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Politics

Mongolia parliament urged to reject amnesty bill

October 8 [JURIST] Transparency International [advocacy website] and the UNCAC Coalition [official website] on Thursday urged [press release] the Mongolian parliament [official website] to veto a new bill that contains provisions granting amnesty to individuals being investigated for corruption. They argue that the passage of this law would allow for 45 out of 55 corruption cases brought by the Independent Agency against Corruption (IAAC) [official website] in Mongolia to be terminated as the accused would be granted amnesty. The Chair of Transparency International, José Ugaz, said:

This is a blatant attempt by politicians to grant themselves impunity. Anyone accused of corruption must be investigated. We assume the government and parliament of Mongolia is not willing to involve itself in such an international scandal and will throw the law out immediately.

It is estimated that the crimes amount to 32 billion Mongolian Togrog (USD \$16.2 million).

Corruption remains a significant challenge around the world. Earlier this week former UN General Assembly president John Ashe was charged [JURIST report] for allegedly taking part in a scheme to receive \$1.3 million in bribes to conduct official actions supporting Chinese business interests. Also this week the Judicial Council of Ghana announced [JURIST report] the suspension of seven high court judges following corruption allegations by an investigative journalist. Last week the Croatian Supreme Court overturned [JURIST news archive] the corruption conviction and nine-year prison sentence of former prime minister Ivo Sanader, ordering a new trial. Last month prosecutors in China announced [JURIST report] that they will be investigating former China Supreme Court justice Xi Xiaoming on corruption charges.

Chairmen of Standing Committees to be released

October 5 (gogo.mn) Several internal positions in the parliament are expected to be replaced this week.

Particularly, few chairmen of standing committees will be dismissed; J.Enkhbayar as chairman of Security and Foreign Policy standing committee, Su.Batbold as chairman of Environment, Food and Agriculture standing committee, J.Batsuuri as chairman of Economy standing committee and B.Bolor as State Budget standing committee.

B.Bolor will be released because he was appointed as Minister of Finance. Other three will be released because of their membership of Mongolian People's Party which had quit the government cabinet.

However, candidates for those positions have not been named currently. Today, new candidates will be selected at the meeting of party groups in the parliament.



Cabinet meeting in brief

Ulaanbaatar, October 6 (MONTSAME) The cabinet meeting on Monday backed joining the treaty on establishing the International Development Law Organization (IDLO).

The IDLO is an intergovernmental organization dedicated to the promotion of the rule of law. With a joint focus on the promotion of rule of law and development, it works to empower people and communities to claim their rights, and provides governments with the know-how to realize them. It supports emerging economies and middle-income countries to strengthen their legal capacity and rule of law framework for sustainable development and economic opportunity. It is the only intergovernmental organization with an exclusive mandate to promote the rule of law and has experience working in more than 170 countries around the world.

- The cabinet backed a Mongolia-Croatia intergovernmental agreement on exempting diplomatic and official passport holders from visa requirements. An order will be issued of the PM on authorizing someone to sign this agreement.
- The Minister of Population Development and Social Welfare presented to the cabinet a report on his participation in the World Assembly for Women which ran August 28 to September 2 in Tokyo. He was obliged to implement recommendations and decisions released by the Assembly and to ensure the realization.
- The cabinet backed a draft concept of a bill on civil aviation and ordered related officials to formulate the draft law and to have it discussed by the cabinet.
- The cabinet discussed a bill on amending the Constitution of Mongolia, initiated by N.Batbayar MP and others. Some matters will be conveyed to the initiators.
- The cabinet appointed S.Magnaisuren the State Secretary of the Ministry of Construction and Urban Development and R.Erdeneburen--the State Secretary of the Ministry of Labor. Moreover, the State Secretary of the Defense Ministry Z.Boldbaatar was freed from the post.

China's Defense Minister to arrive

Ulaanbaatar, October 6 (MONTSAME) Mongolia will receive the Colonel-General Chang Wanquan, the Minister of Defense and a State Councilor of the People's Republic of China on this October 8-10

He has been invited by his Mongolian counterpart Ts.Tsolmon. This has been a year of high-level interactions in the defense sphere for Mongolia, having hosted visits of Under-secretary-general for UN peacekeeping operations Hervé Ladsous, Minister of Defense of Qatar Major General Hamad Bin Ali Al Attiyah, Administrative Vice-Minister of Defense of Japan N.Masanori and Deputy Secretary General Alexander Vershbow.

The Colonel-General Chang has been a director of the PLA General Armaments Department and a member of the Central Military Commission of China. He has helped to manage China's space program. From January 2002 to December 2004, he was the chief of staff and a CPC committee member of the PLA Lanzhou Military Region. From December 2004 to September 2007, he was the commander of the PLA Shenyang Military Region. Since September 2007, he has been serving as the director of the PLA General Armaments Department. In October of 2007 he was elected the member of the Central Military Commission. He attained the rank of senior Colonel in 1992, Major



General in July of 1997, Lieutenant General in 2003, and Full General in October of 2007. He has been a member of the 16th, 17th and 18th Central Committees. In October of 2012, he was appointed the Minister of National Defense, succeeding General Liang Guanglie. At the first plenary session of the 12th National People's Congress, he was also.

Mongolia-Canada roundtable meeting runs

Ulaanbaatar, October 7 (MONTSAME) Mongolia and Canada have discussed their cooperation in politics, trade, economy, investment and development issues, and exchanged information about international and regional collaboration.

This took place at the 6th roundtable meeting of the intergovernmental cooperation on Tuesday in Ulaanbaatar, reported the Ministry of foreign affairs on Wednesday.

The meeting was co-chaired by R.Jigjid, the Mongolian Minister of Mining, and by Ms Susan Gregson, Canada's Assistant Deputy Minister Asia Pacific Branch.

Run for the first time in 2003 in Ottawa, the Mongolia-Canada roundtable meeting is a main mechanism of discussing all issues of the bilateral relations and cooperation. A "Third Neighbor" of Mongolia, Canada is one of the leading countries in terms of investments made in Mongolia. In 2014, Canada included Mongolia in the list of nations to receive developmental official assistance.

Within the roundtable meeting, Ms Gregson has been received by Z.Enkhbold, the Speaker of parliament, and by L.Purevsuren, the Minister of Foreign Affairs.

German President Joachim Gauck to pay a state visit to Mongolia

October 8 (infomongolia.com) The President of the Federal Republic of Germany, Mr. Joachim Gauck will pay a state visit to Mongolia on October 14-16, 2015 at the invitation of the President of Mongolia, Mr. Ts.Elbegdorj.

The heads of state of the two countries will have an official talks. President Joachim Gauck will also exchange views on bilateral relations and cooperation with Speaker of the State Great Khural (Parliament of Mongolia) Z.Enkhbold and Prime Minister Ch.Saikhanbileg.

German President will visit Kharkhorin (Kharkhorum, Karakorum) to oversee an archaeological excavation carried out by the Mongolia-Germany Kharkhorin Expedition, as well as the German-Mongolian Institute for Resources and Technology, reports the Press and Public Relations Department of the Ministry of Foreign Affairs.



Mongolian Parliament appoints new Chairman of the State Budget Standing Committee

October 9 (infomongolia.com) The 2015 Autumn Plenary Session of the State Great Khural (Parliament of Mongolia) has issued decision to appoint member of the parliament (MP) Chultem ULAAN to position of Chairman of the State Budget Standing Committee on occasion of reassignment of previous chairperson MP Bayarbaatar BOLOR as Minister for Finance of Mongolia.

The decision was accepted by 88.9% of the votes. Mr. Ch.Ulaan was promoted by proposal of "Justice Coalition" merged from Mongolian People's Revolutionary Party (MPRP) and Mongolian National Democratic Party (MNDP).

Foreign Relations

Ambassador of Belarus Stanislav Chepurnoy meets Mongolian Foreign Minister Lundeg Purevsuren

October 8 (mfa.gov.by) On October 8, 2015 Ambassador Extraordinary and Plenipotentiary of the Republic of Belarus to Mongolia Stanislav Chepurnoy met with the Minister of Foreign Affairs of Mongolia Lundeg Purevsuren.

The sides discussed current state and prospects of Belarus–Mongolia bilateral relations, primarily in the sphere of education.

The sides exchanged views on preparation of the bilateral cooperation roadmap with the most perspective interaction directions, such as mining operations, assembling of Belarusian technics in Mongolia, supply of mining and farming machines, repair of rolling stock and railway equipment, food processing industry.

Mongolia is also interested in realization of joint projects, aimed to enhance the forest plantations in the country.

US, Japan and Mongolia: Don't Forget Asia's Other Trilateral

October 6 (thediplomat.com) As I have written previously, the past few years have witnessed the strengthening of several trilateral mechanisms in the Asia-Pacific, including U.S.-Japan-India and U.S.-Japan-Australia (See: "Why the 'New' US Trilateral



Dialogue with Japan and India Matters”). One of the more neglected ones in the mix has been the U.S.-Japan-Mongolia trilateral.

The U.S.-Japan-Mongolia trilateral is an outgrowth of Ulaanbaatar’s long held close relationships with both countries, partly of its ‘third neighbor policy’ aimed at cultivating relationships with other important states to reduce its dependence on its two neighbors, China and Russia (though it should not be forgotten that Mongolia also has a separate trilateral with Beijing and Moscow). Japan has been Mongolia’s largest aid donor since the 1990s, and U.S.-Mongolia relations, first established in 1987, have strengthened due to recent developments including Ulaanbataar’s support for U.S.-led efforts in Iraq and Afghanistan.

The rise of the trilateral between the three democracies is also yet another manifestation of the more active role Mongolia is seeking to play in the region and world under President Tsakhiagiin Elbegdorj. His tenure has witnessed the rise of several Mongolia-led initiatives, from the birth of regional institutions like the Ulaanbataar Dialogue on Northeast Asian Security to a willingness to play a role in mediating role between North Korea and the international community.

On the back of these developments, on September 29 the three countries held their first ever trilateral meeting in New York City on the sidelines of the United Nations General Assembly. The meeting was attended by U.S. Assistant Secretary for East Asian and Pacific Affairs Daniel Russel, Director General of Asian and Oceanic Affairs Bureau of the Ministry of Foreign Affairs of Japan Junichi Ihara and Minister for Foreign Affairs of Mongolia Lundeg Purevsuren.

At the meeting, the three sides discussed steps they could take to deepen trilateral cooperation, including expanding economic relations and deepening regional security cooperation. “We were able to have a very, very fruitful and productive exchange on a range of issues,” Russel told journalists at the Foreign Press Center in New York last Friday.

Pressed on exactly what was discussed, Russel was vague, noting only that discussions centered on a variety of regional issues as well as how the United States and Japan – as major investors and economies – can better support reforms and the improved investment climate in Mongolia. He played down the notion that Washington and Tokyo were using Ulaanbataar as a mediator on the North Korea issue, though he did emphasize that Pyongyang ought to see Mongolia’s democracy as a model given its previous status as a communist state.

Yet as is the case with other trilaterals as well, the lack of publicly released specifics in early meetings should not detract from their value in creating an institutionalized, regular setting for partners to exchange views, coordinate actions and increase comfort in the way they deal with each other. This can help lay the foundation for greater cooperation further down the line.

“The first Mongolia-U.S.-Japan Trilateral Meeting laid the foundation for an important dialogue mechanism with our Third neighbors – the U.S and Japan – to exchange views on a broad range of regional and global security and economic issues, and on how to coordinate actions at the regional and global levels that reflect shared interest,” Mongolia’s Ministry of Foreign Affairs noted in a statement released following the meeting.



Mongolian school a diplomatic channel to Pyongyang

October 6 (straitstimes.com) ALTANBULAG (Mongolia) • For more than 50 years, children on the windswept steppes of Mongolia have studied in a school built by a surprising benefactor: Isolated, impoverished, often implacable North Korea.

An image of the North's founder, Kim Il Sung, hangs in a classroom in the yellow two-storey building, symbolising a time when the countries marched in lockstep as communist cogs in the machinery of Cold War confrontation. Now they move to starkly different rhythms.

Mongolia rode the wave of revolution that swept across Eastern Europe in 1989 and has become a vibrant democracy. But North Korea has doubled down into monolithic, nuclear-armed isolation.

But the ties of the past endure, as evidenced by continuing North Korean attention to the school - and a quiet diplomatic channel between Ulan Bator and Pyongyang.

The school has around 300 pupils aged six to 18, some of them boarders who stay in a dormitory while their nomadic parents herd sheep and other livestock on the steppes.

Mr Deshigiin Chuluunbat, the principal, says its 1961 construction had its origins in the Korean War of the previous decade, when Mongolia sent horses and food as aid to Pyongyang and also took in North Korean orphans.

"North Korea reciprocated that help and built this school," he said at the facility in Altanbulag, Tov province.

Even now, North Korean visitors come every year. Pyongyang renovated a physics classroom in 2012 - the centenary of Kim's birth - installing two plaques above the door emblazoned with his name in Korean and Mongolian, as well as his portrait over the blackboard.

Mongolia's government acts as an intermediary in global efforts to engage North Korea. As part of what is known as the Ulaanbaatar Dialogue, Mongolia has hosted negotiations between diplomats from Tokyo and Pyongyang over the issue of Japanese kidnapped by North Korea to train its spies. It hosted a reunion in March last year between the parents of abductee Megumi Yokota - seized as a 13-year-old in 1977, and whose fate remains unclear - and her North Korea-born daughter.

"Mongolia is uniquely positioned as the only country in North-east Asia that enjoys good relations not only with North Korea, but also South Korea, the United States, China, Russia and Japan," Brookings Institution scholars wrote in a paper.

Even so Mongolia has not shied away from blunt speaking.

President Tsakhiagiin Elbegdorj, who as a student leader played a key role in the country's democratic transition, visited North Korea in 2013 and extolled the benefits of freedom at Pyongyang's Kim Il Sung University, saying in a speech: "No tyranny lasts forever."

Dr John Delury, an expert on China and North-east Asia at Yonsei University in Seoul, applauded Ulan Bator's efforts.

"The platform that Mongolia provides is incredibly valuable because the United States government hardly talks to North Korea at all and you need some dialogue to have some basis for understanding where positions are," he said.



But he also noted that Mr Elbegdorj did not meet North Korean leader Kim Jong Un, indicating the limits of this channel.

Such geopolitical intricacies pass over Altanbulag. The village is 50km from Ulan Bator but feels a world away from the capital.

American Andrew Guarino was a volunteer English teacher there for two years. One day in 2012, he was summoned to find numerous official vehicles and men in dark suits with Kim Il Sung badges.

During a solemn ceremony marking the renovation of a classroom, the visitors clapped in unison, "never off beat", and bowed before repeating the sequence, all with military-like precision.

"It was pretty surreal," he said.

L.Purevsuren meets with Cuban counterpart

Ulaanbaatar, October 5 (MONTSAME) Mongolia's Minister of Foreign Affairs L.Purevsuren met with his colleague from the Republic of Cuba Mr Bruno Rodriguez Parrilla on October 1, within the 70th session of the UN General Assembly in New York, USA, reported the Ministry on October 5.

The two FMs exchanged views on the Mongolia-Cuba long-term friendly relations and cooperation and talked about how the USA-Cuba relations have been restored.

With regard to a new era of Cuba's foreign ties, the sides underlined an importance of expanding the bilateral collaboration, "all possibilities must be sought to broaden it," they agreed.

Mongolian and Lithuanian FMs discuss cooperation

Ulaanbaatar, October 5 (MONTSAME) Minister of Foreign Affairs of Mongolia L.Purevsuren met with the Lithuanian FM Linas Antanas Linkevicius at the UN Headquarters in New York October 1. They agreed that the bilateral cooperation should be extended to business and market fields, particularly through serving as bridges for each other's export goods to the nearby markets.

They also stressed that Lithuania can give Mongolian agricultural products an access to the European market, while Mongolia can act as Lithuania's transit to Chinese market.

After this the two shared ideas on recommencing the regular meetings between the two Ministries.

L.Purevsuren asked for Lithuania's support on the adoption of the UN resolution on the permanent neutrality of Mongolia, and its candidacy to the election of the UN Human Rights Council that is to run this October.

Mr Linkevicius said his country supports Mongolia's seeking the membership in the UN Human Rights Council election and added that Mongolia's support is needed in



Lithuania's candidacy to the Committee of the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW).

Present at the meeting were permanent representative and ambassador of Mongolia to the UN O.Sukhbold, ambassador-at-large O.Enkhtsetseg, and Lithuania's acting representative to the UN N.Jakubone and a director in charge of Political Affairs at the Ministry of Foreign Affairs of Lithuania R.Kacinskas.

Newly appointed US Ambassador presents credentials

Ulaanbaatar, October 5 (MONTSAME) The newly accredited Ambassador of the USA to Mongolia Ms Jennifer Zimdahl Galt presented the letter of credence to the President Ts.Elbegdorj on October 5.

The Ambassador said it a good omen for the further works that this was a good day, with a clear blue sky and a warm sunshine.

In response, the President talked about his participation in the 70th session of the UN General Assembly in New York, and the FM's attendance to the themed discussions and his meetings with the authorities of the Millennium Challenge Corporation, which is commencing its Second Compact in Mongolia.

The Ambassador highly spoke the meeting of the Mongolian FM L.Purevsuren with the US Secretary of State John Kerry, held last summer. She stressed that the cooperation has been prospering between the USA and Mongolia in fields of politics, economy, humanities and defense.

In response, the President noted that annual "Khaan Quest" international military exercises are the vivid evidence of the close cooperation, mentioning that USA has been collaborating with Mongolia in countless works in the course of 25 years since the start of democracy in our country.

Economy

Balance of Payments for first 8 months of 2015

October 5 (gogo.mn) Current account deficit stands at US\$ 358.5 million, decrease of 72 percent compared to the same period of previous year. This is mainly due to increase in surplus of trade in goods by US\$ 662.7 million and decline of deficit on trade in services by 47 percent or US\$ 512.2 million.

Capital and financial accounts show surplus of US\$ 640.6 million, increase of 37 percent or US\$ 173.0 million from the previous year as a result portfolio investment inflow. And other investment deficit has dropped by 69 percent or US\$ 324.4 million from a year prior.



WB will support Labor Ministry's projects

Ulaanbaatar, October 5 (MONTSAME) Country-director of the World Bank (WB) for Mongolia Mr James Anderson visited the Ministry of Labor on Friday, heading an extended delegation with the WB branch director for East Asia and Pacific Social Security and Labor, analysts, economists and social security specialists.

The delegates congratulated the new Minister G.Bayarsaikhan on his appointment and exchanged with him opinions on the Ministry's projects, implemented in collaboration with WB. G.Bayarsaikhan appreciated the results of the joint projects. However, he said, Mongolia's economic difficulties, caused by the metal prices decline on the global market, have resulted in a shortage of workplaces. Therefore, the Ministry wants to expand the collaboration with WB in certain areas, such as projects for unemployed young people and women heads of households.

The Ministry also needs a support, in regard to the renovations in labor regulations, on improving legal environment and promoting law implementations, he said.

The delegation gave G.Bayarsaikhan one of the first copies of the research book on "Social Welfare System in Mongolia" by World Bank.

Mongolia tackles US dollar raise

October 5 (infomongolia.com) Sudden drop of Mongolian export products in 2015 led to raise of US dollar and decline of MNT (Mongolian national currency - Tugrug).

As of today, US dollar exchange rate is waving between 1,996 MNT and 2,002 MNT.

Mongolian commercial banks are selling US dollar by 2,000-2,002 MNT but it is little bit lower, 1,998 MNT at international foreign currency market Naiman Sharga. In addition, US dollar raise is likely to continue.

But specialists hope that 500 million US dollar government-guaranteed bonds that Trade and Development Bank of Mongolia (TDBM) could sell at international market and 150 million US dollar that Asian Development Bank (ADB) promised to Mongolia will help to stop US dollar raise.

Draft amendment to excise tax to be submitted to parliament

Ulaanbaatar, October 6 (MONTSAME) At its meeting on Monday, the cabinet discussed and backed a draft amendment to the law on excise tax. It will be submitted to parliament.

Established between Mongolia and Japan, the Economic Partnership Agreement (EPA) has a clause on giving domestic conditions to Japanese products according to the 1994 General Agreement of Tariff and Trade, while the current Mongolian law on excise tax imposes different taxes on domestic and on imported alcoholic beverages. Due to this



contradiction, the Japanese side requested Mongolia to impose on alcoholic beverages, supplied from Japan, the same taxes as the Mongolian similar products have. The draft amendment has been worked with a clause which says that the same excise tax would be impose on both Mongolian alcoholic beverages and on imported from those countries having such an agreement with Mongolia.

Government Procurement Agency of Mongolia saved MNT 42 billion from state budget

October 6 (gogo.mn) Minister of Mongolia ordered to establish Government Procurement Agency of Mongolia on August 27, 2012. Today, the Government Procurement Agency of Mongolia marks its 3rd year anniversary of establishment, organized press conference and introduced their works implemented in the past.

This agency which is responsible for the procurement of goods and services by the state and local funds, started its operation with 65 employees of 8 structural units on October 06, 2012.

Government Procurement Agency made MNT 684.8 billion worth of contracts for 726 lot of products worth of MNT 726 billion during 2013-2015. Therefore, they saved MNT 42.7 billion from state budget which is 14.2 times higher than its three years operating budget worth of MNT 3.1 billion.

Following is the state budget savings of each year:

- MNT 18.1 billion in 2013
- MNT 20.3 billion in 2014
- MNT 4.3 billion in 2015

World Bank: Mongolia will see slower growth and lower public revenues this year

October 6 (UB Post) Several days ago, Asian Development Bank issued speculation that Mongolia's economic growth would be reduced to 3 to 2.3 percent this year. Meanwhile, the East Asia Pacific Economic Update, released by World Bank on October 5, estimates that economic growth will be 4.4 percent to 3.3 percent by the end of the year.

It was mentioned in the World Bank report that Mongolia's foreign investment decrease and the slowdown of individual consumption growth has become the main cause of the slowdown of economic activation this year. It also stated that Mongolia's economy highly depends on foreign factors. The current economic situation is to remain, according to the report. Therefore, World Bank advises Mongolia to make huge policy changes to protect the country from economic risk.



Growth in the East Asia Pacific region is likely to be moderate but still remain solid, says the World Bank report. East Asia remains one of the main growth drivers of the global economy, accounting for nearly two-fifths of the world's economic growth. Overall, the region is expected to grow by 6.5 percent in 2015, changing slightly from 6.8 percent last year.

In terms of Mongolia, Mongolia's budget looks to remain the same. Budget loss might exceed more than five percent of the country's GDP if Mongolia does not make budget amendments balancing budget spending with income cuts. The update mentioned that Central Bank should keep holding strict monetary policy and stop financing projects funded by the budget.

The East Asia Pacific Economic Update, the World Bank's comprehensive review of the region's economies, is published twice a year and looks at the challenging global environment facing the region. Economic recovery in high-income economies remains gradual, global trade is growing at its slowest pace since 2009, and the widespread slowdown in developing countries has intensified, particularly in commodity producers affected by lower commodity prices.

The performance trends across East Asia are diverse. China's economy is expected to grow at about seven percent this year and gradually moderate thereafter, as its economy continues to shift toward a model more dominated by domestic consumption and services, which implies a gradual reduction of growth.

The rest of developing East Asia is expected to grow 4.6 percent in 2015, similar to the rate last year. Commodity exporters such as Indonesia, Malaysia, and Mongolia will see slower growth and lower public revenues this year, reflecting weaker global commodity prices. Commodity importers will maintain a stable — even robust — pace of growth. Vietnam, for example, is expected to grow 6.2 percent in 2015 and 6.3 percent in 2016. Growth will ease, however, in many of the smaller economies. In Cambodia, lower agricultural output is hurting the economy, although growth will still be 6.9 percent this year. In Myanmar, severe flooding in July will likely drive down the pace of growth to 6.5 percent, from 8.5 percent in 2014. Pacific Island countries, meanwhile, will see moderate growth.

“Developing East Asia's growth is expected to slow because of China's economic rebalancing and the pace of the expected normalization of U.S. policy interest rates,” said Sudhir Shetty, Chief Economist of the World Bank's East Asia and Pacific Region. “These factors could generate financial volatility in the short term, but are necessary adjustments for sustainable growth in the long term.”

The report assumes a gradual slowdown in the Chinese economy in 2016-17. This scenario is likely because China has sufficient policy buffers and tools to address the risk of a more pronounced slowdown, including relatively low public debt levels, regulations restricting savings outside of the banking system, and the state's dominant role in the financial system. If China's growth were to slow further, the effects would be felt in the rest of the region, especially in countries linked to China through trade, investment and tourism.

The report also assumes that a gradual increase in U.S. interest rates will begin in the coming months. While this increase has been anticipated and is likely to be orderly, there is still a risk that markets could react sharply to such tightening, causing



currencies to depreciate, bond spreads to rise, capital inflows to fall, and liquidity to tighten.

In the face of these possible headwinds, the report emphasizes two key priorities across the region: prudent macroeconomic management, aimed at shoring up external and fiscal vulnerabilities; and deeper structural reform, focused on encouraging private investment.

"Growth in developing East Asia Pacific continues to be solid, but the moderating trend suggests policy makers in the region must remain focused on structural reforms that lay the foundation for sustainable, long-term and inclusive growth. These reforms include regulatory improvements in finance, labor and product markets, as well as measures that enhance transparency and accountability. These policies will reassure investors and markets, and help sustain growth that can help lift people out of poverty," said Axel van Trotsenburg, World Bank East Asia and Pacific Regional Vice President.

Mongolia ranked 104th on the 2015 Global Competitiveness Index

October 8 (UB Post) The Global Competitiveness Report series released by the World Economic Forum (WEF) introduced this year's Global Competitiveness Index (GCI). Following its release, the Open Society Forum reported that Mongolia was ranked 104th out of 140 countries.

The WEF underlined that this year's report is being released at a time when the global economy is evolving against the background of the "new normal" of lower economic growth, lower productivity growth, and high unemployment, and when several downside risks loom on the horizon.

The GCI is based on 12 pillars that provide a comprehensive picture of the competitiveness landscape in countries around the world at different stages of economic development. The report contains detailed profiles highlighting competitive strengths and weaknesses for each of the 140 economies featured, and Mongolia scored 3.8 points out of a possible seven points.

Mongolia has been included in the report since 2005, being provided with the chance to compare the nation's competitiveness with other countries. Since being involved in report, Mongolia has scored 3.2 to 3.9 points, not making significant changes to competitiveness, say specialists.

In comparison with the previous year's report, Mongolia progressed in five pillars. However, three indicators of competitiveness, including macroeconomic stability, improvement of the financial market, and health and primary education, were lower than last year.

Analysts explain that macroeconomic stability was lower due to the nation's budget deficit increase to 11 percent of GDP, and national savings decrease to 24.3 percent of GDP. Government debt to GDP reached 75.5 percent, inflation increased, and the state's credit ranking decreased during the period reported in 2015.



Parliament ratifies AIIB founding articles

Ulaanbaatar, October 9 (MONTSAME) At Thursday's plenary meeting, the State Great Khural considered and approved the bills on ratifying the Articles of Agreement on the Asian Infrastructure Investment Bank (AIIB). The articles were signed by PMs and finance ministers of 57 founding member states in Beijing this June 29.

China has initiated an establishment of the Bank, while Mongolia, Pakistan, Sri Lanka and other Asian countries have proposed joining the bank as founding members. Establishing the bank will help settle the financial source of investment for infrastructure developments and ensure fair distribution of capital throughout the region, and is of great importance in giving impetus to the regional development, considered the Cabinet. At the end of plenary meeting, the bills were backed by 78.5 percent votes.

Banking

First JCB Card in Mongolia introduced by State Bank of Mongolia

Ulaanbaatar, October 7 (MONTSAME) JCB International Co, Ltd. ("JCBI"), the international operations subsidiary of JCB, and government-run State Bank of Mongolia have announced a start of issuing JCB debit cards in Mongolia.

Now it will be possible to enjoy JCB's global merchant network with some 29 million acceptance locations, said Tuesday the finextra.com website.

Mongolia is the 20th country where the JCB card is issued. Deputy president of JCBI Kimihisa Imada stated, "The new card issuing partnership with State Bank offers JCBI the opportunity to launch the JCB brand in Mongolia, a market with a high potential for growth in both card issuing and merchant acquiring business, as the central bank is making progress on building the payments infrastructure." He is delighted that the partnership enables State Bank and JCBI to provide people in Mongolia with more attractive services such as JCB Plaza Lounges and other T&E services that embody the Japanese spirit of hospitality.

CEO of State Bank of Mongolia D.Batsaikhan said, "State Bank has started to accept JCB cards through Bank of Mongolia since March 2014. Since then, we have stepped up our partnership to the next level as the first issuer of JCB card in Mongolia. It is a great honor for us to have such a world brand as a partner. We are aiming to provide services to the tourist and travelers on business from both countries and also for the Mongolian people who are living and studying in Japan. We hope that our partnership will introduce more attractive services to cardmembers from both countries."



Mining

RC Inspection Mongolian Laboratory is ISO 17025 accredited

October 9 (worldcoal.com) RC Inspection Group's RCI Analytical Services, based in Mongolia, is now ISO 17025 accredited. This is the second accredited laboratory for the company – the first is its Ukrainian laboratory. The company wanted ISO 17025 accreditations for its laboratory activities in order to ensure a high level of assurance to its clients.

The accreditation shows the Mongolian laboratory has successfully fulfilled the ISO evaluation process, which includes an assessment of the laboratory's compliance with the technology programme requirements.

RC Inspection has indicated this accreditation has been a key step in its overall future development, enabling it to carry out fully independent qualitative and quantitative evaluation of the chemical elements contained in metals listed on the LME. The relevant and required techniques are used to define the purity and minimum assay that the registered brands must meet.

The company's laboratories, based in the Netherlands, Mongolia and Ukraine, provide analytical science problem solving and testing capabilities to a wide range of customers across many industries. According to RC Inspection, this accreditation broadens its reach by certifying the quality of the data acquisition and analysis processes used across a range of techniques and capabilities.

RCI Analytical Services is currently working on getting all the laboratories accredited under ISO/IEC 17025 and are actively participating in inter-laboratory tests and international round robins.

Edited from press release by Harleigh Hobbs

Belarus, Mongolia to cooperate in minerals extraction

October 8 (belta.by) If you use BelTA's materials, you must credit us with a hyperlink to eng.belta.by.

MINSK, 8 October (BelTA) – Belarus and Mongolia intend to cooperate in the extraction of commercial minerals. The relevant ideas were discussed during the meeting of Ambassador Extraordinary and Plenipotentiary of Belarus to Mongolia Stanislav Chepurny and Mongolian Minister of Foreign Affairs Lundeg Purevsuren on 8 October, the press service of the Belarusian Ministry of Foreign Affairs told BelTA. The meeting focused on prospects of advancing Belarusian-Mongolian relations, including in the sphere of education. The sides exchanged views concerning the advisability of preparing a roadmap to guide bilateral cooperation in the most promising areas of interaction, including the extraction of commercial minerals, the establishment of enterprises in Mongolia to assemble Belarusian vehicles, the shipment of mining and



agricultural machines, repair of railway rolling stock, production and processing of food products. The Mongolian side also expressed interest in implementing joint projects to increase the number of forests in Mongolia.

Read full text at: <http://eng.belta.by/economics/view/belarus-mongolia-to-cooperate-in-minerals-extraction-86016-2015/>

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Thermal coal imports to China are collapsing

October 7 (businessinsider.com.au) Chinese thermal coal imports, primarily in electricity production, continued their steep decline in the 12-months to August, dropping 17.7% according to analysis conducted by CBA.

Reflective of the broader trend, import volumes between January to August collapsed by 37% compared to the same period a year earlier, with all major thermal exporters supplying China seeing demand decline.

China's thermal coal imports from Mongolia fared the best of all major nations, falling 2% over the last 12 months, while Australia, Indonesia and Russia recorded steeper contractions of 17%, 42% and 31% respectively.

"The fall in China's thermal coal imports reflects slowing economic activity, and a preference away from thermal power as pollution concerns grow amongst China's coastal cities," said Vivek Dhar and Kofi Mensa, commodity researchers at CBA.

"China's thermal coal industry remains in structural oversupply with both state-owned companies, China Coal and China Shenhua, asked to reduce coal output."

Vivek and Dhar believe stricter environmental regulation on coal imports will likely pressure China's thermal coal imports further, suggesting that the outlook for spot coal prices will remain subdued until thermal coal export supply is reduced.

Tavantolgoi JSC raise its coal price

October 5 (infomongolia.com) Three coal selling centers of local Tavantolgoi JSC (not be confused with Erdenes Tavan Tolgoi) are opened in Umnugovi aimag.

This year, Tavantolgoi JSC sells its coal by 27,500 MNT (Tugrug) per a ton at coal selling centers and 16,500 MNT per a ton at the mine.

In 2014, the price at coal selling centers was 16,000 MNT per a ton and 8,000 MNT per a ton at the mine. Tavantolgoi JSC has raised its coal price by 8,500-11,500 MN this year.

Mongolia exports 7 tons of gold

Ulaanbaatar, October 5 (MONTSAME) In the first eight months of 2015, Mongolia extracted 15.2 million tons of coal, 7.2 tons of gold, and 766.9 thousand tons of



petroleum, according to the statistics released at the "Transparent Mining" press conference on September 30.

It went on that 145.8 thousand tons of fluorspar concentrate, 820.3 thousand tons of copper ore concentrate, 3.7 million tons of iron ore concentrate and 61.1 thousand tons of zinc concentrate were produced in the same period.

The exported were 930.0 thousand tons of copper concentrate, 3.1 million tons of iron ore concentrate, 7.0 tons of gold, 9.6 million tons of coal and 708.5 thousand tons of petroleum.

By September 29, Mongolia had 43-day reserve of fuel, reports the Ministry of Mining.

Gloomy Forecast for a Rusty Market

October 6 (Mongolian Economy) Copper prices on global markets remain rusty, and an upturn will not be seen in the near term. Some forecasts predict that prices will stoop further and will bottom out in 2016.

International experts conclude that the price of copper will remain at USD 5,000 per tonne for five more years. They also believe that despite waning growth in consumption, three million tonnes more than currently demanded will be used over the next five years. This means demand will decline, and structural changes in supply may also take place. The new copper deposit to be put into operation in South Africa next year is a reflection of the changing market. However, prices will drop again as a result.

Copper prices will rise if the demand were to increase in 2018 and 2019. During the Invest Mongolia conference, the CEO of China's CRU Group, John Johnson, said a copper price of USD 6,500 per tonne could come about starting in 2019. Experts' forecasts seemed to have come true as copper prices decreased for three days in a row due to China's stock market plunge, as well as its slowdown in production. In addition, the London Metal Exchange forecasts that the base purchase price per tonne will be roughly USD 5,720 in December. That month, copper prices are likely to decrease by 0.4 percent, while the Shanghai Stock Exchange estimated the November purchase rate reducing by 0.8 percent.

The situation is that Mongolia's revenues from this market are likely to decline in the near term, as is reflected in the declining index of 10 staple commodities supplied from Mongolia to China. The issue is not lack of output, but rather low prices. On the other hand, John Johnson also stated China's economic moderation has spurred major changes in the minerals market. "In the past six months, the prices of 10 staple commodities, led by coal, have dropped by 40 percent. The main changes in the balance of supply and demand in the market are linked to the price drop. Therefore, the changes on the supply side will have a considerable effect in reaching the next equilibrium. Currently, there is no such balance," he said.

According to China's statistics on January to July imports over the past three years, USD 150 billion has been wiped out from the top 10 commodities imports. That is a decline equivalent to twelve times Mongolia's GDP. This situation has affected many mineral-exporting countries. On the one hand, copper prices fell due to increased supply. On the other hand, demand in the minerals market is comparatively low nowadays. The Chinese government has stated they will focus on the supply side and pursue a more sensitive policy over the next five years.



China is in the process of reforming its tax environment and monetary policy. Experts noted that expenses in China are rising: companies working in the minerals market have high expenses. According to the researchers at CRU Group, commodity prices, led by copper, coal and iron ore, will decline and expenses will rise, especially in 2016. Hence, many international researchers forecast that Mongolia's revenues from this market will decline over the next few years due to the falling prices. In 2014, 70 percent of Mongolia's total export earnings were from the aforementioned products. "Due to the fall in prices, Mongolia's revenues will decrease by USD 800 million this year. It will be a loss of USD one billion if comparing uses prices from the previous period," added John Johnson.

What happens in the future depends on the price outlook. Unless there is a clear change in production, commodity prices will not increase until 2019. However, experts noted that Mongolia's revenues could increase after 2019 depending on output. Seeing as prices will not rise in the near future, ramping up production is the only way to boost revenues.

Coal reserves at Baganuur reach 800 million tons

Ulaanbaatar, October 6 (MONTSAME) The Ministry of Energy received Tuesday a project report on "Detailed Exploration and Reserve Estimation of Baganuur Coal Deposit". The additional explorations have been conducted on the site, regarding the immediate need to prepare feasibility study for mine extension.

The updated estimation, piling up all data collected since the start of operations, found that Baganuur deposit's coal reserve amounts to over 800 million tons. Previously, the deposit had been explored in 1974-75 and in 1989. The detailed exploration was executed by Erdgeo LLC (Mongolian) and Norwest Company (US), as a basic data collection for a feasibility study, being developed in scope of Mining Infrastructure Investment Support Project (MINIS). The project is funded by World Bank's easy-term credit.

The reserve estimation has been developed under A, B, C standards of Mongolia, and international JORC code, enabling thus the Baganuur Ltd. to compete on the international stock market.

A document on receiving the project reports was signed by the State Secretary at the Ministry of Energy D.Delgertsogt, the MINIS coordinator B.Enkhbaatar, and the director of Erdgeo LLC J.Dashkhorol.

"Financing of Gold Extraction" contract signed

October 7 (news.mn) The Government decided to provide financial support to gold extractors, as a step to help the economy grow. The decision was taken some time ago, but there have been various hold-ups. Under the plan, the Government decided to



provide MNT 256 billion credits to the gold extractors. But the financing is not solved completely, because of issues with the Development Bank.

On Friday, (2nd October), the Ministry of Mining, the Ministry of Finance, and the Bank of Mongolia signed to implement the "Finance of Gold" program. At present similar financing arrangements are already being operated by the various parties. Following the signing of contracts, the 9% loan rates with one-year term credits will be provided to the gold extractors via the commercial banks.

Industry

Production of fruit juice and tea will expand in Mongolia with EBRD loan to MCS Coca-Cola

October 8 The FINANCIAL -- The European Bank for Reconstruction and Development (EBRD) is continuing to support the local production of fast-moving consumer goods in Mongolia with a new loan to MCS Coca-Cola LLC, a fully Mongolian-owned company.

The loan will finance investments in new, energy efficient glass and hot fill bottling lines which will enable MCS Coca-Cola to expand production of some categories of soft drinks, namely fruit juices and bottled tea. Part of the loan will be used for the balance sheet restructuring, according to EBRD.

MCS Coca-Cola, a leading soft drinks producer, has been producing Coca-Cola branded beverages in Mongolia since 2002. The company, owned by MCS Holding, a diversified Mongolian private group of companies, has cooperated with the EBRD in the past.

The long-term senior loan will include a local-currency portion (US\$ 8 million equivalent in tugrik), to help the company hedge against foreign exchange risks.

As part of the EBRD-financed project, the company will also continue to develop distribution channels in remote regions of the vast and sparsely populated country.

The EBRD Head of Office in Ulaanbaatar, Matthieu le Blan, said: "The EBRD is supporting one of the core activities of a well-diversified group meeting the highest standards of corporate governance. It is in line with our strategy of supporting the diversification of the economy by financing competitive sectors and reducing Mongolia's reliance on imports for consumer's goods."

To date, the EBRD has invested about €890 million in various sectors of the Mongolian economy.



Middle-term strategy for state policy on industry approved

Ulaanbaatar, October 6 (MONTSAME) The cabinet meeting on Monday approved a middle-term strategy for state policy on industry and obliged D.Erdenebat, the Minister of Industry, to work out and then adopt a relevant plan.

The main aims of the strategy are to protect the national productions, to support export by processing raw materials home and introducing progressive technologies, and to promote the import substitution industrialization.

Other obligations were given to other Ministers, to heads of agencies, the UB Mayor and governors of aimags, to realize the strategy in their localities. In addition, the Minister of Finance and the Minister of Industry were ordered to place capital in annual state and localities' budgets for realizing the strategy and to reflect its goals and measures in annual basic guidelines for social-economic development.

It will be implemented with a help of domestic and foreign investments as well.

Industrial forum to run

Ulaanbaatar, October 8 (MONTSAME) A forum of industry titled "Made in Mongolia" will be held this October 16 in Ulaanbaatar.

The very first one in Mongolia, the forum will attract Mongolian and foreign investors, specialized unions, state organizations, NGOs, producers, economists, banking and financial experts.

Several meetings are also expected themed "Priorities of industry", "Industry of export-oriented products", "Supporting productions through a trade policy: Difficulties and opportunities", "Technology and human resources in industrial sector" and "Chance of making investments to industrial sector".

In addition, investment projects will be presented, and national and foreign representatives will share views on developing our industry.

Agriculture

MNT 1.2 billion worth of agricultural products sold at "Autumn Green Days" expo

October 6 (gogo.mn) Agricultural products expo titled "Autumn Green Days" has been organized since 2006.



This year, 198 entities and 250 farmers have attended in ten day expo held at Misheel expo center and MNT 1.2 billion worth of agricultural products were sold, reported by the Minister of Food and Agriculture.

Central Laboratory of Special Inspection Agency have conducted examination on herbal products and honey for free, run moving laboratory as well as more than 30 state inspectors and 10 experts monitored the quality of the product, safety and labels compliance with the approved schedule.

Grain harvest at 46.2%

October 7 (gogo.mn) Grain harvest is at 46.2 percent, potato harvest is at 85.1 percent and vegetable harvest is at 83.1 percent in nationwide, reported by the Ministry of Food and Agriculture.

More than 650 students and 950 soldiers are working for harvest.

This year, total of 512.3 thousand hectares of land were cultivated, of which 389.3 thousand hectares to grain, 360.7 thousand hectares to wheat, 12.5 thousand hectares to potatoes, 7.1 thousand hectares to vegetables, 78.5 thousand hectares to oil plants, 19.5 thousand hectares to fodder plants and 5.4 thousand hectares to medicinal herb were sown respectively.

As of October 06, 114.2 thousand grain from 137.2 thousand hectares of land, 129.4 thousand potatoes from 10.3 thousand hectares of land and 58.5 thousand vegetables from 5.3 thousand hectares of land were harvested.

Energy

Chinese company to execute infrastructure for Eg River Power Plant

Ulaanbaatar, October 6 (MONTSAME) The Cabinet on Monday permitted the Invest Mongolia Agency to conclude a concession agreement with China Gejuba Group Limited on the preliminary work of infrastructure for Eg River Power Plant.

Minister of Industry D.Erdenebat was assigned to manage the agreement conclusion in accordance with the regulations. The Group has been selected from a number of bidders who had proposed to build the infrastructure on their own funding.

According to the draft agreement, the construction will complete within 13 months, creating more than 500 jobs.

China Gejuba Group Ltd. operates in energy, in roads, bridges and dams building, in infrastructure construction. The company had built and commissioned 146.5-km road in Mongolia. It had also executed over 70 percent of the construction of China's Three Gorges Dam, the top in the world in terms of its installed capacity.



Solar Power Plant to be built

October 8 (news.mn) The ceremony to build a 8 MW capacity Solar Power Plant took a place at the weekend. The new Solar Power Plant will be built close to the Bayanteeg-Coal Mine, which is located in the Nariin-Teel Soum of Uvurkhangai Province. South Korea will provide USD 25 million to finance the Solar Power Plant. This solar power plant will become another power source of electricity to the Uvurkhangai, and Bayankhongor Provinces.

Railway

MTZ authorities say owning 100 percent of the TT railroad is risky for Mongolia

October 6 (UB Post) Recently, it was reported that Mongolian Railway (MTZ) is going to own 51 percent of a new 267 km railroad being built from Tavan Tolgoi to Gashuunsukhait. The railroad's construction will be carried out in cooperation with China's Shenhua Group.

News.mn interviewed the Executive Director of the state-owned joint stock company Mongolian Railway, D.Ganbat, regarding issues concerning the railroad.

The media has reported that MTZ will own 51 percent of the new railroad from TT to Gashuunsukhait. Earlier, when the issue was discussed at the partnership negotiation of Mongolian Mining Corporation (MMC), it was reported that Mongolia would own 51 percent after 30 years.

The MMC partnership suggested making a 100 percent investment, and to give 51 percent stake to Mongolia after 30 years. The proposal wasn't supported by the Parliament. The Parliament decided to create a working group. They studied the agreement and concluded that it was inefficient for Mongolia.

Prime Minister Ch.Saikhanbileg called for improving the agreement's conditions. Following this, the TT project working group led by Minister of Mongolia M.Enkhsaikhan was changed. Currently, a working group led by the Executive Director of Erdenes Mongol, B.Byambasaikan, is working to revise the agreement.

In the previous agreement with the partnership, Energy Resources, Chinese Shenhua, and Japanese Sumitomo were going to jointly construct the railroad. But the main issue is that our domestic and privately owned company Energy Resources' financial conditions are unpleasant, while Shenhua is a Chinese state-owned company.

Shenhua may want to maintain their first position, but during the negotiations we will look to have MTZ own 51 percent from the beginning. There will not be an understanding about owning 51 percent after 30 years. Once the railroad construction is complete, transportation will be conducted. At this time, MTZ will make profits.

Can we understand that it is certain that Mongolia will collaborate with only Shenhua?



Yes, they will own 49 percent.

What about financing issues?

Before talking about financing, I want to speak about completed work. Our company is building railway structure and a dam. Currently, the construction is ongoing at 86.6 percent completion. This means that we have completed over 50 percent of the total railroad construction. The railroad includes power supply, stations, and employee housing.

It was reported that total investment required for the project stands at 1.2 billion USD. Is this the final estimation?

No, this number will change, because it was an estimation made from the Mongolian side. Shenhua will not make an investment of this amount. They will check with an external audit and then make investments following the audit's conclusion.

Expenses not related to the 267 km railroad should be cut from the 1.2 billion USD. Shenhua will only invest in railroad construction from Ukhaakhudag to Gashuunsukhait. After the audit they will know the concrete amount of investment made from the Mongolian side. Afterwards, Shenhua should bring cash equal to 49 percent of the investment. Investments made from the Mongolian side and money from Shenhua will be added up. After subtracting the sum from the total investment of 1.2 billion USD, the remaining investment required will become clear. It should be understood that the remaining amount will be taken out in loans. A joint company that will be established by MTZ and Shenhua will take out the loan.

Does this mean that we are going to be repaying debts again?

Yes, we will be repaying it from transportation income.

Where will the loans come from?

Shenhua will take out a loan from Development Bank of China, and we will be repaying a loan equal to our 51 percent stake.

How much money was invested from the Mongolian side?

An approximately 220 million USD investment was made from the Chinggis Bond, but the money wasn't only spent on a dam. There are a bunch of other things to do, including research, blueprints, and an environmental assessment.

The Speaker of Parliament, Z.Enkhbold, believed that Mongolia needed to own 100 percent of the railroad. Why has the stake percentage declined drastically to 51 percent?

We understood that we needed to estimate risk. Coal will not always be as precious as it was in the last four years. The risk of price decline will arise for sure, so owning 100 percent is risky for Mongolia.

“UB Railway” Transportation costs to increase

October 9 (news.mn) The “Ulaanbaatar Railway” Mongolian and Russian Joint Venture has decided to increase the transportation costs as of 1st November. For example, the transportation of non-ferrous and ferrous metals will be increased by 20%, and petroleum and petroleum products and all construction materials will increase by 10%. Also, “Ulaanbaatar Railway” has decided to increase the exchange rate of the currency



from Swiss franc to Mongolian tugrik by MNT 250-300 bringing it in line with international passenger transportation costs.

Ulaanbaatar

“Auto Trading Complex” opens

October 6 (news.mn) On 4th October, the new “Auto Trading Complex” has officially opened, one year than the planned date. The new complex, which has 6000 parking places, and various dedicated auto equipment retail outlets under one roof is located next to the 22nd Traffic Office. Regarding ownership; 400 citizens have bought the 1200 parking lots for MNT 4 million each. Therefore, those citizens who have bought the lots will not need to pay any money in the future, except a MNT 15,000 monthly fee for the security of the cars. According to the plan, the operations of other auto trading locations, for example, “Da Khuree”, “Uguumur”, “Diamond”, “Dako”, and “Start” will be terminated and transferred to the new auto complex.

UB and Novosibirsk cities signed the Sister City Agreement

October 6 (gogo.mn) Novosibirsk city Mayor, Anatoly Lokot and Ulaanbaatar city Mayor, E.Bat-Uul have signed the Sister City Agreement on October 05.

Signing ceremony was held at Office of Novosibirsk city Mayor during the official visit of Mongolian delegations.

"Russia and Mongolian cooperation had long lasting experience during the 20th century, especially, the Great Patriotic War. In addition, the two countries had helped each other," Novosibirsk Mayor noted.

"Economic cooperation experience is connecting us. Certain proposals which we can help each other are being discussed here. Many buildings in Ulaanbaatar city were constructed by the direct involvement of Novosibirsk specialists and constructors. In addition, there are a lot of issues including restoration and modernization. We have a large field to cooperate," said Anatoly Lokoti.

Ulaanbaatar city Mayor E.Bat-Uul emphasized that the Russian constructors especially, Novosibirsk constructors played major role in the development of Ulaanbaatar and expressed his hope that this cooperation will continue in further.

"About US\$ 18 billion is to be required for the restoration of housings and public utilities. We need your participation, funding and support for such a big development," stated by Mayor E.Bat-Uul.

Moreover, two cities will cooperate in many sectors such as agriculture, science, education, health and tourism.

In scope of the agreement, delegations of two cities are expected to pay mutual visits. Implementation of this five-year agreement has started from October 05.



Head of City Council of Seoul visiting

Ulaanbaatar, October 6 (MONTSAME) A delegation led by Mr Park Nae Hak, the Chairman of the City Council of Seoul of South Korea, is visiting here by invitation of D.Battulga, the head of the Citizens' Representative Khural of Ulaanbaatar city, on occasion of the 20th anniversary of the sisterhood ties between the two capital cities.

Mr Battulga Tuesday received the guests and said our cities have been maintaining friendly relations since 1995, collaborating in many spheres. He mentioned about mutual visits of the capital cities' Mayors at which the sides had determined priorities of the cooperation, and expressed a willingness to cooperate by exchanging students and pupils and collaborating in medical sector.

In response, Mr Park said Seoul's ties with Ulaanbaatar are one of the friendliest, adding that the cities have been expanding the cooperation in almost all spheres such as health, society, culture and economy.

Following the meeting, Mr Park was awarded the "Khangaird" Order of Ulaanbaatar city at a resolution of the Presidium of City Council of Ulaanbaatar.

New 1% tax rate comes into force in Ulaanbaatar

October 6 (infomongolia.com) The Capital City Citizens' Representative Khural (UB City Council) has imposed a new tax on services of hotels, resorts, restaurants and bars, and products such as tobacco and alcohol sold in territories of Ulaanbaatar city starting from October 01, 2015.

According to the new Capital city tax, 1% of each payment for the services and products that are under the taxation will go to the Capital city budget.

But it received negative reception among residents of Ulaanbaatar city. They are afraid that the new Capital city tax was adopted in wrong time as the country is in economic crisis and further it will trigger price raise of services and products which will not negatively affect companies.

In addition, Governor of the Capital City and Mayor of Ulaanbaatar city, Mr. E.Bat-Uul has started to demand super markets in Ulaanbaatar city to buy 1.5 million MNT (Tugrug) cash machines. It is not a burden for big supermarkets but there are little markets and stores which cannot afford it that easily.

The people starting suspect that this decision is someone's illegal business and demanding explanation. In time of economic crisis, such actions will not improve the situation.



City provides additional budget for ger area redevelopment

October 6 (UB Post) Ulaanbaatar City Mayor E.Bat-Uul issued an ordinance on Tuesday to provide 981 million MNT from the city budget for the ger area redevelopment project in Ulaanbaatar.

The budget will be used for building underground engineering pipelines, construction, and scheme development of the apartments that will replace ger households.

Invest Ulaanbaatar Agency will be responsible for monitoring quality and progress of the apartment constructions, while the State Property Committee was made responsible for listing the apartments to the capital city property without delay and ensure maintenance.

UB City seeks cooperation with Bill Gates Foundation

Ulaanbaatar, October 8 (MONTSAME) Mayor of Ulaanbaatar issued a direction on Wednesday to set up a working group for establishing cooperation with Bill Gates Foundation. The UB City aspires to cooperate with the foundation in mitigating soil pollution by introducing ger (national dwelling) areas into new sanitary technologies and know-how.

The cooperation with Bill Gates Foundation is expected to find solutions to the issues of treatment facility access for the households in ger areas, in order to slow down the urban soil degradation.

The Mayor assigned his deputy in charge of ecology and green development T.Bat-Erdene to manage the implementation of this direction.