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## Politics

# China, Mongolia Encourage Greater Parliamentary Exchanges

Beijing, Oct 17 (Prensa Latina) Parliamentary leaders of China and Mongolia encouraged here a greater boost to the parliamentary exchanges between the two countries, informed the government today.

China and Mongolia should meet the consensus reached by the heads of State and strengthen mutual trust, stated Zhang Dejiang, chairman of the Standing Committee of China's National People's Congress (NPC).

During a meeting with President of the State Great Hural of Mongolia, Zandaakhuu Enkhbold, in this capital, Zhang urged to keep improving the exchanges between political parties and parliaments, and fulfill the great projects of cooperation and people-to-people exchanges to promote bilateral friendship.

China's top legislator stated the NPC will strengthen its relations with the Great Hural and will prepare the first meeting of the bilateral parliamentary exchange mechanism.

Enkhbold said the State Great Hural of Mongolia gives great importance to exchanges with the NPC, and it is ready to promote cooperation through regular meetings.

## Cabinet meeting in brief

Ulaanbaatar, October 13 (MONTSAME) The cabinet meeting on Monday discussed and approved directive the Mongolian delegation must adhere to at the 4th meeting of the Mongolia-Germany intergovernmental working group.

This group is responsible for controlling implementation of an intergovernmental agreement on cooperating in mineral, industry and technology spheres. Its meeting will run this October 15 in Ulaanbaatar.

- The cabinet also discussed and approved directives the Mongolian delegation must adhere to at the consultative meeting of the Mongolia-Germany intergovernmental developmental policy cooperation. The meeting will run this October 19 in Ulaanbaatar.

- Directives for a Mongolian delegation was approved. It will take part in the first meeting of the Mongolia-Indonesia intergovernmental joint commission which will run this October 20-21 in Jakarta, Indonesia.

- The cabinet discussed results of the Speaker's official visit to the Russian Federation (this September 20-23). An obligation was given to the FM L.Purevsuren to submit the matter to the National Security Council (NSC).

- The cabinet also discussed results of the official visit of the Chairman of the Chamber of Deputies of the Parliament of the Czech Republic Jan Hamacek to Mongolia (July 29 to August 2, 2015). The issue will be submitted to the NSC.

- The Minister of Food and Agriculture R.Burmaa gave a report on harvesting and a current situation in the land farming sphere. Together with a Minister of Finance she was told make reserve up to 20 thousand tons of wheat from the domestic harvest



dedicated to the 2016 spring planting and to resolve a financial matter for purchasing the wheat.

- A decision was made to establish the "Leasing financing for great construction" LLC and the "National Export Insurance" LLC as subsidiary companies at the Development Bank of Mongolia (DBM).

- The cabinet approved a composition of a state-private sector-civil society council, which will be responsible for organizing and controlling the matters on supply of petroleum products and stabilizing their prices.

## PM receives US Ambassador

October 14 (gogo.mn) Today PM Ch.Saihanbileg received Ambassador Extraordinary and Plenipotentiary of the United States of America to Mongolia Ms. Jennifer Zimdahl Galt on the occasion of her presentation of Letter of Credence.

Two parties have discussed on intensifying the activities for Second Millennium Challenge Corporation Compact. PM Ch.Saihanbileg expressed his hope that this compact will be implemented in important sector, which is to contribute significantly to the economic and social development of Mongolia.

UN Ambassador mentioned that Mongolia is successfully developing the democracy besides friendly relations and cooperation with the US in politics, economy, humanitarian activities, defense and other sectors.

PM noted that we should focus on enriching such relations and cooperation with economic substance. Moreover, he expressed his proposal to increase the number of students to be studied in US, reported by the Press and Public Relations Department of the Government.

## Speaker Z.Enkhbold leaves for China

Ulaanbaatar, October 14 (MONTSAME) Speaker of parliament and Chairman of the Democratic Party (DP) Mr Z.Enkhbold Wednesday flew to China to take part in the "Asian Political Parties' Special Conference on the Silk Road".

The October 14-16 event will be attended also by G.Batkhuu MP, the secretary of the DP; S.Odontuya MP, a board member of the Union of Democratic Women (UDW); and L.Erkhembayar, the DP's acting secretary-general.

Mr Enkhbold is supposed to address the opening of the measure and to meet Zhang Dejiang, the Chairman of the Standing Committee of the National People's Congress of China. Moreover, the President of the People's Republic of China Mr Xi Jinping is expected to receive the Mongolian delegation.

The International Conference of Asian Political Parties (ICAPP) was launched in Manila in September 2000 to promote exchanges and cooperation between political parties from different Asian countries and with various ideologies; to enhance mutual understanding and trust among Asian countries; to promote Asia's regional cooperation through the unique role and channel of political parties. Since its inception, the ICAPP has grown steadily in both membership and influence. At first, few people thought that it would be possible to bring together competing governing, opposition and independent



political parties in Northeast Asia, Southeast Asia, Central Asia, West Asia, Middle East and Oceania.

The ICAPP meetings have been visionary, cordial, constructive and successful. Simply by bringing together Asia's political leaders in fraternal assemblies regularly, the ICAPP has become a positive force for mutual understanding among Asian countries and peoples. And now more than 370 political parties in 53 countries in the region with diverse political and ideological backgrounds are eligible to participate in ICAPP activities.

Eight General Assemblies of the ICAPP, which have been held in Manila in 2000, Bangkok in 2002, Beijing in 2004, Seoul in 2006, Astana in 2009, Phnom Penh in 2010, Baku in 2012 and Colombo in 2014, brought together political leaders in the region to exchange opinions and communicate with each other, and helped strengthen unity among Asian countries and propel Asia along the road toward stability and prosperity.

The ICAPP Standing Committee, which is comprised of the leading political parties from 23 countries representing different sub-regions of Asia, has also been meeting regularly, more than twice a year since 2004, to organize ICAPP activities and programs in an effective and concerted way.

ICAPP special conferences and workshops have also been convened on key challenges in the region. The first special conference was held in Seoul in May 2008 on the topic of state subsidies for mainstream political parties as a means to prevent political corruption. Another special conference was held on the making of new democratic constitution in Kathmandu, Nepal, in June 2009. Since then, special conferences have been more focused on the issues targeted by U.N. Millennium Development Goals: on poverty alleviation in Kunming, China, in July 2010; on natural disasters and environmental protection in Kuala Lumpur, Malaysia, in May 2011; on development and people's access in Nanning, China, in September 2011; on promoting green development and building a beautiful Asia together in Xi'an, China, in May 2013; and on women's leadership and empowerment in Seoul, Republic of Korea, in September 2013.

## **New political party born**

October 15 (gogo.mn) It is rumored that High Court of Mongolia registered a new political party on last Thursday. The newly registered political party is called "Development Party". MPs N.Altankhuyag, Kh.Temuujin, L.Bold, Ts.Oyungerel and other current "Democratic Party" members are believed to be the founding members of the party.

According to the source, the registration of "Development Party" has been highly classified so far. Press and PR Department of High Court responded that we are not familiar with the matter, which is not included in the session agenda.

The source also mentioned that the registration request of "Development Party" was accepted on Thursday, when resubmitted after the initial rejection on Monday.



## Shinzo Abe to visit Mongolia?

October 15 (news.mn) There is unofficial information, that Japanese Prime Minister Shinzo Abe will make a short one-day official visit to Mongolia on 22nd October. During his visit, Shinzo Abe will meet Mongolian President Ts. Elbegdorj will receive Prime Minister, to discuss the implementation and intensification of the Economic Partnership between the two countries. In addition, there is information that Japan's "Sumitomo Corporation" is to be an investor of "TavanTolgoi".

## *German President's Visit*

### Gauck lauds Mongolia as 'example' of democracy in the region

October 15 (dw.com) German President Joachim Gauck said Thursday that he was impressed by Mongolia's efforts to "strengthen democracy and the rule of law."

"Your country is now in a position to give a good example of fair and free elections in the region," he said, adding that it was clear Mongolia "respects the principles of democracy, even if it's not always easy."

Unlike China and Russia, Gauck said, Mongolia had "chosen democracy and a market economy," and would have Germany's support in future development.

Earlier in the day, Gauck was received with military honors by President Tsakhiagiin Elbegdorj (above, left) in the capital, Ulan Bator. Gauck also met with students and teachers at the German-Mongolian Institute for Resources and Technology, founded in 2013 as part of a raw materials partnership between the two countries.

The German Federal Ministry for Economic Cooperation and Development has contributed 4 million euros (\$4.6 million) to the project, which aims to train specialists in the mineral resource sector.

Rich in resources

Mongolia - more than four times the size of Germany and home to around 3 million people - is the world's least densely populated country. It also has a wealth of raw materials, with huge deposits of coal, copper, gold, uranium and rare earths. The country is largely dependent on exports to China, and resource-driven economic growth has started to slacken in recent years.

Behind the UK, Germany is Mongolia's principal trading partner in the European Union. During his visit, Gauck said he hoped to improve cooperation between Germany and Mongolia in several fields, including science, culture and research.

For decades, Mongolia was a tightly controlled satellite of the Soviet Union. But with the end of the Cold War, the country underwent a peaceful democratic revolution and subsequently introduced a multi-party political system and market economy.



Gauck's Asia trip ends Friday with a visit to the archaeological site of Karakorum, the former capital of the Mongol Empire under Genghis Khan. German funding has supported joint excavations at the site for the past two decades.

## **German president in Mongolia for talks on raw materials, China**

October 15 Ulan Bator (dpa) - German President Joachim Gauck was in resource-rich Mongolia Thursday for political talks as part of his Asian trip.

He was received with military honours by President Tsakhiagiin Elbegdorj in the capital Ulan Bator.

Gauck was scheduled to speak with students and teachers at the German-Mongolian Institute for Resources and Technology.

The college was founded in 2011 as a contribution to the raw materials partnership between the two countries.

The German Federal Ministry for Economic Cooperation and Development has provided 4 million euros (4.6 million dollars) for the project until 2016. There are currently around 75 students and some German teachers.

Mongolia is one of the richest countries in the world in terms of raw materials especially coal, copper, gold, uranium and rare earths that are used in the production of mobile phones among other products.

The country's economy is largely dependent on exports to China.

Mongolia is around four and a half times larger than Germany with a population of around 3 million people, making it the least densely populated country in the world.

## **The President of the Federal Republic of Germany to pay a state visit to Mongolia**

October 12 (gogo.mn) The President of the Federal Republic of Germany Joachim Gauck will pay a state visit to Mongolia on October 14-16, 2015 at the invitation of the President of Mongolia Ts.Elbegdorj. Two Presidents will have an official talk. The Federal President will also exchange views on bilateral relations and cooperation with Speaker of the State Great Hural (Parliament) Z.Enkhbold and Prime Minister Ch.Saikhanbileg.

Federal President Gauck will visit Khar Khorin, Uvurhangai aimag to oversee an archaeological excavation, "Mongolia-Germany Khar Khorin Expedition", as well as the Mongolian German Institute for Resources and Technology.



## **German President Joachim Gauck arrives in Ulaanbaatar for a state visit**

October 15 (infomongolia.com) The President of the Federal Republic of Germany, Mr. Joachim Gauck has arrived in Ulaanbaatar for a state visit at the invitation of the President of Mongolia, Mr. Ts.Elbegdorj.

President Joachim Gauck was welcomed by the Minister for Foreign Affairs of Mongolia, Mr. L.Purevsuren and other officials at the Chinggis Khaan International Airport on October 14, 2015.

The heads of state of the two countries will hold bilateral meeting and official talks on October 15. 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.

The state visit is coinciding with the 25th anniversary of the first free democratic elections held in Mongolia as well as the 25th anniversary of the German reunification.

## **Presidents of Mongolia and Germany held a one-to-one meeting**

October 15 (infomongolia.com) Following the official welcoming ceremony, President Ts.Elbegdorj has held a tete-a-tete meeting with Federal President Joachim Gauck in the State Ceremonial Ger Palace.

The heads of state of the two countries highlighted that this visit coincides with the 25th anniversary of the first free democratic elections in Mongolia as well as the 25th anniversary of the unification of East and West Germany. The Federal Republic of Germany has been one of the countries supported Mongolia's democracy since its beginning, and remains a major ally in Europe.

The parties exchanged views on enhancing bilateral relations and cooperation between the two countries, reports the Press and Communications Division of the Office of President of Mongolia.

## **Official Talks Held Between Mongolia and the Federal Republic of Germany**

October 15 (gogo.mn) Following the tete-a-tete meeting, President of Mongolia Tsakhiagiin Elbegdorj and the President of the Federal Republic of Germany Joachim Gauck held bilateral talks.

President Elbegdorj noted: "Your Excellency, Mr. Federal President Joachim Gauck, I extend my sincere appreciation to you for paying a State Visit to Mongolia. Mongolians



regard the Federal Republic of Germany as a valued partner in the Europe. Your visit coincides with the 25th anniversary of the first, free, democratic elections held in Mongolia. Maintaining the frequency of high-level visits between the two countries is important for strengthening the mutual friendly relationship and cooperation. This visit will contribute to augment mutual relations to new stage of development”.

The Federal President Joachim Gauck said: “Your Excellency, Mr. President of Mongolia, I am truly pleased to visit Mongolia for State Visit. I am satisfied with growing bilateral relations and cooperation between the two countries. We appreciate Mongolia for her consistent struggle to promote democracy. We believe that the mutual relationship and cooperation will further deepen in many areas”.

The parties noted with satisfaction the intensive mutual cooperation in culture, education, economy and people-to-people spheres.

At the official talks, Minister of Foreign Affairs of Mongolia L.Purevsuren and other officials from Mongolia, Secretary of State and Head of the Bundesprasidialamt, the administration of the President of Germany David Gill and other honorable guests from Germany were present.

## **Ch.Saikhanbileg PM pays courtesy call on Germany's President**

Ulaanbaatar, October 15 (MONTSAME) The Prime Minister of Mongolia Mr Ch.Saikhanbileg was received Thursday by Mr Joachim Gauck, the President of the Federal Republic of Germany (FRG), who is paying a state visit here.

The Premier thanked the Germany's President for visiting Mongolia, and hoped that this visit will give impetus to brining the bilateral relations and cooperation into a new volume. Mongolia considers the FRG as its main partner in Europe and attaches a great importance to the ties and cooperation with Germany, the Premier emphasized, and added the countries are possible to enrich their relations and cooperation with economic contents.

The FRG President Mr Gauck expressed his satisfaction with paying the state visit to Mongolia, and said he is hopeful the mutual visits of the two countries will contribute to widening the bilateral relations and cooperation.

## **Germany's Saarland interested in environmental cooperation**

Ulaanbaatar, October 13 (MONTSAME) Minister of Environment, Green Development and Tourism N.Battsereg received October 12 the Minister of Justice of Saarland state of Germany Mr Reinhold Jost at the State House of Mongolia.

Present were also the Ambassador of Germany to Mongolia Gerhard Thiedemann and the first secretary of the German Embassy in charge of development cooperation Dr Christian Glass. Saarland state has close ties with Mongolia in coal mining and environmental rehabilitation, said Mr Jost. Mentioning that he had met with a German-



Mongolia joint science university's officials, he said that there are plenty of opportunities for the sides to train specialists and to conduct joint studies and researches.

He also expressed an interest to cooperate with Mongolia in occupational safety, in ways of remediating the environment through sophisticating the mining operations, and in engaging the miners into environment protection activities in order to prevent climate change and natural degradation.

The Minister N.Battsereg accepted the offers thankfully and spoke highly of the rehabilitation practices of Saarland in its coal mining sphere. Aside from the mining, he said, it is crucial for Mongolia to diversify its economy into non-mining sectors such as tourism and agriculture.

Then he offered to cooperate in tourism sector as well, particularly in advertising one of the latest repaired archaeological finding—Tomb of Iceman found from Altai Tavan Bogd Mountain—in order to attract more tourists to Mongolia. The archeological finding was repaired by German specialists last year.

## **State visit of FRG President ends**

Ulaanbaatar, October 16 (MONTSAME) The President of the Federal Republic of Germany (FRG) Mr Joachim Gauck finished his state visit to Mongolia on Friday.

It is considered the German President's visit has a big importance for the Mongolia-Germany comprehensive partnership relations and in activating the cooperation in the economy, defense, culture, education and scientific spheres.

During official talks and meetings, Mr Gauck highly spoke Mongolia's democracy and expressed a readiness to continue supporting the Mongolian democracy. Furthermore, he affirmed his country's willingness to broaden the bilateral ties and to back the archeological cooperation running under auspices of the two countries' Presidents.

In frames of the visit, the sides signed documents on expanding the bilateral cooperation in the scientific sector. A cooperation memorandum has been established between the private sectors of the countries in the mineral sector as well.

## *Chinese Defense Minister Visit*

## **President attaches importance to visit of China's Defense Minister**

Ulaanbaatar, October 12 (MONTSAME) The leader of Mongolia Mr Ts.Elbegdorj has underlined that a visit of the Defense Minister of the People's Republic of China to Mongolia has three values.

The President said it last Friday at a meeting with Colonel Chang Wanquan, the PRC Minister of Defense, who visited Mongolia on October 8-10. Mr Elbegdorj noted the state visit of the PRC President Xi Jinping paid to Mongolia last year was a historical visit to bring the bilateral relations into a comprehensive partnership level, and said the visit



of China's Defense Minister had an importance in fortifying the Mongolia-China comprehensive partnership ties and in lifting up the mutual trust and cooperation in the defense sector. In line of the Defense Minister's visit, some works are expected to be done, he added.

Colonel Chang Wanquan conveyed to Mr Elbegdorj greetings of China's President Mr Xi Jinping, said he is happy to see an intensive development of Mongolia, and expressed a satisfaction with the boosting bilateral relations.

Thankfully accepting the greetings, the Mongolian President congratulated his Chinese counterpart on the 70th anniversary of the Victory in the 1945 Liberation War and 66th anniversary of the PRC. He also congratulated China on winning bids for the 2022 Winter Olympics and the 2019 Military World Games.

The President said our countries can collaborate in peacekeeping and thanked China for running joint exercises for abolishing disaster aftermath and rescuing and for sending its troops for the first time this year to the "Khaan Quest" international military exercises.

He is happy with forwarding of the bilateral relations and cooperation in the defense sector, he went on. "Our ties in this sphere play a vital role in deepening the comprehensive strategic relations," Mr Elbegdorj stressed.

Mongolia considers that combining its "Steppe Road" initiative with China's "Economic zone of Silk road" initiative could be an important direction of the bilateral economic cooperation, he added.

Present at the meeting were Ts.Tsolmon, Mongolia's Minister of Defense; Mr Xin Haiming, the Ambassador Extraordinary and Plenipotentiary of China to Mongolia; and other officials.

## **Defence minister of China visited Mongolia**

October 12 (MONTSAME) The Defense Minister of the People's Republic of China Colonel-General Mr Chang Wanquan made a working visit to Mongolia at the invitation of his Mongolian counterpart Mr Ts.Tsolmon from Thursday to Friday. This is the first visit of China's Defence minister to our country in the past 15 years.

During the visit, two defence ministers have held official talks and signed an agreement on assistance.

Mr Tsolmon thanked his guest for sending troops of the People's Liberation Army (PLA) for the first time to the "Khaan Quest" international military exercises for peacekeeping, and hoped that China will keep such participation.

Mongolian Defence minister also noted that the establishment of the Mongolia-China intergovernmental agreement on the cooperation in military and technical spheres has brought the bilateral ties in the defense into a new level.

Within the visit, President of MongoLia Mr Ts.Elbegdorj and Prime minister Mr Ch.Saikhanbileg met with Colonel-General Mr Chang Wanquan.

During the meeting, Mr Chang Wanquan said that China is ready to work with Mongolia to boost multilevel exchange and cooperation in all fields including defense and security,



making positive efforts to enrich the connotations of the China-Mongolia comprehensive strategic partnership and safeguard regional peace and stability.

## **PM Saikhanbileg receives Defense Minister of China**

Ulaanbaatar, October 12 (MONTSAME) On October 9, the Prime Minister Ch.Saikhanbileg received the Minister of Defense of the PRC Colonel General Chang Wanquan along with accompanying him delegation.

During his most recent visit to Mongolia, the Chinese president Xi Jinping stated that the relations of our countries have reached a new strategic level, said the PM and noted that the Agreement on Cooperation in Military Technical Cooperation between the two governments was an upgrade to the bilateral defense cooperation. He also expressed an interest in expanding the collaboration in strengthening of military maneuvers, mitigating damages of disasters, in rescue and humanitarian operations in the future.

Mongolia is willing to cooperate with China also in economy, education and culture, science, health and sport, particularly in military sports, he added.

He thanked China for its support for Mongolia in the organization of the ASEM Summit, which will take place in Ulaanbaatar next year.

In response, the Colonel General thanked Mongolia for its special importance attached to the defense relations, and said that the two countries' cooperation has been intensifying in a realization of economic and humanitarian mega-projects. He also highlighted the cooperation achievements in organizing peacekeeping and anti-terrorism training.

He requested the Premier's support on the issues discussed with his Mongolian colleague Ts.Tsolmon and promised to put efforts to deepen and upgrade the long-time friendly relations.

## ***Foreign Relations***

## **President receives Ambassador of France**

Ulaanbaatar, October 12 (MONTSAME) The President of Mongolia Ts.Elbegdorj last Friday met Mr Yves Delaunay, the Ambassador Extraordinary and Plenipotentiary of France to Mongolia in connection with end of his term of diplomatic mission here.

Mr Delaunay said the French Embassy in Mongolia has renewed its composition and introduced to the President newly selected diplomats.



The Mongolia-France ties and cooperation have been intensifying with several mutual high-level visits, Mr Elbegdorj noted and emphasized that Mongolia highly speaks Mr Delaunay's contribution to the strengthening of the bilateral relations.

Mr Delaunay said our countries are collaborating in the fields of energy, agriculture, animal husbandry, education and other spheres, co-implementing several projects and programmes.

During the diplomatic mission of the Ambassador since 2012, several important events took place such as the first official visit of his country's FM to Mongolia, a 1st and 2nd meetings of the intergovernmental working groups, plus the two countries established and signed many important agreements and contracts.

## **Ambassador pays courtesy call on Crown Prince of Denmark**

Ulaanbaatar, October 13 (MONTSAME) The Ambassador Extraordinary and Plenipotentiary of Mongolia to the Kingdom of Sweden Z.Altai has paid courtesy call on His Highness Frederik, the Crown Prince of Denmark.

This meeting ran during a cultural measure organized this October 8 in Copenhagen, Denmark, dedicated to the 25th anniversary of founding of the Denmark-Mongolia society.

The event was also attended by diplomats of Mongolia's Embassy in Stockholm; by Rolf Gilberg, a head of the Denmark-Mongolia society; Michael Haslund Christensen, the Honorary Consul of Mongolia; Soren Haslund Christensen, Marshal of the Fredensborg Palace.

## **Denmark-Mongolia Community turns 25**

Ulaanbaatar, October 13 (MONTSAME) Arts and culture events took place in Copenhagen, the capital of the Kingdom of Denmark, dedicated to the 25th anniversary of the establishment of Denmark-Mongolia society.

Present were the Ambassador to Sweden Z.Altai along with the Stockholm Embassy officials, aslo the Crown Prince of Denmark Frederik, a head of the society Rolf Gilberg, Mongolia's honorary council to Denmark Michael Haslund-Christensen, and the Royal Danish Marshall Seren Haslund-Christensen.

Z.Altai awarded the society members B.Nyamaa and Mitte Holm the "Friendship" medals in high recognition of their contribution to strengthening of Mongolia-Danish ties, and the vice-chairman of the society--"Silver Star of Friendship" order. After this, the Ambassador and the Prince of Denmark Frederik held a meeting to discuss the relations and cooperation of the two countries.



## **Chief of President's Office Staff meets Belarusian Ambassador**

Ulaanbaatar, October 14 (MONTSAME) Chief of Staff of the President's Office P.Tsagaan received October 13 the Ambassador Extraordinary and Plenipotentiary of Belarus to Mongolia Mr S.V.Chepurnoi. Tsagaan extended congratulations to the President of Belarus A.G.Lukashenko on winning his fifth presidential election and on a cancellation of economic sanctions from Europe.

Present was also an adviser at the Belarusian Embassy M.S.Snopko.

The sides exchanged opinions on mobilizing the cooperation initiatives discussed at the meeting of Mongolian President Ts.Elbegdorj and his Belarusian counterpart A.G.Lukashenko during the Summit of BRICS and the Shanghai Cooperation Organization (SCO), held in Ufa of Russia this July 9.

Mr Tsagaan and the Ambassador also touched upon ways of promoting the cooperation in new economic spheres while maintaining the long-time friendly relations.

## **Foreign Minister L.Purevsuren held meeting with the Deputy Foreign Minister of Iran, Mr. Hadi Soleimanpour**

October 14 (infomongolia.com) The Minister for Foreign Affairs of Mongolia, Mr. Lundeg PUREVSUREN held meeting with the Deputy Minister for Foreign Affairs and Head of International Training and Research Center affiliated to the Ministry of Foreign Affairs of the Islamic Republic of Iran, Mr. Hadi Soleimanpour on 14 October, 2015.

During the meeting, Minister L.Purevsuren expressed his willingness to promote relations with Iran in all areas through political dialogue, trade, economic, cultural and educational cooperation.

Dr. Hadi Soleimanpour noted that there are many prospects and opportunities to enhance friendly relations and cooperation between the two countries and pledged to support Mongolia's candidature for 2015 election to the United Nations Human Rights Council.

Furthermore, Deputy Minister expressed that the Iranian Government is willing to train Mongolian students in Persian language and history under the Government scholarship program.

Both sides emphasized the effective cooperation in studying the Il-khanate dynasty history, and exchanged views on the forthcoming 2nd Meeting of the Joint Research Committee and preparations for the International Conference on "Gerege: The values of the 13-14th Century Asian Civilization", scheduled to be held in Ulaanbaatar on October 27-29, reports the Press and Public Relations Department of the Ministry of Foreign Affairs.



## *Economy*

### **Foreign Direct Investment - expectations**

October 12 (news.mn) Foreign direct investment (FDI) influences economic growth, employment, and the livelihood of a country. In 2011-2012, the average net FDI into Mongolia was USD 4.5 billion annually. This figure fell dramatically to USD 2 billion in 2013 and then further dropped to USD 0.4 billion in 2014. The foreign organizations are expecting that the FDI for 2015 will be USD 0.1 billion. In reality, however, the net investment from foreign sources is USD 44 million.

### **Foreign trade turnover declines**

Ulaanbaatar, October 12 (MONTSAME) In the first nine months of 2015, Mongolia traded with 142 countries of the world and total external trade turnover reached USD 6397.7 million, of which 3540.9 million US dollars was made by exports and 2856.8 million US dollars --by imports. Total external trade turnover decreased by 1646.2 million US dollars or 20.5 percent, with the indications that exports decreased by 480.3 million US dollars or 11.9 percent, imports by 1165.9 million US dollars or 29.0 percent compared to same period of the previous year.

In September 2015, exports were USD 289.3 million, showing decrease of 149.4 million US dollars or 34.1 percent, and imports were 309.9 million US dollars, showing decrease of 28.1 million US dollars or 8.3 percent from previous month.

External trade balance showed surplus of 684.2 million US dollars in the first 9 months of 2015, whereas it was in deficit of 1.4 million US dollars in the first nine months of 2014.

### **University fee affects increase in consumer price index**

October 12 (gogo.mn) Today, officials from National Statistical Office released Social and Economic Situation in Mongolia as of the first 9 months of 2015. Our country's macro-economic situation remains difficult.

In September 2015, the national consumer price index decreased by 0.8 percent from previous month by 2.6 percent from beginning of the year and increased by 4.9 percent over the same period of the previous year.

An increase as 2.6 percent from beginning year was mainly due to increases of 52.2 percent in education, 27.2 percent in clothing, footwear and cloth group.

The basket of goods is a term used to describe the collection of goods and services that are used to measure consumer price inflation. This is the rate at which the prices of goods and services bought by households rise or fall.



As of today, Mongolian basket of goods consisted of 329 different products and services. Change in basket of goods were made in December, 2010 which was included 287 types of products and services before. Lastly, pizza was added to our basket of goods.

## Money supply decreases

October 12 (gogo.mn) According to report of the Bank of Mongolia, money supply (M2) reached to 9.9 trill.tog at the end of September 2015, decreased by 25.6 bln.tog or 0.3 percent from the previous month and it has decreased by 135.6 bln.tog or 1.3 percent compared to same period of the previous year.

At the end of September 2015, currency issued in circulation reached 767.9 bln.tog, it has decreased by 6.5 bln.tog or 0.8 percent from the previous month and decreased by 59.4 bln.tog or 7.2 percent compared to same period of the previous year.

## GGB has deficit

Ulaanbaatar, October 13 (MONTSAME) In the first nine months of this year, a total revenue and grants of the General Government Budget (GGB) amounted to MNT 4,045.9 bln, a total expenditure and net lending amounted to MNT 4,913.2 bln, representing a deficit of MNT 867.3 bln in the balance.

In the period, GGB's total balanced revenue and grants amounted to MNT 469.2 bln, showing a 8.1% increase against the previous month. Total lending and net lending amounted to MNT 567.3 bln, increasing MNT 2.1 bln or 0.4% against the previous month. But GGB's balance amounted to a deficit of MNT 98.2 bln, showing a decrease of 33.2 bln or 25.3% from previous month.

Tax revenue decreased by MNT 165.9 bln or 4.5% against the previous year due to decreases of MNT 252.3 bln or 24.9% in value added and MNT 34.1 bln or 12.4% in taxes on international trade and transactions, MNT 23.7 billion or 4.2% in other taxes, although social contribution increased MNT 66.2 bln or 9.5% and excise taxes--by MNT 65.0 bln or 18.8%.

In the first nine months of this year, GGB's total expenditure and net lending reached MNT 4,913.2 bln, showing an increase by MNT 409.1 bln or 9.1% against the previous year. This increase happened due to increases of MNT 146.2 bln or 8.0% in expenditure on goods and services, MNT 137.0 bln or 52.6% in interest payments and MNT 122.5 bln or 8.5% in current transfers although subsidies decreased by MNT 21.7 bln or 17.4% against the previous year.

## Dispute over the government bond

October 13 (gogo.mn) The government bond trading at the secondary market reached to the worth of MNT 347.1 billion as of first 9 months of 2015.

It is increased by MNT 226.2 billion or 2.9% from the same period of the last year, reported National Statistics Committee.

The Ministry of Finance continuously issues government bonds via Mongol Bank in order to reduce the state budget deficit. There is still high demand for mid-term



government bond with annual interest rate of 14-15%. However, the issues of the bond is being blamed by Banks Association of Mongolia that it negatively affects the competitiveness of domestic commercial banks. The reason is that individuals and entities are eager to invest in the government bond, considering that it is a more reliable investment source with much less risk.

If money invested in the government bond is instead held as savings by commercial banks, it would have been more fruitful for local economic development as it is reinvested and managed by commercial banks.

On the other hand, there are a number of economists who still endorse the issue of the government bond. According to them, it is better approach to increase the volume of the internal debt rather than that of the external debt which has been unbalanced.

## **"Made in Mongolia" industrial forum to be held today**

October 16 (gogo.mn) Today "Made in Mongolia" international industrial forum to be held at Shangri-La hotel at 08:30AM.

More than 700 decision making representatives from foreign and domestic is to attend in the forum which is being organized in Mongolia for the first time.

The forum will be broadcasted live through Mongolian National Broadcaster, Eagle, Bloomberg and TM channels.

## **MSE becomes a self-regulatory organization**

October 16 (gogo.mn) During the special meeting of Financial Regulatory Commission on October 13, 2015; Mongolian Stock Exchange was decided to become a self-regulatory organization.

As MSE becomes a self-regulatory organization, MSE will be able to set its own standards and requirements for the listed companies; furthermore, it will able take action against unqualified companies. Also, MSE can work with international stock exchanges and other international organizations to develop capital market.



## *Banking*

# **Khan Bank Opens Self-Service Express Banking Centers in Darkhan and Erdenet**

October 9 (Khan Bank) Khan Bank opened self-service Express Banking Centers equipped with Recycle ATMs and available 24 hours a day in Darkhan and Erdenet on 6th October 2015.

The Express Banking Centers were opened at Khan Bank branches such as the Business Loan Center and the International Trade Center in Darkhan, as well as at the Orkhon branch of Khan Bank in Erdenet.

The Mongol Bank branch managers, Chairmen of the Citizens Representatives Councils, other officials, employees of branches and representatives of customers attended the opening ceremony.

In his speech, the Mongol Bank branch manager underlined that Khan Bank retains its leading position continuously time and offers products and services tailored to the demands and needs of its customers. At this time, the Bank also introduced highly demanded new service in rural areas.

The self-service Express Banking Centers, which are highly appreciated by customers and have received good feedback from the public, provide customers with a wide range of options to make cash deposit and withdrawal transactions, all types of payments and settlements, and make internet banking transactions through specialized internet banking E-Corners.

The Recycle ATMs installed at the Express Banking Centers are the first ATMs of Mongolia enabling customers to deposit or withdraw up to MNT 5 million or 250 banknotes at one time.

Khan Bank opened its self-service Express Banking Centers in more populated areas of six districts in Ulaanbaatar. The self-service Express Banking Centers opened in Darkhan and Erdenet provide local residents with the opportunity to receive banking services by using Khan Bank payment cards.

Dear customers, please visit your nearest Express Banking Centers and receive banking services such as cash deposits and withdrawals, as well as cash transfers.

Welcome to the Khan Bank Express Banking Centers, which save your time and provide you with modern advanced technology banking in a safe environment.

## **Principals in arrears increased by 78.4% within a year**

October 12 (gogo.mn) Loans outstanding amounted to 11.9 trill.tog, at the end of September 2015, increased by 97.7 bln.tog or 0.8 percent from previous month, decreased by 673.1 bln.tog or 5.3 percent compared to same period of the previous year.



Principals in arrears reached 828.7 bln.tog at the end of September 2015, it has increased by 48.3 bln.tog or 6.2 percent from previous month, by 364.1 bln.tog or 78.4 percent compared to same period of the previous year.

At the end of September 2015, the non-performing loans over the bank system reached 836.8 bln.tog, it has decreased by 28.6 bln.tog or 3.3 percent from the previous month, increased by 246.4 bln.tog or 41.7 percent compared to same period of the previous year.

Source: National Statistical Office

## Bank of Mongolia reports

Ulaanbaatar, October 13 (MONTSAME) The Bank of Mongolia (BoM) reports that money supply (M2) reached MNT 9.9 trill.tog by the end of this September, decreasing MNT 25.6 bln or 0.3% against the previous month and by 135.6 bln or 1.3% against the previous year.

At the end of this September, a currency issued in circulation reached 767.9 bln. Togrog, decreasing MNT 6.5 bln or 0.8% against the previous month and by 59.4 bln or 7.2% against the previous year. Loans outstanding amounted to 11.9 trill. Togrog by the end of this September, going up MNT 97.7 billion or 0.8% from previous month, and decreasing MNT 673.1 bln or 5.3% against the previous year.

Principals in arrears reached MNT 828.7 bln at the end of September 2015, showing an increase of MNT 48.3 bln or 6.2% from previous month, of MNT 364.1 bln or 78.4% against the previous year.

At the end of September 2015, the non-performing loans over the bank system reached MNT 836.8 bln, decreasing MNT 28.6 bln or 3.3% from the previous month, increasing MNT 246.4 bln or 41.7% against the previous year.

In the first nine months of this year, 24.8 million shares were traded in the stock market valued at MNT 758.2 bln. Shares trading increased by MNT 620.3 bln or 5.5 times, and shares decreased by 16.1 million units or 39.4% against the previous year.

## Business

### “Doing Business with Mongolia” in London

October 12 (news.mn) From the 28th September to the 5th October the “Doing Business with Mongolia” event took place in London. The programme was organised by the British Mongolian Chamber of Commerce and was supported by the Mongolian Business Database (MDB). Mongolian entrepreneurs also participated. During the seminar, representatives of the MDB, London's South Bank University, Asia Pacific Investment Partners, Avia reps, and BG Group, which are going to operating in Mongolia, made presentations about Mongolian economy and the current business environment.



## "Leather and Cashmere Products - 2015" fair

October 14 (gogo.mn) "Leather and Cashmere Products - 2015" fair which set to be held for the 9th year will traditionally take place during October 15 - 19. Local companies creating end products with leather, cashmere and other wools will present their products at the fair to be exhibited at Misheel Expo.

## Chinese - Mongolian expo to be held

October 15 (gogo.mn) Chinese - Mongolian expo to be held on October 23-27 at Hohhot, China.

Mongolian 35 food industries to participate at the expo and to introduce their products. Moreover, the Ministry of Food and Agriculture to organize International Horse Forum, Mongolian-Chinese Meat Industry Cooperation Meeting and the international Dairy Industry Development Forum.

The governments of Mongolia and China decided to organize a Mongolian-Chinese Expo with the aim to deepen relations in all sectors including trade, economy, education, culture, science, agriculture and tourism.

## *Mining*

## Rio Tinto plc (ADR) (RIO) Vows Not to Cut Its Copper Production In China

October 16 (chinabusinessnews.com) Earlier on Tuesday, Rio Tinto (NYSE:RIO) announced that it will not cut copper production despite falling prices. The company believes that despite the fall in the industrial metal's prices, it is irrational to hold the output and allow high-cost rivals to take advantage of the situation.

According to copper and coal's chief at Rio, Jean-Sebastian Jacques, despite the copper prices aren't following the fundamentals, the company won't reduce its output.

Earlier, Glencore (OTCMKTS:GLNCY) also announced that it will reduce its zinc output by one-third after the prices fell to a five-year low as a result of slowdown in the Chinese economy. However, the Australian based mining giant believes that its initiative to maintain the output will help it in surviving and maintaining market share in the future when the high cost producer would go busting.

Rio has been spending billions of dollars while the copper prices are declining. Currently, the company is expanding its output at its big copper project in Mongolia.



Copper prices have declined due to the weak demand of its use in electronics and wiring, which has deteriorated by 20% due to weak Chinese demand. Overall, China consumes about 40% of total copper production and the decline in copper prices is one of the major reasons behind the massive decline in the mining shares this year. However, Mr. Jacques believes that the second half of the year would be much better though the pricing issue would not be resolved soon because many hedge funds are using the commodity as a tool to place bearish bets on China. Moreover, he also believed that hedge funds are playing dangerous game with copper by taking short position. Thus, the price would remain volatile for a longer period. Copper prices have declined by 50% in the current year.

Copper is the second most important commodity for Rio and the company generates around 20% of its earnings from copper in China. The company has vowed not to cut its copper production despite the massive fall in prices. Moreover, Rio Tinto remains hopeful that Chinese economy could pick up some pace in the near future.

## **Rio Tinto share price: Q3 iron ore shipments surge 17 percent**

October 16 (investz.com) Rio Tinto Plc (LON:RIO) today announced production figures for the third quarter of 2015, revealing that iron ore shipments have surged 17 percent year-on-year and have surpassed production, causing the miner to dip into its reserves. Rio had shipped 91.3 million tonnes of iron ore globally in the three months ended September 30, whereas it had produced 86.1 million tonnes, which was also an increase of 12 percent. The miner said that it expects demand to continue to outpace production and projected its Pilbara inventories to be "largely utilised by early 2016". Earlier this year, Rio said that it expects a 20 percent increase in its shipments to China, as retreating high-cost producers exit the market, while it also maintained an optimistic projection that Chinese annual steel production will reach one billion tonnes by 2030.

"Companies such as Rio Tinto are making a lot of money out of iron ore because they can produce so much, so you would expect production to keep going up," MineLife analyst Gavin Wendt said as quoted by Reuters.

The Melbourne-based company noted that it expects to meet its full-year iron ore production guidance of 340 million tonnes, which indicates Q4 production of about 100 million tonnes, or some 25 percent higher on an annual basis.

Rio, BHP and Vale, the top three iron miners, have been ramping up production in recent months, despite a 70 percent plunge in the price of the commodity, as higher-quality, lower-cost assets continue to generate free cashflow, while putting higher cost competitors under continued pressure. BHP said earlier this week that it would not cut production in order to prop-up the price.

In other metals, Rio's bauxite shipments surged 19 percent in the first nine months of 2015, although production climbed only four percent to 32,466 million tonnes. Q3 output was up four percent. Meanwhile, coking coal production in the third quarter rose five percent, but thermal coal output slipped eight percent due to wet weather in the Hunter Valley.



Copper was the only markedly worse-performing division this quarter, with year-on-year output slumping 24 percent to 115,000 tonnes. Q3 Production at Kennecott was down 58 percent due to "continuing focus on de-weighting and de-watering the east wall of Bingham Canyon". Output from Escondida, the firm's largest copper interest, was down 12 percent year-on-year, but the Oyu Tolgoi mine in Mongolia had produced 48 percent more copper on an annual basis.

Notably, Rio lowered its full-year guidance for mined copper to 510 thousand tonnes, down from 500-535 thousand, indicating that the firm expects Q4 output of about 115 thousand tonnes, or about eight percent less than Q3 and flat on an annual basis.

"We continue to deliver efficient production, rigorous cost control and sound allocation of capital. This approach is ensuring that our tier one assets generate substantial free cash flow even during a challenging economic environment," chief executive Sam Walsh commented.

"Our cash generated from operations will enable us to deliver strong returns to shareholders through the cycle and our balance sheet will be further strengthened by recent divestment activity."

Rio's share price opened on the upside today, climbing 0.46 percent to 2,524.50p as of 08:04 BST. Rio shares have appreciated some 20 percent in the past two weeks, but the company's stock is still about 15 percent in the red year-on-year.

As of 07:42 BST, Friday, 16 October, Rio Tinto plc share price is 2,513.00p.

## First major test looms for Rio Tinto in the Pilbara

October 16 (smh.com.au) The Pilbara mine, rail and port infrastructure that Rio Tinto has spent tens of billions of dollars building in the past decade will be put to the test during the next three months, with the miner needing to run the system at full capacity to achieve its iron ore export guidance for 2015.

A slow start to 2015 forced Rio to lower its full-year export guidance from 350 million tonnes to 340 million tonnes in July, and the miner will need to ship a record 94.7 million tonnes from its Pilbara and Canadian iron ore operations in the December quarter to meet the target.

Such an achievement would be 4 per cent better than the 91.3 million tonnes shipped in the September quarter, and would probably require 88 million to 90 million tonnes to be shipped through the Pilbara system in the final quarter of the year.

The Pilbara rail and ports infrastructure, which was finally completed earlier this year, was built to export a maximum of 360 million tonnes a year, and the next three months loom as the first time the system will be pushed to its capacity.

Most analysts were confident Rio could achieve the ambitious target, with the December quarter traditionally being a strong period in the Pilbara.

"This increase in shipments is in line with the ramp-up of the expanded infrastructure," Morgan Stanley analyst Menno Sanderse said.

While the Pilbara rail and ports infrastructure is complete, a shortage remains at the mines, where Rio is not yet able to consistently produce 360 million tonnes a year.



Rio's 2015 performance has been heavily reliant on existing iron ore stockpiles, as demonstrated in the September quarter when the company exported 4.2 million tonnes more than it produced.

The tactic will be repeated in the December quarter and is helping the miner to keep costs low, but Rio acknowledged it could not last forever.

"Inventories built up during the infrastructure expansion stage are expected to be largely utilised by early 2016," the company noted on Friday.

The benchmark iron ore price was surprisingly stable during the September quarter, and was fetching \$US53.74 (\$73.34) a tonne on Friday.

Rio maintained its full-year export forecasts for copper but is continuing to have interruptions at its two major copper assets; Escondida in Chile and Kennecott in the US. The company flagged that water shortages could again hamper Escondida in the next few months, while work to improve the stability of a wall at Kennecott has made 2015 a weaker year than 2014.

The Oyu Tolgoi mine in Mongolia is picking up the slack, however, and the company is continuing to work on progressing an expansion plan there.

The company looks set to meet full-year export guidance in aluminium, thermal coal, coking coal, uranium and bauxite, while production of titanium dioxide and diamonds will probably fall short of guidance, as the company tailors output to meet demand.

Rio chief executive Sam Walsh said its assets were of sufficient quality to be generating strong cash flows despite the weak commodity prices.

"Our cash generated from operations will enable us to deliver strong returns to shareholders through the cycle and our balance sheet will be further strengthened by recent divestment activity," he said.

Rio shares closed 56c¢ lower at \$53.69.

## Industry

### Industrial production increases

Ulaanbaatar, October 12 (MONTSAME) The industrial production index (seasonally adjusted) in September 2015 was 140.8 (2010=100). It increased by 12.8 percent against the previous month, by 3.4 percent over the beginning of the year and by 21.4 percent over the same period of 2014.

In the mining and quarrying sectors, mining products such as coal, crude oil, molybdenum concentrate, copper concentrate and gold increased by 6.6-28.8 percent, the production of goods such as vacuum windows and doors, felt, cement, sausage, book, pure water, camel wool blanket, railway sleeper, beer, combed down wool, soft drinks, and cathode copper increased by 5.6 percent to 7.4 times in the manufacturing sector compared to the same period of the previous year.

However, the production of mining products such as fluorspar concentrate, iron ore and zinc concentrate decreased by 5.0-41.9 percent against the same period of 2014.



In the manufacturing sector, the production of products such as buuz, dumpling, carpet, liquid medicine, articles of iron concrete, spirit, bakery products, sawn wood, milk, bread, knitted goods, lime, alcoholic beverage, wheat flour highest grade, metal steel, metal foundries, cigarettes, wooden doors and windows, steel casting and of electric wires decreased by 0.2-66.2 percent.

Construction and capital repairs in the first nine months of 2015 decreased by MNT 212.4 billion or 13.6 percent compared with same period of the previous year. This decrease was mainly due to decrease of 146.5

Billion Togrog or 10.1 percent in the work done by domestic construction entities.

## **Mining Minister to sign investment agreement for “Tsagaan Suvarga Concentrator” project**

Ulaanbaatar, October 13 (MONTSAME) At the regular meeting of Monday, the cabinet approved a draft agreement on the investment for Tsagaan Suvarga copper-molybdenum concentrator project, and gave permission to the Minister of Mining R.Jigjid to sign the agreement.

In accordance with the Law on Investment, the Mongolyn Alt Corporation (MAK) had submitted a proposal of an investment agreement with the Government of Mongolia. A project on building a solvent-extraction plant to produce copper molybdenum concentrate, based on Tsagaan Suvarga deposit in Mandakh soum of Dornogovi aimag, has been underway since 2001. According to the draft agreement, the project is to be managed from this point on by MAK's subsidiary company “Erdenes Tsagaan Suvarga”. At a maximum operation, Tsagaan Suvarga Plant has an annual capacity of 14.6 million tonnes of ore processing and 310 thousand tons of copper and 4,000 tons of molybdenum concentrate production. With the implementation, a total of 3.3 trillion Togrog, annually 185 billion, is expected to be accumulated to the State Budget from the project. The project is to create 1,000 jobs.

## **Government and MAK Cement to sign agreement on Khokh Tsav Cement-Lime Project**

Ulaanbaatar, October 13 (MONTSAME) The Cabinet approved Monday the draft agreement on investment for Khokh Tsav cement-lime plant and authorized the Minister of Industry D.Erdenebat to sign the agreement.

Since 2012, the project on building a dry-processing plant for cement-lime and clinker production, based on Khokh Tsav lime deposit in Dalanjargalan soum of Dornogovi aimag, has been implemented by Mongolyn Alt Corporation (MAK). According to the



draft agreement, the project will be further managed by a daughter company "MAK Cement" LLC.

At a maximum, the plant will produce 900 thousand tons of limestone, 1, 045 million tons of PC 62.5, OPC 52.5, OPC 42.5 cement, and 100 thousand tons of burnt lime for construction, with high metallurgical quality.

The project is expected to accumulate 961.9 million USD, annually 32.1 million, to the State Budget, and to create 500 workplaces for the Mongolians.

## *Agriculture*

### **Vegetable harvest at 97 percent**

October 14 (gogo.mn) Preliminary, 265.0 thousand tons of grain, of which 252.3 thousand tons of wheat and 117.3 thousand tons of potato, 75.3 thousand tons of vegetable, 28.7 thousand tons of oil plants, 53.9 thousand tons of fodder plants are expected to be harvested.

As of October 13, grain harvest is at 68.5 percent and potato harvest is at 96.3 percent and vegetable harvest is at 96.9 percent.

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

Precipitation is expected at northwest of regions on October 15, east parts of regions on October 16 and north parts of regions on October 18. Winds from SW turn to the NW will reach 6-11 m/s and sometimes it will get stronger reaching 16-18 m/s with snow and dust storm.

## *Energy*

### **Imported electric power might be freed from taxes**

Ulaanbaatar, October 14 (MONTSAME) L.Purevsuren FM submitted a bill on granting imported electric power an exemption from customs and value-added taxes to the Vice Speaker R.Gonchigdorj.

The FM said that in 2014, a "Western region energy system" state-owned company accumulated revenue of 14.538 billion Togrog (USD 7.291 million), was granted 7.0 billion Togrog of government incentives, and spent 18.396 billion, which left the company in balance deficit of 3.857 billion. The company was in deficit of 0.9 billion in 2012, of 3.7 billion in 2013, and in 3.9 billion in 2014, he went on, and is expected to see pre-estimated deficit of 4.1 billion MNT this year according to the 2015 business plan.



The parliament's Standing committee on economy issued a resolution last February regarding the implementation of measures towards the energy and petroleum spheres, and directed the authorities to exempt customs and value-added taxes from imported electric power from China and Russia to the "Western region energy system". "The cabinet discussed this resolution and resolved that a bill on this issue is to be sent to parliament," he said.

## Open discussion runs on Bill on Energy Saving

Ulaanbaatar, October 14 (MONTSAME) The working group for developing the bill organized an open discussion Wednesday, attracting officials from the Ministry of Energy and scholars of the energy sphere.

When introducing the bill to the gathered, a head of the working group A.Tleikhan MP said the shortage of power supply, started occurring from 2012, has been acting as a major factor to stagnate the developments in mining and construction sectors of Mongolia, thus affecting the economic growth of the country.

In 2013, he went on, apartments for 14 thousand households were built, some of which are not unattainable to access heat and power supply. Economical use of energy is in deep connection with social and economic issues, including the enhancement of economic competitiveness, introduction of environmentally friendly technologies, bringing about proper use of energy and provision of favorable living environment for the citizens, noted A.Tleikhan.

A deputy head of the Department for Strategy and Policy Planning of the Ministry of Energy G.Enkhtaivan gave a presentation on the international practices of energy saving, showing examples from the USA, Japan and India. He also gave information about the scope of the bill, once enforced, and ways of implementation.

## PM orders to launch construction of Tavantolgoi power plant

Ulaanbaatar, October 14 (MONTSAME) The Prime Minister Ch.Saikhanbileg Wednesday convened M.Enkhsaikhan, the Minister of Mongolia, and B.Byambasaikhan, Executive Director of the "Erdenes Mongol" company, at the "Hour for solution" weekly meeting to receive reports on current process of mega-projects.

M.Enkhsaikhan reported that one of the biggest investors of the Oyu Tolgoi project--"Turquoise Hill Resources" company--has issued a financial guarantee of one billion UD dollars for raising money for a construction of the power plant of the Tavantolgoi mine. "This is an expression of trust of the company in works at the ground mine of the Oyu Tolgoi," Enkhsaikhan noted.

After him the PM said the governmental started the biggest construction in the energy sector, and emphasized that investment matters for the "Booroljuut" and "Tevshiin Gobi" power stations were forwarded during his visit to China. "A construction of the 5th



Thermal Power Station has launched after the establishment of selling and purchasing contracts. An investment for the 'Baganuur' power station has been tackled positively as well. All the good news definitely will promote trust of both domestic and foreign investors," the Premier stressed.

He ordered the "Erdenes Mongol" company Executive Director to maintain the positive tendencies and obliged M.Enkhsaikhan to pay attention to starting the construction of the Tavantolgoi's power plant in spring of 2016.

Financing and constructions of ground mines of Oyu Tolgoi are continuing normally, in accordance with the plan, B.Byambasaikhan said and stressed the Turquoise Hill Resources company's financial guarantee for the Tavantolgoi power plant has given investors opportunities and a confidence in low expenses and high benefits of the project. He also said the financing for the OT project has been transferred to banks.

## *Tourism*

# **Average Foreign Tourist Spends USD 1,774 in Mongolia**

October 13 (Mongolian Economy) The Bank of Mongolia and the National Center for Tourism studied foreign tourists' travel expenses in Mongolia. Average travel expense in Mongolia varies depending on the tourist's own travel desires and which country's tour operator they chose.

Fifty-one percent of the surveyed tourists organized their trip by themselves, while 49 percent used the services of tour operators. Of the group that utilize tour operators, 51 percent choose to work with Mongolian companies (not to be confused with the 51 percent of all tourists who organize their trip on their own).

The study found that individual travelers spent USD 1526 during their two weeks spent in Mongolia, while tourists served by companies spent USD 2382.

Tourists in Mongolia make 74 percent of payments by cash and 26 percent by card. The study randomly selected 1,233 tourists in Mongolia.

According to Mongolian Immigration, 22 percent of foreign tourists entering the border were citizens of South Korea, China 17 percent, Russia 17 percent, and US and Canadian tourists made up six percent.



## *Ulaanbaatar*

### **“Pedestrian Street” project**

October 12 (news.mn) On Thursday 8th, the Ulaanbaatar “City Representatives Meeting” took convened yesterday. During the meeting, the project “No Car Street (Pedestrian Street). This comes under the broader “Ulaanbaatar Welcomes You” program. According to the “Pedestrian Street” project, four streets will be established. In the first phase, a 133m section in front of “Asashyuru Park” (from Urgoo Hotel to Golomt Bank”) will become car free. In addition, a three level car park will be constructed under the southern part of “Chinggis Square” and a two level one under “Asashyuru Park”. In total, MNT 1.8 billion is required to implement the project. Construction will start from next spring and end in the summer of 2016.

### **Ulaanbaatar Development Corporation announces Board members**

Ulaanbaatar, October 12 (MONTSAME) The Corporation is responsible for making estimations and researches, resolving investments for most of the projects and programs of the UB City, being implemented in cooperation with the private sector. Members of the Board of Directors of the corporation were announced on Monday.

The members are the Mayor E.Bat-Uul, a deputy mayor Yo.Gerelchuluun, a general manager of UB City B.Badral, a director of the Mongolia Investment Fund B.Batsaikhan, a CEO of General Electric of Mongolia Ts.Tumentsogt, and a director of Golomt Financial Group L.Bolormaa. The independent members are Ch.Khashchuluun, a professor at the Economic Studies Department of the Mongolian State University, S.Bekhbat, an executive director of the Public-Private Partnership Center of Mongolia; and B.Lakshmi, a manager of Economic Policy and Competitiveness Research Center of Mongolia.

The Ulaanbaatar Development Corporation was established last May, after months of negotiations. The corporation is authorized to commercialize capital from its fundamental revenue from shares allocated to companies for project implementations, and to issue company securities on the domestic and foreign markets in both open and closed ranges.

### **City Council will not discuss the dismissal of City Mayor E.Bat-Uul**

October 15 (gogo.mn) MPP Group at City Council submitted official letter to dismiss City Mayor E.Bat-Uul.

MPP believes that City Mayor E.Bat-Uul must be responsible for insufficient spending of MNT 410 billion for three years such as letting his son's company to claim tenders.



Head of City Council D.Battulga responded to the official letter;

"According to the Law of Mongolia, if not less than one-third of the meeting representatives of City Council sign the official letter to dismiss City Mayor and submit it to the Head of City Council, the matter of dismissal will be discussed within 15 days and finalized by voting. However, this official letter failed to be signed by more than one-third of the meeting representatives and is not effective to be discussed at the plenary session."

Moreover, Head of City Council D.Battulga stated that there are total of 40 meeting representatives at City Council of which 14 of them are MPP representatives. However, 12 MPP representatives signed the official letter to dismiss City Mayor, which does not meet the requirements that more than one-third of the representatives of City Council have to sign. We must manage matters in alignment with the law.

## *Company News*

# **Turquoise Hill Resources Stock Price Down 2.3% (TRQ)**

October 15 ([dcprogressive.org](http://dcprogressive.org)) Turquoise Hill Resources (NYSE:TRQ)'s share price dropped 2.3% on Thursday, AnalystRatings.NET reports. The company traded as low as \$2.99 and last traded at \$3.02, with a volume of 989,233 shares trading hands. The stock had previously closed at \$3.09.

TRQ has been the subject of a number of recent analyst reports. BMO Capital Markets assumed coverage on Turquoise Hill Resources in a research report on Monday, June 22nd. They set an "outperform" rating and a \$6.50 price objective for the company. Zacks lowered Turquoise Hill Resources from a "hold" rating to a "sell" rating in a report on Tuesday, July 21st. TheStreet downgraded Turquoise Hill Resources from a "hold" rating to an "e+" rating in a research note on Friday, August 7th. Finally, Scotiabank dropped their price target on Turquoise Hill Resources from \$5.75 to \$5.00 in a research report on Tuesday, September 29th. Two analysts have rated the stock with a sell rating, two have assigned a hold rating and two have given a buy rating to the company. The company currently has an average rating of "Hold" and a consensus target price of \$6.72.

The firm has a market cap of \$6.12 billion and a P/E ratio of 36.63. The company has a 50-day moving average of \$2.87 and a 200 day moving average of \$3.57.

Turquoise Hill Resources (NYSE:TRQ) last posted its quarterly earnings data on Wednesday, August 5th. The company reported \$0.02 earnings per share for the quarter, missing the consensus estimate of \$0.04 by \$0.02. The firm earned \$421.30 million during the quarter, compared to the consensus estimate of \$412.72 million. The firm's revenue was down 8.3% compared to the same quarter last year. On average, analysts anticipate that Turquoise Hill Resources will post \$0.10 earnings per share for the current year.



Turquoise Hill Resources Ltd. (NYSE:TRQ) is an international mining company focused on mining operations in Mongolia. The organization's principal and only material mineral -gold mine. The Oyu Tolgoi Mine is about 550 kilometers south and 80 kilometers north of the Mongolia-China border. The minerals on the property consist of porphyry-style copper, gold, silver and molybdenum found in a linear tendency that is structural (the Oyu Tolgoi Trend) that goes over 26 kilometers. Mineral resources include, from south the Southern Oyu deposits (South Oyu, Southwest Oyu, Wedge and Central Oyu) and the Hugo Dummett deposits (Hugo South, Hugo North and Hugo North Extension).

## **Tian Poh Resources builds copper-molybdenum confidence in Mongolia**

October 13 (Proactive Investors) Tian Poh Resources (ASX:TPO) has hit copper grades up to 1,100 parts per million and molybdenum grades up to 585ppm during due diligence drilling at the Zuun Mod project in Mongolia.

Intensifying alteration was evident at depth, with geological processes indicated an albite alteration zone could overlay a mineralised zone in Khuvyn Khar porphyry complex of the project area.

Most drilling samples from surface to 244 metres depth returned from 200 to 1,100 ppm copper (average 750 ppm copper) and about 30 to 200 ppm molybdenum (average 206 ppm molybdenum), with highest concentration being 585 ppm molybdenum.

The results were much higher in concentration than samples from the lower part of the hole (244 to 450 metres), where copper averaged 288 ppm in grade and molybdenum averaged 31 ppm.

This work represented the completion of due diligence drilling as part of Tian Poh's acquisition of Zuun Mod from Erdene Resources (TSX:ERD).

The drilling program was designed to test the Khuvyn Khar North target zone, located on the northeastern part of Khuvyn Khar. The target is selected on the basis of a series of coincident and overlapping geological, geophysical and geochemical features.

These features include gravity, induced polarisation and magnetic responses, as well as the concentration of quartz veins and anomalous mineralisation of copper, silver and gold.

## **Oyu Tolgoi ships 1.5 million ton concentrate**

Ulaanbaatar, October 16 (MONTSAME) Oyu Tolgoi announced on Friday an update on its production for the third quarter of 2015. Oyu Tolgoi has now crossed 1.5 million tonnes of concentrate shipments.

Andrew Woodley, President and Chief Executive Officer, said, "Oyu Tolgoi again achieved record production in the third quarter, building on our performance from the second quarter of 2015. We also crossed 1.5 million tonnes of concentrate shipments in



September – continuing our momentum from reaching 1 million tonnes in only February this year.

“We have achieved this while maintaining an unrelenting focus on safety and, as a company delivering a higher level of productivity to ensure competitiveness and sustainability despite volatile market conditions. Our performance is clear evidence that we are headed, together, in the right direction, and that our strategy is delivering.”

During the third quarter, mined production increased 8.5 per cent over the previous one due to shorter hauling routes and ongoing productivity initiatives. Copper in concentrates for this quarter increased 1.3 per cent due to higher head grades. Gold in concentrates for the quarter decreased 48.5 per cent over the second, due to slower than anticipated access to gold-rich ore. Increased copper and gold production is expected in the next quarter as higher-grade ore is accessed in the open pit.

Turquoise Hill continues to expect Oyu Tolgoi to produce 175,000 to 195,000 tonnes of copper and 600,000 to 700,000 ounces of gold in concentrates in 2015. The Company expects copper production to be at the top of the range while gold production is expected to be in the middle of the range.

Following the filing of revised schedules for the 2015 Oyu Tolgoi Feasibility Study with the Mongolian Minerals Council in August, pre-start activities are underway in parallel with an update to the capital estimate, which is expected to be completed in the first quarter of 2016. Pre-start activities include ramp-up of the owners and EPCM team, re-estimate activities, detailed engineering and early procurement for equipment and materials required for necessary critical works that are key enablers for recommencement of underground lateral development mining activity. The Company continues to expect signing of project financing by the end of 2015 and the decision for underground construction in the beginning of second quarter of 2016.