logistics" /79 thousand and 870 units/, "Merex" /10 thousand units/, "Hermes center" /5,000 units/, "APU" /458 units/ and "Aduunchuluun" /407 units/ were the most actively traded in terms of trading volume, in terms of trading value were "E-trans logistics" (MNT seven million and 987 thousand), "APU" (MNT one million and 635 thousand), "Material impex" (MNT 960 thousand), "Merex" (MNT 900 thousand), "UBBUK" (MNT875 thousand).

The total market capitalization was set at MNT one trillion 329 billion 745 million 583 thousand and 152. The Index of Top-20 JSCs was 13,289.06, decreasing 0.24% and the all index of MSE was 965.83, decreasing 0.22% against the previous day.

Mining

Local residents and Tavan Tolgoi miners to sign MoU on road use

April 6 (news.mn) Today is the deadline set by Deputy Prime Minister U.Khurelsukh for state owned company Erdenes Tavan Tolgoi, Tavan Tolgoi area residents, and Energy Resources LLC to sign a memorandum of understanding on the use of local roads for coal transport.

For the last several years, there has been debate about the devastation of Gobi soil and the natural environment by mining exploration projects being carried out and the use of transport vehicles with capacity of up to 100 tons, but proper solutions have yet to be found.

The state bought a paved road from Tavan Tolgoi to Gashuunsukhait built and financed by Energy Resources LLC. Companies operating at the Tavan Tolgoi mine pay fees to transport their coal using this road.

Industry officials spoke to Minister U.Khurelsukh about the different fees being applied to particular companies and asked him to resolve the issue. Due to high road use fees, coal transport vehicles belonging to Erdenes Tavan Tolgoi and other companies drive off-road along dirt paths and stir up dust and threaten the Gobi ecosystem.

Energy Resources vehicles pay fees equal to 0.75 cent per ton to use the paved road, while other companies are asked to pay a fee of 1.5 USD per ton.



Responsibility for resolving this issue, prohibiting the transport of coal using dirt roads, and establishing a set road fee at 1 USD per ton has been given to the State Secretary of the Ministry of Roads and Transportation, Head of the General Agency for Specialized Agency of Mongolia, management of state owned Erdenes Mongol, and related officials.

Prime Minister of Mongolia Proclaims Oyu Tolgoi and Tavan Tolgoi Projects to Commence Soon

April 6 (infomongolia.com) On Sunday, April 05, 2015, the Prime Minister of Mongolia, Chimed SAIKHANBILEG delivered a speech on Mongolian National Broadcaster addressing to its people.

In his speech, Premier Ch.Saikhanbileg stressed, "Mongolia in its recent history for the first ever time formed a Grand Coalition Government comprised of all political forces and today, as the Head of Government, I would like to introduce works we have achieved for the past three months.

The New Government under Solution motto has reduced the budget spends and ratified a Program to challenge with ailing economy. The first ever agreement on free trade (Economic Partnership Agreement) was established with the Government of Japan; measures to increase gold mining were carried out; financial issues to create new sources of oil and petroleum were resolved; pensions and benefits are increased; also, over 40 agendas on behalf of the Government of Mongolia were successfully implemented within this period during the ITB Berlin 2015 as an Official Partner Country. Moreover, our Government resolved to proceed with the second phase of a huge foreign-invested copper and gold mine, Oyu Tolgoi Project as well as the halting Tavan Tolgoi Project. However, the negotiation on second phase or underground development of Oyu Tolgoi Project that has been lasting long to date was very complicated, but the two sides finally reached a consensus "in principle" and an official announcement would come soon after final details worked out at "lower" levels. As soon as the agreement is inked by two parties, a 4.2 billion USD investment by leading 14 foreign banking institutions will be entering Mongolia.

The Tavan Tolgoi Project is on its final stages and at the next Cabinet meeting, we will be issuing an affiliated final decisions and then to release an official statement".

Current CEO of Erdenes Tavan Tolgoi announced his resignation

April 6 (gogo.mn) Ya.Batsuuri, who has worked as CEO of "Erdenes Tavan Tolgoi" JSC since 2012, has been detained from 26th of February and his role was temporarily replaced by B.Enkhbat.

He was sentenced for two-week imprisonment. However, it was ordered to detain him for more two months.



B.Enkhbat refused to participate in TT negotiation and announced his resignation voluntarily. His resignation letter is to be discussed at Board of Directors and final decision is to be made by Board of Directors. Reason of resignation is still uncertain today.

M.Enkhsaikhan reported that the imprisonment of Ya.Batsuuri influenced negatively on TT negotiation made with the biggest companies of Japan and China.

Erdenes Mongol to boost cooperation with mining professionals

Ulaanbaatar, April 6 (MONTSAME) "Erdenes Mongol" state-owned company inked a Memorandum of Cooperation with the National Association of the Specialized Engineers in Mining and Industry on April 3.

The sides will try to improve a participation of scholars, researchers, consultant engineers and specialists in the activities of the state-owned mining company. Forming a team, the company and the association will conduct works aimed at disseminating proper knowledge about the minerals' sector operations, improving transportation and logistics' infrastructures, developing researches, and promoting export. They also agreed to set up implementation groups of professionals for each project/program, at the requests of professional unions.

The company said the young engineers, making up 80 percent of the staff and trained abroad majoring in mining engineering, must have practical trainings in Mongolia. An importance was stressed of senior professionals' experiences, which can help in developing the industry with ecofriendly technologies.

The association had been joined by 22 professional unions. Mongolia has 28 of such unions specialized in mining.

Localities income from mining will increase

Ulaanbaatar, April 7 (MONTSAME) The cabinet at its meeting this Monday approved draft amendments to the law on budget and on Human Development fund, and resolved to submit them to parliament immediately. These amendments offer an increase in a percentage of income to be accumulated in localities' budgets from the mineral exploration and extraction.

The current law on budget regulates that five percent of the royalties goes to the local development funds in frames of implementing the state policy on promoting the localities' development, while the payments of mining licenses directly go to the state budget. The motives for amending the laws derive from the necessary support from the local administrations and people in order to forward the mining operations. If the income from mining for localities would increase by a proper amount, mineral explorations and researches will intensify, thus, a mineral resources exposure will grow, the cabinet considers.



Minister M.Enkhsaikhan makes another announcement

April 8 (gogo.mn) Announcement from the Tavan Tolgoi negotiation working group leader Minister of State M.Enkhsaikhan.

Tavan Tolgoi investment agreement is to be discussed by the State Great Khural within two week time.

The agreement draft published on www.parliament.mn, official website of the Parliament, only depicts the draft of the initial technical document compiled in January 2015 in order to conduct first stage negotiations and were not officially submitted to the State Great Khural. Therefore, it is not advised to do any conclusions based on those documents.

Successful implementation of the Tavan Tolgoi project is beneficial for interests of Mongolia. Draft agreement documents were done in accordance with the current effective legislation and the partial discussion of the agreement based on the documents displayed on the internet may generate public misunderstanding.

Public misunderstanding of the investment agreement may harm the image of Mongolia in the eyes of the investors, lead to stalling of the deals and might lead to negative impacts. Therefore, it is advised to apply official announcements made by the working group.

Investors get au fait with Ukhaa Khudag mine

Ulaanbaatar, April 8 (MONTSAME) A group of investors, visiting Mongolia to participate in "Coal Mongolia 2015" forum, legged Wednesday Ukhaa Khudag coal deposit to witness the operations of the coal concentrate plant, informed the forum organizers.

The forum and exhibition for investors will begin on April 9 at SS Club. Subsidiary to the Forum professional trainings for coal mining engineers and managers is being held at Ramada hotel.

The forum will be organized for two days, attracting 600 delegates from Mongolia and other countries and 2,000 exhibition viewers.

Ch.Sainbileg Appointed as New CEO of Erdenes Tavan Tolgoi JSC

April 9 (infomongolia.com) These days, an issue to develop the Tavan Tolgoi (TT) deposit in order to put into economic circulation is attracting a lot of attention as local and as foreign investors and being discussed today at all-levels of Mongolian authorities. In conjunction, the post of Executive Director of the Erdenes Tavan Tolgoi JSC was vacant to date, because the former CEO Ya.Batsuuri is under investigation by Independent Authority Against Corruption and the latter court hearing extended the term of imprisonment.



In accordance with situation, the Board Members of the state-owned company called its meeting on April 08, 2015 and unanimously agreed to appoint Mr. Ch.Sainbileg as the new CEO of Erdenes Tavan Tolgoi JSC.

Newly appointed Chuluunbat SAINBILEG used to chair the company's Board and been as the Vice-Chairman of Cabinet Secretariat.

Pursuant to post changes, the Chairman of Erdenes Tavan Tolgoi Board of Directors is succeeded by Mr. Galsan GANBOLD, who concurrently is appointed as new Vice-Chairman of Cabinet Secretariat of the Government of Mongolia.

The biggest conference of the coal sector, Coal Mongolia-2015 has started today

April 9 (news.mn) The biggest conference of the coal sector, Coal Mongolia-2015 has started today and will be held during two days.

Coal Mongolia-2015 Conference has opened by the Senior Advisor to the Prime Minister B. Delgermaa, she has presented the report /presentation/ of the Prime Minister of Mongolia to the audience.

Almost 600 participants are participating at the Coal Mongolia -2015. 85 percent of participants are representatives and leaders from state organizations with the power to make a decision.

Within the Conference the professional trainings for coal mining engineers and management have been organized starting from yesterday.

Coal Mongolia- 2015 will continue during two days and more than 600 local and foreign delegates will participate at the Conference.

Coal sector prioritizes a competitiveness improvement

Ulaanbaatar, April 9 (MONTSAME) The "Coal Mongolia-2015" at the city's "SS" center is continuing with discussions dedicated to ways of improving the competitiveness of the coal sector at international level.

The Minister of Mining R.Jigjid highlighted the mining as the pillar economic sector of Mining, and said the forum's main purposes are to inform about the state policies and explain legal renovations for domestic and foreign companies and investors in the mining sector, to attract more investments. "Mongolia has a goal to supply its coal to the market of Asia-Pacific. Our coal reserves stand at 173 billion tonnes, 27 billions are the guaranteed reserves," he said. These goals can be realized provided the legal environment is refined, he added.

The coal sector growth peaked in Mongolia in 2011, when 80 percent of the total revenue of state budget was accumulated from this sector, he noted.

After this, the Minister M.Enkhsaikhan gave a "Status of Tavan tolgoi agreement, challenges and solutions" presentation. He said Mongolia needs to cut expenses and to



boost coal extraction, now that the country's coal marketing lags behind irrelevantly to its enormous riches. The way of boosting the coal mining is to assign the production, transport and commercialization to "one hand", he said. "I am pleased to inform you that Sumitomo has begun making advertisements in Japan about the Tavan tolgoi project. The cooperation with the investing consortium will facilitate us with an opportunity to sell coal to India, Japan, Taiwan and many other countries. Our negotiations touched upon over 300 issues including the intended increase of estimated reserves. Seventy percent of the total investments required will be drawn from banking and financial organizations," he said and added that Tavan tolgoi project will stay in ownership of Mongolia.

A presentation themed "Competitiveness of Mongolia's coal sector in the world" was given by the executive director of Energy Resource LLC G.Battsengel. He noted that coking coal extraction that stood at 563 million tonnes declined to 20 million tonnes now. The main coal markets in the Asia-Pacific concentrate around the ports of Japan, South Korea and Indian Ocean. "We can use Chinese railway networks for transportation. All in all, transportation and logistics have to be settled at first," said Mr Battsengel. According to the studies, he went on, the average coal transport expense stands at 75-98 US dollars, as for Mongolia, this number is at 126 US dollars, just to reach Tianjin port of China, "this shows a disadvantage of our coal". "We have two choices either to stay small in a small market or to strive for international competition," he stressed.

Oil & Gas

Petro Matad gushes 65 per cent higher as BG Group joins Mongolia oil hunt

April 9 (oilbarrel.com) Shares in Petro Matad surged more than 65 per cent on Tuesday after the AIM-quoted explorer surprised the market with news it had struck a farm-out deal with BG Group.

Newsflow has been scarce from the frontier explorer in recent years after new management took the company "back to basics" in a bid to recover from the disastrous cash-burning drilling campaign of 2010-2011, which focused on one structure on its Block XX in the far east of Mongolia.

Now the Isle of Man-based company has brought in BG Group as a heavyweight partner for Block IV and V in south-west Mongolia. BG will take on 78 per cent of the equity in the virgin blocks in return for funding Petro Matad's share of a mutually agreed US\$28 million work programme that will fulfil

Most of this work, which will include airborne FTG gravity and magnetics surveys, 2D seismic, core holes and exploration wells, is expected to take place this year and next, promising some much-needed newsflow to drive the share price.

Dr Oyungerel Janchiv, Petro Matad acting chairperson after the previous chair George Watkins resigned in November 2014, said BG's decision to enter Mongolia was "an



endorsement of the potential within the acreage and Petro Matad's technical work to date". He said Petro Matad would now be fully funded for its remaining commitments on Blocks IV & V.

The transaction will also ensure Petro Matad has the cash to fund ongoing operations. The AIM company will receive a phased cash injection that will add up to US\$4.55 million, with US\$2.75 million payable upon completion of the farm-out and a further US\$1.8 million via payments of US\$50,000 per month over 36 months.

Petro Matad will retain operatorship until such a time as there is an extension to the Block IV or Block V contract term, at which point BG Group will assume operatorship. BG Group will, however, provide technical support and provide a secondee to the AIM company over the next three years; this will ensure essential insight during well planning and drilling operations.

Following the transaction, which is subject to Mongolian Government and regulatory approvals, Petro Matad will continue to hold a 100 per cent interest in Block XX in the far east of Mongolia and a 22 per cent interest in Blocks IV and V. There is some irony that it is the company's vast tracts in central-southwest Mongolia, which it was awarded in 2009, should be the current saviour.

Six years ago, they were a distraction from all the excitement about the potential oil riches on Block XX; now they have bagged the cash-strapped company a credible partner and life-line funding for three years.

These are huge blocks: Block IV spans 28,900 sq km and Block V more than 21,000 sq km. They are also highly speculative: Block IV hosts four major sub-basins and has seen no exploration drilling to date while Block V consists of frontier acreage with three major sub-basins and is again untouched by the drillbit.

In both cases, there is some seismic coverage, which was acquired by PetroMatad between 2010 and 2013, the first seismic in this part of the country.

Shares in the £15 million market cap company closed up more than 65 per cent at 8.88p

Energy

Opening Ceremony of IYL 2015 in Mongolia

April 10 (novuslight.com) On 31 March 2015, the opening ceremony of the International Year of Light and Light-based Technologies 2015 (IYL 2015) in Mongolia was formally held at the National University of Mongolia in the city of Ulaanbaatar. The ceremony was attended by researchers from light related fields, professors, teachers, students, specialists and people interested in science.

The event was opened with addresses from Gundegmaa Jargalsaikhan, General Secretary, Mongolian National Commission for UNESCO, and Dr R. Bat-Erdene (President of the National University of Mongolia).



Dr Tsolmon Renchin, the head of the Space Science Laboratory, National University of Mongolia and IYL 2015 National Contact Point, gave a lecture about the IYL 2015 and its importance to society and sustainable development. Renchin also talked about the wonders of cosmic light in her presentation. In addition, she highlighted the major IYL 2015 events and activities to be coordinated in Mongolia during the IYL 2015.

D. Amartuvshin, one of National University of Mongolia's best students, introduced his invention "LED Technology and Smart Light via using the light" during the ceremony. Another highlight of the opening ceremony was a star-party for the general public. There were several presentations on cosmic light and proper use lights for society and environment protection. Public from all ages had the opportunity to observe the sky thanks to a clear night.

Railway

Mongolia sees new rail link to China as key to coal sales

ULAN BATOR: A \$4-billion deal to revive Mongolia's giant Tavan Tolgoi coal mine will include building an extended cross-border rail link, a minister said on Thursday, a move that could stoke fears about the country's growing dependence on its giant neighbour China.

Mongolia's mining boom has slowed, partly as a result of the country's reluctance to hand over control of mineral assets to China. More than 90 percent of the Mongolia's exports already go to China.

China's Shenhua Energy will be crucial to Mongolia's strategy for selling coking coal from the huge Tavan Tolgoi mine to buyers in China and beyond, Minister Mendsaikhan Enkhsaikhan told a coal conference.

His comments marked a sharp turnaround from the past few years, when Mongolia's actions to block deals after China tried to take control of Mongolian mines led to a slide in foreign investment, including a 74 percent slump last year.

The country's wariness stems from hundreds of years of political dominance by China.

Shenhua and its consortium partners plan to build a 265 km (164 mile) railway from Tavan Tolgoi, Mongolia's largest coking coal mine, to the Chinese border as part of an investment agreement needing legislators' approval, Enkhsaikhan said.

Mongolia has asked for \$4 billion from the investors to finance development of the mine. Mongolia would receive a \$200 million advance payment to the miner while retaining full ownership, Enkhsaikhan said.

Enkhsaikhan is leading talks with Shenhua, Japan's Sumitomo Corp and Energy Resources, a wholly owned subsidiary of Hong Kong-listed Mongolian Mining Corp, to take over management of the state-owned firm Erdenes Tavan Tolgoi to run the mine.

Shenhua's influence over the heavily trafficked railways could help Mongolia's coal reach buyers in China, he said.



"Shenhua having its own railway network will provide the most favourable conditions," said Enkhsaikhan, whose chief role is to negotiate agreements for the country's largest development projects.

He also said that Sumitomo's marketing and sales expertise would play a critical role. Another target for Mongolia is port access to reach new markets such as South Korea and Japan. "The Chinese seaport and beyond are considered the most optimal options," said Enkhsaikhan.

The consortium would also be responsible for fulfilling commitments to Aluminum Corp of China (Chalco). In 2011, Erdenes TT agreed to repay \$350 million it borrowed in coal deliveries. About \$150 million worth of coal deliveries remain, Enkhsaikhan said.

Aviation

Nat'l Civil Aviation security program will be amended

Ulaanbaatar, April 7 (MONTSAME) The program serves as the fundamental document that demonstrates the observance of Mongolia's duties before the "Safeguarding International Civil Aviation against Acts of Unlawful Interference", an appendix of the Convention on International Civil Aviation, also known as the Chicago Convention. The Cabinet of Ministers resolved on Monday to reflect new terms, conceptions and criteria to the National Civil Aviation Security Program, taking into account the recent changes in the Chicago Convention.

The Convention adopted new terms and criteria, considering the recently intensified operations of terrorist groups, and an increased number of their unlawful actions against civil aircrafts. The International Civil Aviation Organization (ICAO), therefore, has been modifying the Convention in harmony with the contemporary international security standards, and appealed its member-countries to make same changes to their national programs.

The amendments to the National program will not change its main principles.



Construction

Government of Mongolia to Implement “Apartment Lease” Program for Low and Middle-Income Households

April 7 (infomongolia.com) At the regular Cabinet meeting held on April 06, 2015, it was resolved to implement "Apartment Lease" Program for low and middle-income households.

The Program is targeted for those who cannot apply or do not meet criteria for 8% mortgage loans and according to this Government decision as well as action plan for 2015-2016, apartment blocks for 1,300 households will be constructed across the country, of which 800 units in Ulaanbaatar and at least 60 flats in each center of 21 Aimags of Mongolia.

These blocks will be commissioned under public-private partnership and an average monthly rent is estimated to be 1/4 of average household income for a long term period. Moreover, the Program to create a house renting system between state and public is aimed to reduce air and soil pollution as part of implementations the Housing Mortgage Program under the Government Action Plan for 2012-2016 with state supports to provide residents with comfortable living conditions.

Accordingly, Minister of Construction and Urban Development D.Tsogtbaatar is entrusted to administer the “Apartment Lease” Program and Minister of Finance J.Erdenebat to manage financial issues, in particular, to set the relevant expenses in the State Budget for 2016, 2017 and 2018 respectively.

80 Sq.M Limit for 8% Mortgage Loans Might Be Annulled

April 9 (infomongolia.com) The Government of Mongolia had been organizing the "30 Minutes with Prime Minister" meeting on every Thursdays, but since October 2014, the meeting was extended into "Minister's Hour".

At today's "Hour" meeting, Minister for Construction and Urban Development of Mongolia Mr. Damdin TSOGTBAATAR has reported on current implementing actions by the sector and one of the facts he stated was about some changes might be amended into the Housing Mortgage Program as part of Government Action Plans until 2016.

In his announcement, Minister D.Tsogtbaatar affirmed that the citizens of Mongolia will be continuing to receive housing loans of 8% interest rate for up to 20 years.

Also, the Government will provide a guarantee for 20% out of 30% of total prepayment, where an applicant will cover the rest 10% in advance. Moreover, the threshold of 80 square meters for 8% mortgage loans might be removed, which means a loan receiver can apply for any bank institutions for any size a household wishes and plus,



Government guarantees for the down payment that much reduces the pressure of 30% to pay at once.

Industry

Turkey expresses willingness to co-operate in the industrial sector

April 8 (news.mn) Today D. Erdenebat, the Minister of Industry received Ambassador Extraordinary and Plenipotentiary of the Republic of Turkey to Mongolia Murat Karagoz and a delegation from the Embassy including the Commercial Counselor to the Ambassador Mr. Oguz Kuyumcu.

In the meeting the Ambassador Karagoz expressed gratitude for the establishment of the Ministry of Industry and stressed its vital role in further development of the industrial sector in Mongolia. During the meeting both sides exchanged views regarding the co-operation between Turkey and Mongolia regarding foreign trade.

The Ambassador stated that Turkey is very interested in cooperating with Mongolia in light industries, in particular leather goods production.

Minister D.Erdenebat responded that Mongolia is able to export products such as leather goods internationally and expressed his gratitude to the Ambassador for the meeting and exploring possibilities for future co-operation not only between Turkey and Mongolia but to other markets.

Agriculture

Mongolia to Harvest 465.7 Thousand Tons of Wheat from 300 Thousand Hectares in 2015

April 7 (infomongolia.com) At the Cabinet meeting held on April 06, 2015, Minister of Food and Agriculture R.Burmaa introduced a policy to adhere and further measures to carry out on spring cultivation preparations as well as liabilities arose between mill houses and agricultural enterprises.

In 2015 spring cultivation, it plans to seed in 328.6 thousand hectares nationwide, of which 300 thousand ha of wheat, 13.9 thousand ha of potatoes, and 8.3 ha of other vegetables, and estimates to collect 500.2 thousand tons of harvest, of which 465.7



thousand tons of wheat, 167.7 thousand tons of potatoes, and 104.7 thousand tons of other vegetables.

Transportation

Smart Transportation System to be established in Mongolia

April 10 (news.mn) The Institute of Road and Transportation, a Mongolian NGO has initiated a forum called "The Introduction of Smart and Environmentally Friendly Transportation Systems to Mongolia". This forum has organized in co-operation with ITS Korea and Ulaanbaatar Smart Card Co., Ltd and other Mongolian non-government organizations.

The Forum has discussed and is making recommendations to prioritize the development of a smart transportation system in Mongolia. A Memorandum of Understanding for future co-operation has been signed by J. Bat-Erdene, State Secretary at the Ministry of Roads and Transportation; Mr. Kichil Kwon, President of ITS Korea Federation and J. Sereeter, Head of the Institute of Road Transportation NGO.

The parties have agreed to the following as outlined in the MOU:

- Introduce new techniques and technology necessary to permit further development of a Smart Transport System.
- To freely exchange experimental and proven practices in developing Smart Transport Systems.
- To build capacity through technical training of specialists and employees
- To commit to the participation in future trainings and seminars organized by both sides.

Mongolia, Russia and China consider cooperation in transports

Ulaanbaatar, April 10 (MONTSAME) The Minister of Foreign Affairs L.Purevsuren received Friday the Vice ministers of road and transport of Mongolia, Russia and China. These three are chairing on April 9-10 a second consultative meeting between Mongolia, Russia and China dedicated to the transport matters, under auspices of the President of Mongolia. The FM said the Mongolian side is focusing on railway issues at the meeting. "Mongolia proposes increasing the transit transports and taking certain quotes for Mongolia from the total load to be carried between China and Russia, provided that these transports are intensifying. If approved, it will facilitate our railways to have duo rails and have electrification. The financial and investment issues will be settled as well," the Minister said and reminded that Mongolia made an offer to establish a joint transport and logistics company.



A mechanism of Mongolia-Russia-China trilateral meetings of heads of states and of Vice FMs has been formed, and a meeting of Vice ministers of Road and Transport is to become its important part, he said.

The second meeting has been led by Kh.Erjan, the Vice minister of Road and Transport of Mongolia, A.S.Tsydenov, a Deputy minister of Transport in charge of railway transport matters of Russia, and Fu Shuani, a Vice chairman of the State Railways Authority of the People's Republic of China.

Ulaanbaatar

An eco-city in the Mongolian steppe

April 8 (dw.de) A new eco-city is being built in Mongolia. Designed by German city planners and complying to strict environmental standards, Maidar City is to become the new political and religious center of the country.

For Stefan Schmitz, it is something like the project of his life. The Germany-based architect, together with other urban planners, is designing a model eco-city - in the middle of the Mongolian steppe.

Although not much construction has taken place so far, the plan foresees the building of a new urban center - Maidar City - in this location that houses 300,000 inhabitants. It will also have its own university, museums and religious centers, along with areas dedicated for tourism and film industries.

The city is also expected to become the seat of the Mongolian government one day, away from the current capital Ulan Bator. Sites have already been earmarked for the construction of buildings. Schmitz believes the Mongolian parliament will approve the construction this month.

The city had been originally planned for only 20,000 people, but it gradually became a construction project of national significance as the situation in Ulan Bator - which lies just 30 kilometers away - turned precarious.

Downsides of urbanization

Mongolia is the country with the lowest population density in the world. The landlocked Asian nation tucked between China and Russia has an area that is four and a half times the size of Germany, but has a population of just over three million people. Yet, the country faces all kinds of urban problems such as housing shortages, overcrowding and traffic jams.

This is because a huge proportion of the nation's population is concentrated in the capital, as many Mongolians see low economic prospects elsewhere in the country.

"Ulan Bator was actually built for 600,000 inhabitants, but now more than 1.2 million live there," said the city planner Schmitz. "Real estate prices in the city are sky-rocketing, higher than in Europe," he added, stressing that a Mongol with an average income cannot afford to live in Ulan Bator. The city's population growth is mainly due to the migration of nomads, who raise yurts around the city.



"Nomads can freely choose where they set up their yurts. So whoever finds work in the city looks to raise a yurt near by. And raw coal is used for heating in these yurts, thus causing smoke and air pollution," Schmitz told DW. The problems, however, are not limited to pollution as the city's infrastructure, water and power supplies are now completely overwhelmed by the influx of nomads, the city planner explained.

An ecological urban development

This is why Mongolia is planning Maidar City as an ecological urban development project with the help of Stefan Schmitz. The city, which is to draw most of its energy from renewable sources, will follow ecological principles and feature an independent drinking water supply as well as an environmentally-friendly and decentralized traffic and living concepts.

For instance, the rain water coming down from the surrounding hills will be collected, cleaned and then channeled as drinking water onto a lake which will also serve as a local recreational area, said Schmitz.

The urban planner told DW that Mongolia offers very good conditions for generating renewable energy. "There is a lot of wind in this area and the sun shines almost continuously during the winter." A nearby wind farm is set to be expanded in order to meet the electricity needs of Maidar City.

And to the south of the city, land is already reserved for sustainable agriculture. This is to supply the city with food, and also aimed at halting the increasing desertification in the region. The city's districts are planned in such a way that they exist independently of each other, with their own centers, noted Schmitz, pointing out that "public transport and electric cars will be a priority."

Years of experience

The architecture firm RSAA, where Schmitz works, has years of experience in China and Mongolia. More than ten years ago, the company won the bidding for planning the construction of China's Tianjin Eco-City. "This really gave us a boost in Asia," said Schmitz. "More than half of our projects are now linked to Asia."

Maidar City is just one of several projects planned by RSAA in Mongolia. Now that the city's design has been finished on the drafting board, it's time to realize the project.

So far, only the lower half of a Buddha statue is all that stands. But once completed, the statue is set to soar 54 meters (177 feet) into the sky and symbolize the city's religious and political center. The first stage of construction for an estimated 90,000 people is set to be ready by 2030, although Schmitz warns that many factors may impact the schedule.

Once a month, the architect flies to Mongolia to promote his project, make arrangements and keep an eye on building works. "There is good communication with the Mongolians. They are calm, serene, and very clear discussion partners," said the architect, adding that it was great fun to take part in such pioneering work.

Schmitz pointed out, however, that while all Mongolian ministries have been open-minded to the idea of the new eco-city, the country remains largely dependent on foreign funds and consultants for its realization.

"Many investors, particularly from China, are interested in taking part in this project," he said, adding that he supports the idea of selling single parcels of land to investors from around the world. The architect emphasized in this context that what's key for Mongolian authorities is that they remain in control.



Moreover, every investor has to meet strict requirements to allow the project to keep the label of eco-city. "There are no such things as development or land-use plans in Mongolia," Schmitz explained.

This is why requirements and restrictions have to be stipulated in every single purchase agreement. "The key is to find a balance which allows us to both meet the ecological requirements of the city and keep investors happy."

Two projects presented to municipal administrators

Ulaanbaatar, April 6 (MONTSAME) The Municipal administration got au fait Monday with a "Ulaanbaatar Fresh Air" and "Improving Ulaanbaatar's General Heating System" projects.

The latter has been implemented by the World Bank. According to the introduction, a commissioning of the Fifth thermal power station by 2018 is vital, for the heat demand will increase 126 percent in 2030 against the current consumption. Ulaanbaatar's general heating system will be divided into two parts--West and East, the western part will be supplied by the third and fourth stations, the eastern one--by the future fifth station.

If the financing is solved, 88 thousand citizens will get an access to heat, a dust formed by a usage of ovens will go down by 46 percent, and sulfuric dioxide in air--by 86 percent.

Ulaanbaatar Investment Forum to attract 1,000 delegates

Ulaanbaatar, April 8 (MONSTAME) The UB city Mayor E.Bat-Uul said Wednesday that the "Ulaanbaatar Investment" business forum has registered over one thousand participants. The forum will run this April 15 themed "Partnership for Development".

Organizers are the Mayor's Office and the UB city's Chamber of Commerce. He said the action aims to promote the economic growth of the city, improve public and private partnership, establish a favorable environment for businesses.

Municipal administration has set a goal to make Ulaanbaatar a business center for the region, added the Mayor. Mentioning the recent founding of the UB city's Chamber of Commerce, joined by 67 companies, he highlighted its importance in the city development.

The forum will also host an exhibition concerning the development and construction in Ulaanbaatar.



UB and FRC to collaborate in supporting small business

Ulaanbaatar, April 8 (MONTSAME) A cooperation contract was signed Wednesday by E.Bat-Uul, the Mayor of Ulaanbaatar city, and by Z.Narantuya, a chairwoman of the Finance Regulatory Committee (FRC), to back small-sized business.

In accordance with a resolution of the Citizens' Representative Khural of Ulaanbaatar, a program was approved to support this type of business and to reduce poverty rate, and a foundation was set up for 152 khoroos' (smallest administrative unit in UB) people who, having no business experiences and pledge money, want to run the small business.

Key purposes of the contract are to strengthen a collaboration of state organizations, improve effectiveness of the program, fortify a capability of newly established cooperatives, prevent them from any business risks.

By the program, a 15.2 billion Togrog financing will be given to new business. Saving-and-credit cooperatives which satisfy all the criteria will get an access to one-percent-interest loan per year and will give loans to fresh businessmen with interests of 1.2% per month and 11.4% per year.

For the time being, the foundation of small-sized business has given to 610 projects a 2.5 billion Togrog through 32 saving-and-credit cooperatives in 42 khoroos. This has created 451 jobs, moreover, 857 vacancies are awaiting new people.

After the signing ceremony, Mr Bat-Uul expressed a satisfaction with starting of this cooperation. He said that financial service is the first big problem facing those who begin small business, "so we are supporting them with a specific policy".

In a scope of the collaboration, the sides will back not only small, but also middle-sized productions in the next round.

UB city and Hungarian Trade Mission ink MoU on cooperation

Ulaanbaatar, April 10 (MONTSAME) The Mayor of Ulaanbaatar E.Bat-Uul and the chief of Trade Mission of the Republic of Hungary to Mongolia R.Shandor inked a Memorandum of Understanding on Cooperation in social, economic and urban development matters of Ulaanbaatar on Friday.

In frames of the Memorandum, the sides will co-implement joint projects and programs in many fields such as promoting social development, infrastructure, energy, electric and thermal power plants, city lighting, control cameras installation, Internet connection, introducing new hi tech in agricultural activities and medical services, in establishing new technology incubation centers and technological parks, as well in environment protection and culture and education spheres.



Company News

Copper miners rejoice at Mongolian breakthrough

Miners in Mongolia have hailed this weekend's agreement 'in principle' to develop the underground copper deposits at Oyu Tolgoi as a huge step forward for mining in the country.

Stage 2 development of Mongolia's largest copper mine is now set to begin having been stalled for more than two years due to bitter arguments between the miners and the government.

Rio Tinto (LON:RIO)-controlled Turquoise Hill is the mine's operator and the crux of the issue was how the US\$5bn needed to go underground would be funded.

Oyu Tolgoi is a colossal project. Last year, from surface, almost 148,000 tonnes of copper and 600,000 ounces of gold were produced.

One study suggested if the underground part was also developed it would last 100 years and be worth US\$200bn adding up the copper, gold and silver in unexplored deposits.

The deal was a huge boost, both for the country and mining generally in the region, and removes a major area of uncertainty, said Kincora Copper (CVE: KCC), which has copper and gold licences in Mongolia,

Sam Spring, chief executive, said the perception had been "If Rio Tinto has problems, what is it like for the others?"

He said from now "foreign investor relations in the country should improve quickly."

Kincora recently had two gold licences reinstated after a wider two-year general dispute over licence ownership with the Mongolian authorities.

Spring added: "Like a lot of people, we will wait and see what is going to happen next," but maintained that the prospect of development at Oyu Tolgoi would create optimism among investors.

Mongolia is known as being in a copper belt and is an ideal place for the exploration company to find copper, he said.

Shares in Kincora Copper jumped 20% to 0.03p.

Shares of Turquoise Hill have increased by 11 percent

April 8 (news.mn) Last Sunday Prime Minister Ch. Saikhanbileg announced in a televised statement that the financing for the underground mine portion of Oyu Tolgoi was very close to being finalized.

Following his speech on Monday the share price of Turquoise Hill on the New York Stock Exchange increased 11 percent to close at \$3.60 USD; its highest price since October 2014. The share price has gained 19 percent over the last 5 days of trading.



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On the Toronto Stock Exchange shares of Entrée Gold have increased by 46.1% closing at \$0.38 Canadian. Entrée Gold which holds a special license on the Oyu Tolgoi property is currently negotiating the transfer of that special license to Oyu Tolgoi LLC.