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## *Politics*

### **“Amnesty Law” - finally approved**

November 2 (news.mn) On 29th October, the Mongolian Parliament approved the additional changes to the “Amnesty Law” with a 91.2% majority vote. Therefore, the “Amnesty Law” officially came into force on that day. As a result of the “Amnesty Law”, approximately 1700 prisoners will be freed from the jail. In accordance with the changes, those who are serving time for corruption, deceit, mismanagement of public funds and misappropriation of wealth will be excluded from the amnesty.

### **European Parliament Issues Stamp With President’s Image**

November 2 (gogo.mn) The European Parliament issued commemorative stamps and envelopes that carry photos of the President of Mongolia Tsakhiagiin Elbegdorj. The European Parliament publishes stamps with images of the Heads of State and Government who delivered speech to the European Parliament.

President Elbegdorj visited Strasbourg, France and delivered speech to the European Parliament on June 9, 2015.

### **Minister N.Battsereg reports on the work of the Ministry of Nature and Environment**

November 1 (UB Post) Minister of Nature, Environment, Green Development and Tourism N.Battsereg was invited to the weekly meeting “Hour with the Minister” and delivered the latest information on the sector’s most challenging issues and paths to resolve them.

“A total of 33 security administrations are in charge of 27.2 million hectares, or 17.4 percent of the territory of Mongolia. Within the policy to increase state protected areas to 30 percent of all territory, the ministry is working to include eight new sites on the list of state protection,” N.Battsereg said, and added that the ministry has submitted a draft resolution to put 11,000 hectares land around Noyon Mountain, which would range from Bornuur soum of Tuv Province to Selenge Province’s Mandal soum, under state protection.

Minister N.Battsereg also noted that 35,310,000 MNT was generated for the state budget in 2014 in payment for natural resources consumption, including water, springs, wild game animals, and natural plant resources. Spending of 20,122,700 MNT for nature protection and rehabilitation was planned in the 2014 budget, however according to actual performance, only 10,006,200 MNT was spent. He told reporters at the



meeting that half of the payment received for natural resources consumption is not being spent as planned.

## Cabinet meeting in brief

Ulaanbaatar, November 3 (MONTSAME) The cabinet meeting on Monday fixed a maximum number of staffers to work at administrations of soums.

The numbers will depend on population, territorial sizes, number of entities, and frames of public service organizations.

The administration of a soum with a population of up to 1,500 people will have 12 staffers, a soum with 1,501-3,000 people--14 staffers, with 3,001-5,000 people--15 staffers, with 5,001-10,000 people--17 staffers, with 10,001-20,000 people--20 staffers, and a soum with more than 20,001 people--22 staffers.

- The cabinet discussed results of the President's participation in the UN High-Level Panel on the post-2015 Development Agenda and in the General debate of the 70th session of the UN General Assembly on September 24-27 in New York, the USA. An order was given to the FM to submit the issues to the National Security Council (NSC).

- The cabinet backed in principle a draft amendment to the law on election of the State Great Khural (parliament), and considered as necessity to convey some proposals to the draft initiators. It also backed in principle a bill on public poll and decided to issue a note on it.

- The cabinet backed draft amendment to the laws on pensions and allowances allotted from the Social Insurance Fund (SIF), and decided to convey some proposals to the draft initiator.

- The cabinet also backed a draft credit agreement to be established between Mongolia's Ministry of Finance and the Export-Import Bank of China, and decided to have the PM issue an order on authorizing an official to sign the agreement. By the agreement, projects will be implemented to repair an old bridge and constructing new one in Yaarmag, building a grain elevator and constructing a tunnel-bridge.

- The cabinet considered a project to be implemented with money of USD 244.5 million, the remaining of the loan of a general agreement between the governments of Mongolia and the Republic of Korea. The loan has been allotted from the Foundation for Economic Cooperation for 2011-2015. A relevant resolution of government will be issued, and the Minister of Finance was obliged to convey to the S.Korean side a proposal on the project to be realized with the loan.

- The cabinet backed a draft intergovernmental agreement between Mongolia and Turkey on the financial cooperation in the military sector. A PM's order on authorization will be issued.

- A new composition of the Regulatory Council of Agricultural Products and Raw Materials Exchange was approved. This council will be chaired by the State Secretary of the Ministry of Food and Agriculture.

- The cabinet approved a maximum of foreign labor force and professionals to work in entities and organizations for the next year.

- By the decision, 159 foreign workers and professionals of the "CGGC Mongolia" LLC will work here to construct piles, fundamentals and pillars on the Selenge River in accordance with a concession contract on the construction of the Eg River's



hydropower station. The Minister of Labor G.Bayarsaikhan was authorized to give permission to the foreign people to work here.

- Some Vice Ministers were discharged from their posts under the amendment to the law on government which was passed this October 30.

## **President Ts.Elbegdorj to pay state visit to China**

November 3 (gogo.mn) At the invitation of President Xi Jinping of the People's Republic of China, President Tsakhiagiin Elbegdorj will pay a state visit to the People's Republic of China from November 9 to 11, 2015. During the visit President Ts. Elbegdorj will hold official talks with President Xi Jinping and meet with Chairman of the Standing Committee of the National People's Congress Zhang Dejiang and Premier of the State Council Li Keqian.

## **Mongolia to dismiss Deputy Ministers**

November 3 (infomongolia.com) Prime Minister Ch.Saikhanbileg has proposed to take actions against economic difficulties that Mongolian government faces by cutting wages of high officials, administrative workers and Governors, and dismissing unnecessary advisory and assistants of the members of the Parliament and Ministers.

According to his proposal, wages of high officials should be reduced by 30 percent, and Governors and administrative workers by 10 percent. However, at the autumn plenary session, where the Parliament is discussing the budget highlights of 2015 and the amendment to Law on Budget for 2016, Prime Minister's proposal faced strong resistance of political parties.

At the Cabinet meeting held on November 02, 2015 it was decided to dismiss Deputy Ministers of the current Government despite the protest. These actions are taken as necessary measures to tackle economic crisis in Mongolia, which is likely to continue in 2016.

## **Seniors proposed MPP and MPRP to form a coalition**

Ulaanbaatar, November 4 (MONTSAME) The Mongolian People's Party (MPP)'s chairman M.Enkhbold and the secretary general J.Monkhbat received November 4 a petition from elderly members of MPP and the Mongolian People's Revolutionary Party (MPRP), proposing for the two parties to attend the parliamentary election 2016 as a coalition.

"More than 60 percent of Mongolia's territory is being operated by foreign companies under mining permits and the state debt has hit its ceiling", the seniors criticized the current parliament.

The petition has been signed by 44 distinguished senior members of the MPP and the MPRP.



## Minister G.Shilegdamba arrested

Ulaanbaatar, November 5 (MONTSAME) The incumbent Minister of Health and Sport G.Shilegdamba was arrested on November 4 by the Corruption Combating Agency (CCA), the news.mn website said that day.

The Minister has reportedly been accused of corruption. He has been detained in the 461st unit at the General Authority for Implementing Court Decisions.

The CCA has not denied this information.

## *Foreign Relations*

### Asian, European foreign ministers highlight cooperation, connectivity

LUXEMBOURG CITY, Nov. 6 (Xinhua) -- Foreign ministers from Asian and European countries agreed to strengthen cooperation on climate change, connectivity at the Asia-Europe Meeting (ASEM), European Union (EU) foreign policy chief Federica Mogherini told a press conference here on Friday.

"Asia is really at the centre of the EU's Foreign Policy and Security Policy," said Mogherini, adding that since the beginning the new leadership in the EU institutions was investing heavily and consistently in the relations with Asia.

"ASEM is a very important part of this commitment, because we really believe that we have a lot of common ground to work on in concrete terms," she said.

The ASEM foreign ministers' meeting brought together 53 delegations, accounting for around 60 percent of global population, GDP and trade, Mogherini said, adding that, through the discussion and decisions, "We can make a difference in the world."

Under the theme of "Working Together for a Sustainable and Secure Future", the foreign ministers exchanged views on a number of regional and international issues, including climate change, sustainable development and connectivity, according to the chair's statement issued after the two-day meeting.

When attending the meeting, Chinese Vice Foreign Minister Wang Chao said the connectivity will drive Asia-Europe cooperation to advance in broader and deeper way.

Wang called on all the parties to build consensus, enhance policy coordination, and promote all the works of life to support or participate into constructing connectivity between Asia and Europe, so as to build up the new type of comprehensive partnership.

Wang also touched on issues such as climate change, 2030 Agenda for Sustainable Development, disaster relief, the Syria crisis and Europe's refugee crisis in his speech at the meeting.

In terms of climate change, the ministers expressed their resolve to work towards the success of the UN Framework Convention on Climate Change (UNFCCC) Conference of Parties in Paris.



"We agreed to put all efforts to make Paris conference a success," Mogherini said. Ministers also agreed to enhance connectivity into all relevant ASEM cooperation frameworks and to further explore the possible establishment of a working group on connectivity in the statement.

They stressed stronger trade and investment relations between the two regions as a means for deeper economic integration and connectivity between Asia and Europe.

"In Europe we have built up our connections through the integration process over the last 60 years. In Asia we have various related initiatives run by different actors that are extremely relevant and interesting also for the EU to connect with," she said.

Mogherini said that representatives for the meeting had decided on a number of concrete projects and ways to share experience on connectivity and to strengthen the linkages between the countries, covering different aspects of connectivity, be that physical infrastructures, transport, energy, digital connectivity and people-to-people linkages with a specific focus on youth, students and their mobility.

The ministers also devoted particular attention to the unprecedented challenge of irregular migration, migrant smuggling and trafficking in persons occurring in Asia and in Europe.

According to the Chair's statement, they discussed the need for comprehensive regional and international responses, including those related to tackling the root causes of irregular migration and forced displacement and to providing protection and support to those in need, including improving livelihood and raising awareness in at-risk communities, in accordance with international standards.

"We have shared cooperation ideas on the migration and refugee issue, which, as you know, is at the very top of the agenda both in Europe and in Asia," said Mogherini following the meeting.

ASEM is an intergovernmental forum for dialogue and cooperation which fosters political dialogue, reinforces economic cooperation and promotes collaboration in other areas of common interest.

The 20th anniversary ASEM Summit will be held in Mongolia in 2016 with the aim to determine the direction of ASEM for the next decade.

## **Mongolia courts 'third neighbour' Japan**

November 3 (FT) Mongolia must be a candidate for the unwanted title of the country worst hit by cratering commodity prices and the slowdown in China.

Coal, copper, iron ore, oil, gold and zinc account for the overwhelming majority of the landlocked central Asian country's exports (the next biggest category is animal hair), while almost 88 per cent of its wares are bound for neighbouring China.

The slowdown in the global mining sector has also undermined foreign director investment flows into the Mongolian economy.

Yet Moody's, the rating agency, believes it has at least found a crumb of comfort for the struggling, heavily indebted nation of 3m people.

Anushka Shah, an analyst at Moody's described last month's visit to the country by Shinzo Abe, the prime minister of Japan, as a "credit positive".

Mr Abe signed a series of infrastructure deals with Chimediiin Saikhanbileg, his Mongolian counterpart, including the construction of a rail line to Tavan Tolgoi, one of



Mongolia's largest coal mines, and an airport that will be constructed using concessionary funding from Japan.

The possibility of Japan providing further budgetary support was also raised; official development assistance from Tokyo accounted for 37 per cent of assistance received by Ulaanbaatar in 2013, according to the OECD, making Japan Mongolia's biggest donor.

Mr Abe's visit followed the ratification of a trade agreement by the Japanese parliament in May that will remove tariffs on 96 per cent of the country's exports to Mongolia within 10 years (up from less than 1 per cent currently) and ensure all Mongolia exports to Japan become tariff-free.

"Deeper economic and diplomatic relations with Japan are credit positive for Mongolia," Ms Shah says.

"Besides the longer-term benefits that will accrue from improved bilateral trade flows and funding assistance, tighter relations will support Mongolia's efforts to counterbalance its reliance on China and Russia for financial assistance and trade — the goal of Mongolia's so-called third-neighbour policy."

Improved ties with Japan, while welcome, may prove a drop in the ocean, however.

According to Moody's, bilateral trade between the two countries totalled \$392m in 2014, some 4 per cent of Mongolia's total trade.

Yet this trade is highly skewed towards Japanese exports, with just 0.4 per cent of Mongolia's exports heading in the opposite direction. Instead, as the first chart shows, 87.9 per cent of the country's exports are bound for China — far from ideal given the latter's slowing growth and its long-term shift from industrial development to a consumer society.

The proposed budget support may prove more important than enhanced trade between the two nations.

"Such support, if it materialises, would help limit Mongolia's external vulnerabilities, which have spiked meaningfully over the past year," says Ms Shah who adds that with reserve cover "thin", the country is increasingly reliant on a bilateral swap facility with the People's Bank of China to meet its financing needs.

With debt repayments due in 2017, 2018 and 2022, Moody's' external vulnerability indicator, which measures maturing external debt payments relative to foreign reserves, stands at a worrying 203.7 per cent.

"The numbers themselves tell you that default is a serious possibility," says Charles Robertson, global chief economist at Renaissance Capital.

Figures from Fitch Ratings illustrate the scale of Mongolia's plight. As the second chart shows, the country has the second-highest net external debt to GDP ratio among the 108 states Fitch rates, at 129.8 per cent. Only Iceland has higher liabilities.

Moreover, the third and fourth most indebted states by this measure, Greece and Cyprus, and well as the likes of Spain and Portugal, have the cushion of a powerful central bank buying up their debt, pushing down borrowing costs.

Fitch expects this debt burden to ease only gradually, to 119.8 per cent of Mongolia's GDP by 2017, as economic growth slows from the 14 per cent it averaged from 2010 to 2014 to a level of about 4.5 to 5.5 per cent.

Given the country's plight, Win Thin, global head of emerging market currency strategy at Brown Brothers Harriman, suggests Mongolia is heading for a downgrade.



On BBH's own frontier sovereign rating model, Mongolia slipped two notches between the third and fourth quarter of 2015 to B minus, according to an update released last week. This is one level below Moody's' B2 and two notches below the B plus accorded by Fitch and S&P.

BBH now accords Mongolia the third-lowest rating of the 37 frontier economies it rates, below the likes of Argentina, Mozambique and El Salvador, and ahead of only Lebanon (marginally) and Ukraine.

"Mongolia has a strong downgrade risk," Mr Thin says. "They really benefited from the China story. Now growth has slowed and they have high inflation and current account deficits, the whole knock-on effects of low commodity prices.

"It's a slice of what a lot of other countries are seeing, but Mongolia has a much shorter track record of dealing with this."

Mr Thin says BBH's B minus rating "is not quite default territory, but it's close". His base case is that Mongolia will, if it chooses, be able to agree a programme with the International Monetary Fund to borrow money in exchange for reforms.

In May, Mongolia did reach agreement with miner Rio Tinto on development of the second, \$5bn underground phase of the country's vast Oyu Tolgoi copper and gold mine, a move seen as necessary for paying off or possibly refinancing international debt. However, there are concerns that a nascent split in Mongolia's governing "super coalition", which briefly united almost all of the country's 76 MPs, could further delay international investment into the \$5bn Tavan Tolgoi coking coal deposit, the other big mining project deemed critical to Mongolian state coffers.

## **Mongolia to be on UN Human Rights Council**

November 2 (news.mn) Mongolia has been chosen as member of the United Nation's Human Rights Council. The decision was taken during the 70th session of the General Assembly in New-York. Seven countries of the Asia-Pacific region were nominated for the five seats. During the poll, Mongolia took the highest votes (172 countries); the United Arab Emirates (159); Kyrgyzstan (147); South Korea (136), and the Philippines (113) became official members of the UN Human Rights Council as a result of the vote.

The Ministry of Foreign Affairs stated that: "Mongolia will work as a member of UN Human Right Council from 2016 to 2018. Subsequently, Mongolia will have administrative work status".

## **Embassy of Turkey in Ulaanbaatar celebrated 92nd Anniversary of the Republic of Turkey**

November 2 (infomongolia.com) The Embassy of Turkey in Mongolia held a celebratory banquet on the occasion of the 92nd Anniversary of the Republic of Turkey on October 29, 2015.



300 guests including Minister for Defense Ts.Tsolmon, Minister for Population Development and Social Protection S.Erdene, first President of Mongolia P.Ochirbat, former Prime Minister R.Amarjargal, Chairman of Structure's Standing Committee and Head of Mongolian-Turkish Parliamentary Group in the State Great Khural (Parliament of Mongolia) A.Bakei, MP L.Bold, MP J.Batzandan, Secretary of the National Security Council Ts.Enkhtuvshin and other diplomats and representatives of culture and business were present at the banquet.

Mr. Murat Karagoz, Ambassador Extraordinary and Plenipotentiary of the Republic of Turkey to Mongolia, said he is glad that he is celebrating anniversary of the Republic of Turkey in Mongolia for second year and stressed the achievements made in relations between the two countries in 2015 during his speech delivered at the opening ceremony. M P A.Bakei and Minister Ts.Tsolmon noted that the relations of Mongolia and Turkey reached the level of comprehensive partnership and especially military cooperation is progressing actively.

On the morning of October 29, the honorary ceremony devoted to the statue of Mustafa Kemal Ataturk, the founder of the Republic of Turkey, was held at the Embassy of Turkey in Ulaanbaatar.

Representatives of Turkish Embassy, Turkish International Cooperation and Development Agency (TIKA), Turkish Airlines and special force troops who came to Mongolia to take part in joint military exercise of Mongolia and Turkey - "Nomadic Warrior 2015", and students of Turkish language faculty of the National University of Mongolia (NUM) attended the honorary ceremony.

## **Mongolia-Russia intergovernmental committee to hold meeting in Chita**

Ulaanbaatar, November 3 (MONTSAME) The intergovernmental committee of Mongolia and the Russian Federation on commerce, economy, sciences and technical cooperation will run its 19th meeting in Chita of Russia on this November 23-24.

The cabinet on November 2 approved the Mongolian delegation's guidelines to pursue at the meeting. The delegation will work for reaching agreements with the Russian side to open 50-100 billion RUB credit line to Mongolia within this year, to organize soon a meeting of the working group in charge of the renovation of Ulaanbaatar Railways and Strategic Partnership agreements, to get a deal to supply 106.6 thousand tons of wheat and up to 20 thousand tons of elite sort whole wheat from the bordering-with-Russia regions.

The sides will also discuss organizing joint concerts and cultural events dedicated to the 95th anniversary of establishing diplomatic relations.

The intergovernmental committee will touch upon matters on the cooperation in commerce, economy, infrastructure, mining, energy, transport and humanitarian works.

## **Vice FM receives Slovak Ambassador**

Ulaanbaatar, November 3 (MONTSAME) The State Secretary of Foreign Affairs Ministry D.Gankhuyag received the Ambassador Extraordinary and Plenipotentiary of the



Republic of Slovak to Mongolia Frantisek Dlhopolcek on November 3, in regard to the end of his diplomatic mission here, reported our Ministry on November 3.

The dignitaries evaluated the friendly relations of the two countries and exchanged opinions on the future cooperation.

The same day, on the occasion of the 65th anniversary of the diplomatic ties, Vice chairman of the State Great Khural (parliament) R.Gonchigdorj awarded the Ambassador the "Friendship" medal.

## **MPRP chairman meets Ambassador of China**

Ulaanbaatar, November 4 (MONTSAME) The chairman of the Mongolian People's Revolutionary Party (MPRP) Mr N.Enkhbayar Wednesday met Mr Xin Haiming, the Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to Mongolia.

Expressing thanks to the Ambassador of China for the meeting, Mr Enkhbayar emphasized there are many works for the MPRP to expand the Mongolia-China cooperation, and hoped the Ambassador will contribute to it.

"The two countries have big opportunities to collaborate in the areas of infrastructure, energy, railway, agriculture and small- and middle-sized productions. I hope that the Ambassador will support opening a big chance for Mongolian students to study in China's universities and institutes and to learn Chinese," the MPRP chairman said.

In turn, Mr Haiming thanked the MPRP chairman for an audience, and underlined that the MPRP and its chairman Mr Enkhbayar significantly contributed to broadening the bilateral cooperation. He added that the Communist Party of China (CPC) is ready to develop friendly ties with all political parties of Mongolia. Mr Haiming said he will do his best to bring the bilateral relations into a new level and to realize proposals and initiatives of the MPRP after scrutinizing them.

## **Measures for landlocked developing nations organized in Thailand**

Ulaanbaatar, November 4 (MONTSAME) The United Nations Conference Centre (UNCC) in Bangkok has hosted measures for presenting operations and goals of the UB-headquartered International Think Tank for Landlocked Developing Countries (ITTLLDC).

Co-organized by the Mongolia's Embassy in the Kingdom of Thailand and the International Think Tank, the measures have been held dedicated to those representatives who participated in the Fifth Meeting of the Asia-Pacific FDI Network held on November 2 in Bangkok, Thailand.

The Permanent Representative of Mongolia to the Economic and Social Commission for Asia and the Pacific (ESCAP) Ambassador T.Togsbilguun has made opening remarks at the measures. His remarks have been followed by a speech of Dr Shamshad Akhtar, the ESCAP Executive Secretary and the Under-Secretary-General of the UN.



Acting director of the ITTLDC Mr E.Odbayar has given a report on the governmental activities for supporting the ITTLDC, and presented a resolution of the UN General Assembly about backing the Think Tank's activities. He also reported about reasons of establishing the International Think Tank, its significance, purposes and actions.

The measures have brought together some 50 representatives from landlocked developing countries, Ambassadors of Asia-Pacific landlocked countries to Thailand, diplomats; and department heads of the ESCAP.

## *Economy*

# **China applies to join EBRD, mid-Dec ruling likely**

November 6 (AFP) LONDON: China has requested to join the European Bank for Reconstruction and Development (EBRD), the bank's chief economist said Thursday.

"China has indeed made a formal application for membership of the EBRD and that is just a few days ago in fact," said Hans Peter Lankes, adding that the board would weigh the request in the coming days before seeking shareholders' views.

"We would expect there to be a mid-December decision on this request," said Lankes, who suggested the request would be looked on favourably.

"EBRD is very active in Central Asia, in the Caucasus, south-eastern Europe, which are all areas in which Chinese investors and Chinese financing have become very important in recent years. And EBRD has a strong presence on the ground in these countries, has many years of experience, supporting investors and infrastructure."

Therefore, he concluded, "it's quite obvious that there are ways of working together."

Founded in 1991 to aid Eastern and Central European states emerging from Communist rule to make the transition towards a market economy, the bank now oversees development projects in 36 countries, including Central Asia and as far as Mongolia.

Some of the countries where EBRD operates include what China calls the "Silk Road economic belt" where Beijing is developing trade and investment links.

Most stakeholders in the bank, jointly owned by its 64 member nations, the European Union and the European Investment Bank, are European countries.

But a raft of non-European states, including the United States and Japan, participate in decision-making.



## Mongolia is in a fix, says Standard & Poor's

November 3 (FT) The ratings agency has cut its growth forecasts for the country, trimming it to an average of 4.3 per cent over 2015 to 2018.

In May, the ratings agency expected growth of 4.4 per cent for this year, then 5.5 per cent, 7 per cent, and again 7 per cent for 2018. Now it expects 3.5 per cent for this year, then 3.6, followed by 3.7 and 6.2.

It says:

*Weak exports and investment inflows continue to pressure Mongolia's public finances and balance of payments. We also observe that weak institutional effectiveness and predictability hamper policy responses.*

*We are therefore lowering our long-term sovereign credit rating on Mongolia to 'B' from 'B+' and revising the transfer and convertibility assessment to 'B+' from 'BB-'. We are also affirming our 'B' short-term sovereign credit rating.*

On a more positive note, S&P says...

*two large mining projects could markedly transform the country's external and fiscal profile in three to four years if its terms of trade improve and the projects come on-line as planned.*

In August, the country's governing 'super coalition' broke down, but S&P notes that this has not delivered too hefty a financial blow, despite a generally shaky environment.

*Notwithstanding its minority status, the government passed the supplementary 2015 budget, and we expect it to achieve its objectives when it presents its 2016 budget later this month. Mongolia's governance and policy effectiveness remains weak, in our view, and a past record in policy shifts continues to weigh on the environment for growing business confidence and foreign investment.*

## USD 1 billion agreement to be endorsed

November 3 (gogo.mn) Democratic party's faction in parliament held its regular meeting yesterday. After the meeting, the faction leader B.Garamgaibaatar responded to correspondents: "Speaker and Prime Minister reported at the meeting. Also, we discussed preparing draft laws of 2016 state budget, 2016 human development fund budget, and 2016 social insurance fund budget for secondary discussions.

The meeting attendees discussed budget and self-governing status of municipal administrations, and possible amendments to the constitution. Total of 57 MPs must agree and sign up in order to approve amendments to the constitution. Currently a member of MPP has not pledge an agreement for amendments to the constitution.

Moreover, the faction members agreed to discuss about draft loan agreement worth up to USD 1 billion, to be established between Government of Mongolia and The Export-Import Bank of China. USD 703 million out of the loan is planned to invest into Egiin River's project.

Mongolian side will be responsible for 15 percent of the agreement, which represents around USD 90 million worth of infrastructure and preparation works prior to the project, reported Government of Mongolia.



# ECUB: The Link between Governance and Economy

November 3 (infomongolia.com) On Thursday 5 November 2015, The Economic Club of Ulaanbaatar (ECUB) will present James Anderson, Country Manager and Resident Representative for Mongolia from the World Bank, from 7.30 - 9.30 am at the Corporate Hotel speaking on the topic "Why Governance?"

Everyone talks about the importance of governance, but what does it really mean? Is good governance a prerequisite for economic progress? Or is it a luxury to be bought when the country can afford it? Mr. James Anderson will reflect on the links between governance systems and economic performance, on what is known and still debated.

He will also reflect on his time in Mongolia in the 1990's and how the economy and governance challenges have shifted since then.

Mr. Anderson has a Ph.D in Economics from the University of Maryland, USA and has worked in a range of governance issues including access to information, transparency, anti-corruption, judicial reform and land management in former Soviet Union countries. He has co-authored several books, including Anticorruption in Transition 3 and Judicial Systems in Transition Economies and has had research published in the Journal of Comparative Economics and Economic Inquiry.

The Economic Club of Ulaanbaatar is just one of the projects established by the Silk Road Foundation (SRF) and provides an opportunity for top business professionals, economists, politicians and decision makers to discuss the major economic issues facing Mongolia.

The session will be moderated by Economist and ECUB Board Member, Mr. D.Ganbold, and situated in the Berlin Room at the Corporate Hotel and Convention Centre.

For guests interested in attending this presentation, please register with the SRF by 5.00 pm, Wednesday 4 November via email: [econclub.ub@gmail.com](mailto:econclub.ub@gmail.com).

Tickets are 30'000 MNT (Tugrug) for guests and 25'000 MNT for members, including a hot breakfast.

For more information on the Economic Club of Ulaanbaatar, or to become a member, please visit: [www.econclubub.mn](http://www.econclubub.mn)

## *Business*

### **6100 entities have disclosed information**

November 3 (news.mn) It has been eleven months, since the "Transparency (Glass) Account Law" was launched. Since then, 6100 Budget organizations and State Property organizations have disclosed their account information to the public. The Government informed that: "As of 29th October, approximately 230,000 items of information under 23 categories have been officially and legally made public under the "Transparency



Account Law". Some 166,000 citizens have visited the Transparency Account website, 446,000 times. In all, 97.2% of the visitors were domestic and 2.8% were foreign. The Governmental Executive Administration informed that the operations include; improving the accuracy of data, budget transparency, civic participation, and the organization of legal entities, which do not make their account data available.

## *Banking*

# **Mongolbank and Golomt Bank sign Memorandum of Cooperation on National Savings Program**

November 3 (infomongolia.com) The "National Savings Program" is launched at the initiative of Golomt Bank jointly with the Bank of Mongolia (Mongolbank) to provide long-term support to the economic growth of Mongolia.

If one of three citizens of Mongolia put 50 thousand MNT (Tugrug) each month to his or her savings account, it would become 13 million MNT in ten years creating savings of 3.3 trillion MNT to the state. National savings can keep money flow in the country and prevent economic crisis and further it can enhance economic growth of the country.

National Savings Program was developed at the initiative of Golomt Bank within "National Program to Improve Basic Financial Knowledge of Mongolian Citizens" and the Central Bank's policy to promote national savings.

The "National Program to Improve Basic Financial Knowledge of Mongolian Citizens" was developed as a response to financial survey conducted in Mongolia by World Bank in 2012. The financial survey of World Bank tested the financial knowledge of Mongolian citizens comparing to other countries. According to the survey, Mongolia showed poor results.

To improve the situation, the Bank of Mongolia, Ministry of Finance of Mongolia, Financial Regulatory Commission (FRC), and Ministry of Education, Culture and Science and other organizations related to finance such as universities and non-government organizations have decided to develop own national program to upgrade the financial knowledge of Mongolians.

Mr. E. Batshugar, Vice President of the Bank of Mongolia, and Mr. D. Sugar, Vice President and Director of Business Development Division of Golomt Bank, signed the memorandum on cooperation agreement on November 02, 2015.

Golomt Bank will advertise the national savings program to the public through its web site [www.edu.golomtbank.com](http://www.edu.golomtbank.com) launched on May 19, 2015 to promote financial knowledge of Mongolian people.



## Mining

# Mongolia's rocky travails of mineral wealth

November 6 (eastasiaforum.org) Having held its first multi-party election in 1990, Mongolia is a democratic outpost in a tough authoritarian neighbourhood. Thus the country enjoys a wide spectrum of political and economic support from developed democracies. Political power has been transferred peacefully between two contending political parties, civil and political rights are respected and public discontent is freely expressed. Moreover, Mongolia overcame a daunting economic transition from socialism with the assistance of international financial institutions and donor countries like the United States, Japan and Germany, and with help from its own agricultural economy, shuttle traders and foreign remittances.

In the 2000s, the commodities boom seemed to promise a windfall for this fledgling democracy, which possesses mineral resources such as gold, coal, copper and uranium. But, in retrospect, the boom is where things started to go wrong.

The minerals boom reduced international pressure on Mongolia's democracy. In the 1990s, democracy was a strong currency that attracted Western political and economic support, which in turn served as a source of domestic legitimacy for Mongolian political elites. In the absence of economic and military (geo-strategic) interests, the West's embrace of Mongolia was purely ideological. It was also clear to Mongolian political and business elites that any move toward authoritarianism would lead to isolation, the least desirable option for Mongolia. International isolation, for a smaller, peripheral state, naturally increases its dependency on its powerful neighbours.

The minerals boom attracted the interest of global and regional mining giants and supply businesses, the majority of which are capable of influencing foreign policy agendas in major capitals. Since 2000, all high-level talks between Western and Mongolian dignitaries have overwhelmingly focused upon mining investment and related infrastructure development. At the same time, the minerals boom has provided opportunities for local political and business elites to engage in rent- and fame-seeking competitions. Mongolian politicians wanted to be involved in major mining and infrastructure development deals mostly to advance their parochial and private interests. The minerals boom intensified unhealthy competition among politicians, parties, political-business factions and interest groups over political power and state resources. Since 2007, the collective wealth of Mongolia's parliamentarians has increased markedly based on self-reporting. In 2012, parliamentarians' collective wealth was equivalent to 7.6 per cent of GDP. But it does not stop there. Violating the constitution and the law, they have attempted to assert their influence in the cabinet, ministries, agencies, state-owned enterprises, and even in the judiciary and law enforcement by appointing political party-affiliated individuals. Certainly, this provides more opportunities to advance their interests and to marginalise their opponents.

For a new democracy, this leads to a deeply politicised and nepotistic state bureaucracy, which is vulnerable to any changes on the political landscape following elections or



changes in the balance of power of political forces. Worse still, the state bureaucracy becomes less effective in both enforcing laws, rules and regulations and in serving as a gatekeeper against parochial or private interests. As a result, groups aim to profit as much as possible while leveraging their influence with new politicians in order to remain unaccountable for their past behaviour. In this cosy relationship, no one wants to talk about accountability.

The minerals boom triggers public discontent for three reasons. First, foreign investors and politicians promote false hopes of sustainable economic growth, increased employment and spill-over benefits from the mining industry. But they usually remain silent about the mining industry's 'maximum profit at minimum financial cost' approach or that a politician's primary motivation is to remain in office. In order to gain popular support, mining companies provide the government with upfront payments. Governments borrow in expectation of continued economic growth, but politicians largely spend these funds carelessly as they expect a continuous inflow of large sums in mining royalties and taxes.

Second, exploitative mining results in major negative impacts on the environment, especially where regulatory and enforcement mechanisms are weak. Like in any developed state, people in Mongolia do not want to see extensive, unregulated mining activities in their backyard, since it disturbs the natural environment and peoples' livelihoods. While the major polluters are typically small- and medium-sized Mongolian and Chinese mines, as well as illegal 'ninja' miners, the only way to get government officials and politicians to act in favour of environmental protection is to use major Western investment projects as leverage.

Third, mining generates rents from licensing fees, taxes and royalties, but the process of awarding, collecting and distributing revenues is not as transparent in developing states. As seen in the Mongolian experience, it usually results in mismanagement and widespread corruption. This ignites public discontent and also provides rent-seeking opportunities for political and civil society actors and movements.

If investors and politicians follow only profit motives and their short-term interests, mineral wealth will easily accelerate the ongoing institutional decay in Mongolia's democracy even though the commodities boom is likely to peak in the coming years. To save Mongolia's democracy, instead of attempting to bend the rules in their own favour, politicians must take the rule of law seriously by bringing themselves under the laws, rules and regulations that they themselves approve. This would restore trust in democracy, strengthen the state bureaucracy and assuage public discontent. The alternative is opportunistic behaviour, blame-game tactics and a deceptive democracy.

Jargalsaikhan Mendee is a PhD candidate in political science at the University of British Columbia. He has served as Senior Fellow at the Mongolian Institute for Strategic Studies and Defence Attaché to the United States.



## Oyu Tolgoi Underground Development Supplier Forum

November 3 (gogo.mn) The Oyu Tolgoi Underground Development Supplier Forum will take place in Ulaanbaatar on 4 November, 2015. Registrations for the Forum have now closed.

The Forum is designed to provide information on the underground development project, identify potential bidders for work categories, and, to facilitate opportunities for international and Mongolian businesses to collaborate, and build capacity within Mongolia.

## The draft law expected to bring a better solution to Tavan Tolgoi agreement

November 6 (gogo.mn) 40 MPs have signed on draft law of regulation in relation to Tavan Tolgoi agreement. It has been two weeks since the draft law was soon to be announced. MPs agreed this time that the quote of 1072 shares is going to remain unchanged in the agreement. As a result, the agreement will be beneficial for public.

Erdenes Tavan Tolgoi Company must own not less than 51% of Tavan Tolgoi mine, as Mongolian Railway has to possess not less than 51% of soon to be constructed new railroad, according to being mentioned in the draft law. Also, policy of third neighbor country must be reflected in the agreement. Head of the working group L.Erdenchimeg said: "The draft law signed by over 40 MPs is much different from the one, which allowed 98% of Tavan Tolgoi mine to be owned by a foreign company."

If the draft law is submitted and supported by government and parliament, it is going to enable us to carry out Tavan Tolgoi mine's operations apart from interests of individual politicians.

## *Industry*

## Darkhan Metallurgical Plant resumes normal operations

November 3 (UB Post) Darkhan Metallurgical Plant has returned to normal operations. The plant's activities were suspended last summer and a large number of its employees placed on leave.

The company's leadership reported that the drop of iron ore prices in the global market had negatively impacted the company's activities. They added, that as a result of taking complex measures for not derailing the plant's operations, the company is now back to normal activities and its staff has returned to work. Currently, over 300 employees have



returned to work, with 200 people working on the construction of a road being built from Selenge Province's Dulaankhaan station to Khuder soum. Darkhan Metallurgical Plant and Peak Development are working together to build the 104.5 km paved road.

The company authorities also added that over 1,300 people are currently employed by the plant, over 1,200 of whom are Darkhan residents.

Darkhan Metallurgical Plant says it is working toward establishing a mining metallurgical complex by 2019, based on the iron ore deposits of the Darkhan and Selenge regions. They believe that by opening the metallurgical complex Mongolia will be able to domestically and fully meet its demand for steel.

The complex will be built near the current steel plant, on approximately 150 hectares in Darkhan-Uul Province and Khongor soum.

On November 1, Governor of Darkhan Province A.Enkhbold visited the plant, and said that after becoming acquainted with the feasibility study, environmental assessment, and plans for the metallurgical complex, a decision on land acquisition will be made.

## *Infrastructure*

### **214 km long road completed**

November 2 (gogo.mn) With the joint investment from the state budget and ADB, 214.1 km long road has been completed under the project of vertical line road stretching from Altai soum to Mankhan soum in Khovd province.

The road construction commenced in March of 2011 has now been completed after 4 years. The road is considered by Asia - Pacific Economic Commission of UN as highly important to connect Mongolia with China and Russia through the route of AH4.

Chinese-invested China Jiangsu Jianda Construction LLC single-handedly established the road, with technical assistance from Korea Consultants International, KHZT LLC and Soyombot Road LLC.

Rural residents, local officials and experts highly value the quality of the road.

Total of 137.8 meter square area designed for two stop areas, 217.1 meter square area designed for sideway parking area, six intersection roads, 13 crossroads, 374 water drains, 14 concrete bridges with length of 45-120 meter and other road facilities are included.

Over 700 rural residents were employed for the construction.

### **Road projects to be executed by loan from China**

Ulaanbaatar, November 3 (MONTSAME) Funded by export soft loans by the Government of China, agreements will be concluded with the selected of the listed Chinese companies to build 114 km road between Tosontengel and Uliastai of Zavkhan aimag, and 129.4 km road between Bayankhongor with Baidrag Bridge of



Bayankhongor aimag. The cabinet allowed on Monday the Minister of Road and Transport M.Zorigt to manage the works.

The Minister was also assigned to conclude the agreement on consulting for building of Ulaanbaatar-Khoshig Valley Airport (NUBIA) highway.

The former Premier of the State Council of the People's Republic of China Wen Jiabao paid a visit here in 2010 and opened a easy-term credit line of USD 500 million. Following the deal, the governments agreed to implement 13 project, funded by the credit.

The credit is allowed with 2 percent annual interest and repayment condition of 20 years. The list of projects was issued by Cabinet in 2015, in an annex to the Resolution No 309 on "Project to be realized on credit funding".

As China's Government proposed, the road and construction projects will be executed by the suitable companies, selected from the listed Chinese companies.

## **Mongolia will be involved in New Silk Road project**

November 4 (MONTSAME) President of the People's Republic of China Xi Jinping paid a visit to Mongolia in 2014. During this visit, the two countries established a memorandum on boosting the comprehensive partnership relations and reached an agreement about organizing a joint expo. By the agreement, a Mongolia-China expo was organized on October 23-27 in Hohhot city of Inner Mongolian Autonomous Region of China.

The expo was attended by Mongolian delegation headed by Minister of Industry Mr Erdenebat and the private sector's representatives. The Minister said the signing of over 100 agreements in the mining, energy, industry and other areas will contribute to the economic circulation of Mongolia.

Mr Erdenebat also exchanged views on the bilateral commercial and economic ties with the Chinese Vice Minister of Trade. The parties shared views about jointly participating in the China-initiated New Silk Road project which connects Asia and Europe, cooperating in the humanitarian and economic spheres, creating an economic corridor through Mongolia and mutual responsibilities in the project.

In the scope of the project, a memorandum between the Mongolian Ministry of Industry and the China's Ministry of Trade will be signed by the Mongolian President during a forthcoming visit to China on November 10.

The countries have concurred to organize the joint expo every two years, and the Mongolian Minister of Industry Mr Erdenebat said this expo is big chance for Mongolian companies to export their products to China rather than exporting goods to other countries.



## Energy

# Mongolia to allocate 827 million US dollar to "Egiin Gol" hydroelectric power plant project

November 4 (infomongolia.com) The Economic Standing Committee of the State Great Khural (Parliament of Mongolia) discussed the investment of "Egiin Gol" (Eg River) hydroelectric power plant project at its meeting held on November 04, 2015.

The Standing Committee has agreed to allocate 827 million US dollar from 1 billion US dollar loan from "China Eximbank" (The Export-Import Bank of China) to the project.

During the meeting, MP Ts.Nyamdorj asked the Committee to give explanation regarding the initial investment amount. He said: "Its initial investment amount was 320 million US dollar but now it got 2.6 times bigger. What is the reason?"

Minister for Energy D.Zorigt responded: "Its expense has increased due to 16 factors. At instance, initial planned power generation increased by 95 MW, its dam volume increased by 910 thousand cubic meters and the volume of the water reservoir increased by 2.7 billion cubic meters respectively. "Egiin Gol" power plant will pay its debt from its revenue. It will not take financial support from the state budget."

## Transportation

# Mongolia and South Korea to cooperate in transit freight

Ulaanbaatar, November 4 (MONTSAME) Chairman of Ulaanbaatar Railway joint venture L.Purevbaatar and the president of Korea Railroad Corporation (Korail) Choi Yeon-hye signed a Memorandum of Understanding on November 4.

The officials noted that signing of this document is of great importance in penetrating the "third markets" such as the Republic of Korea and Japan with our mining products.

This year, the UB Railway commenced a work to open access for Mongolia to international waters through Rajin port of North Korea. Mongolia will be able to deliver its copper concentrate and other mining products to international consumers other than China.

In the first nine months of 2015, railways of Mongolia carried 14 million tons of freight and two million and 165 thousand passengers. Transit freight made up 11.2 percent of the total amount of railway freight carrying, while domestic freight covered 47.6 percent, import freight –12.2 percent and export –29.1 percent, shows the statistics.



As for the railways revenue, it reached 283.7 billion MNT in the first nine months of this year, representing a decrease of 8.6 percent or 26.6 billion Togrog against the same period of 2014.

## *Ulaanbaatar*

### **“Special Road Bus” project**

November 2 (news.mn) The Asian Development Bank (ADB) initialized the project “Special Road Bus”, which will be implemented in 2017. The project is financed with the USD 218 million, and to build 64.5 km road. ADB has approved the first finance of USD 60 million in May 2015. The Government will finance USD 10 million. Also, the “Global Environment Fund” has guaranteed the USD 1.5 million. The detailed plan will be ready in next year; building works start in next spring, and launches in October 2015. Currently, this kind of road is being used in Indonesia, India, and Columbia.

### **Water purification center to be reestablished**

November 2 (gogo.mn) Some might know that an unpleasant odor has been emitted lately throughout the city. It is because of water purification center, which is half a century old, and needs to be refurbished or replaced. We, [www.gogo.mn](http://www.gogo.mn), have released series of articles in Mongolian, raising issues behind the door in relation to the center.

It is even considered that outdated water management system eventually affects the quality of the drinking water for the city and the condition of Tuul River's water being drunk by livestock and herders living in rural areas close to the city.

The project to re-establish water purification center has recently commenced. Accordingly, today City Governor has released decree of A/846, referring “Establishing a working group”. The working group is going to be assigned to lead the project of establishing new water purification center and developing its draft layout, to arrange related documents and approvals from state agencies, and to tackle other issues facing and delaying the project.

Chief of Investment Authority L.Narantuya is appointed to lead the working group.  
Press and Public Media Relations of City Administration

### **Ulaanbaatar Smart Card to allow free bus transfers**

November 1 (UB Post) After three months of discussion, Ulaanbaatar Smart Card has informed the Ulaanbaatar Transportation Office that they will make bus transfers free of charge starting from November 7.



The Ulaanbaatar City Council suggested a price discount for changing buses within 30 minutes of first boarding a bus using the smart card for fare payment, and Ulaanbaatar Smart Card clarified the system's transfer policy on October 23.

According to Ulaanbaatar Smart Card, there's no limit to the number of times a person can change buses, "but if you change along the same bus route, then you won't get a discount," they warned. The free transfer applies to passengers changing buses from one route to another within 30 minutes to reach their final destination, not those boarding multiple buses following the same route.

Because the smart card system calculates the 30 minute transfer window starting from the time a passenger exits their first bus, it is mandatory to swipe the fare card before exiting. After a second transfer, a bus fare is deducted on the third ride. If the passenger transfers to another bus within 30 minutes of their third transfer, the fourth ride is free of charge.

## **UN Resident Coordinator wants to hear UB Mayor's views**

Ulaanbaatar, November 3 (MONTSAME) The Mayor of Ulaanbaatar city Mr E.Bat-Uul Tuesday met Ms Beate Trankmann, UN Resident Coordinator and UNDP Resident Representative to Mongolia.

The Mayor congratulated Ms Trankmann on being appointed the new UN Resident Coordinator and UNDP Resident Representative to Mongolia, and exchanged views with her on the Mongolia-UNDP cooperation.

The guest said that UN intends to reflect goals of urban sustainable development and providing every person with a right of expressing their voice in the five-year prospect, and asked the Mayor to express his views on contributing to urban development, on paying attention to a sustainable development of Ulaanbaatar.

In response, the Mayor said Ulaanbaatar wants to collaborate with the UNDP in providing the city's people with guaranteed drinking water, involving vulnerable strata in essential services of the society, and improving environmentally-friendly renewable energy. He underlined an importance of focusing on ensuring the civil role in the sphere of environmentally-friendly green development.

He also proposed a cooperation, expressing a satisfaction with boosting Mongolia-UNDP collaboration in joint development and equal role of people. He suggested cooperating in supporting small-sized credit and small- and middle-sized productions.

Ms Trankmann supported all the cooperation ideas and some proposals.

## **E.Bat-Uul: Affordable 10 thousand housings to be constructed in ger area**

November 3 (gogo.mn) The signing ceremony of the first stage of Memorandum of Cooperation aimed at providing affordable housings for low income families (ger area families) which is being implemented by the Asian Development Bank in cooperation with the Government of Mongolia was held yesterday.



MP and Minister of Finance B.Bolor, City Governor and City Mayor E.Bat-Uul and Director of ADB representative office in Mongolia Mr. Robert Schoellhammer have attended in the signing ceremony.

"The main purpose of the Memorandum of Cooperation signed today is to construct affordable housings and public service buildings in strategically important ger-areas which provided sustainable engineering infrastructure. By implementing this project, affordable 10 thousand housings to be constructed and 130 hectares of ger-areas to be redeveloped", stated by the City Mayor E.Bat-Uul.

Preliminary total cost for affordable housing project is expected at USD 500 million of which USD 350 million to be invested by the commercial banks and real estate businesses.

Project feasibility study to be finalized in September, 2016 and the implementation process of project to start after the approval of the Government and BoDs of ADB in early 2017.

## **Auto traders protest the mayor's decree**

November 3 (UB Post) Car salesmen are protesting against the Ulaanbaatar Mayor's decree A980, issued September 30, which ordered the liquidation of seven auto markets.

The A980 decree issued to move the construction material markets to Nalaikh and the auto-mechanics markets to 22-iin Tovchoo to decrease traffic congestion in the city center.

The City Council decree No.29 instructs 22 entities to move as their market locations are deemed "unsuitable" for trade. The City Council has sent them notices to move but the traders are objecting and have started to demonstrate at Chinggis Square.

In the last four days, 1,000 Car Trade Market has stopped working due to forced move. In the 6,000 square meter space of the market, 300 traders used to conduct business.

Last weekend, Ulaanbaatar Railway security closed the 1,000 Car Trade Market.

On Monday morning, fire command, policemen, railway security and workers from the General Inspection Agency closed the market and didn't let traders enter. The traders believe this is an illegal action.

"Even if we wanted to move to the auto mall, we don't have a place to get warm or even a restroom. Unless they improve the auto mall, we want to stay here until our contract expires. The contract will expire on November 2016. Also, the auto mall rent is very high. For us to move today, we have to pay four million MNT for parking spaces and then 1.5 to two million MNT for monthly rent. We also have to pay 500 MNT every time we come to work," said Ikh Tengeryn Khas Association member B.Ugantsetseg.

Ch.Boldbaatar, Chief of the Ulaanbaatar Police Department, said they haven't received further instructions on closing other auto trade markets.

"We have no other choice but to forcefully move the markets. We haven't received any orders to shut down other markets tomorrow," said an official of the Ulaanbaatar Specialized Inspection Agency.



## Company News

# CIC Gold agrees reverse takeover of Gobi Minerals

November 6 (StockMarketWire.com) - CIC Gold Group has agreed a reverse takeover of Gobi Minerals for  $\text{Å}£5,600,000$  which will be paid by the issue of 280,000,000 shares each with a half warrant to the vendors.

Gobi Minerals owns a 100% interest in mineral title Tsagaan Suvarga gold and copper situated in the South Gobi region of Mongolia located in the territory of Mandakh soum, Dornogovi aimag, 560 km from Ulaanbaatar city, known as Gobi Gold Project. It is located near Mongolian Alt Corporation now in production. The mineral lease has no proven reserves or resources and is considered green field.

Barsbold Ulambayar, who is an independent non-executive director has been appointed executive director and chief operating officer with immediate effect. Dr. Geoffrey P. Cowley, the previous chief executive, has been appointed non-executive technical director.

D. Garamjav, who discovered the potential mineral resources in the lease area, will be appointed principal geologist upon the completion of the Proposed Acquisition. Garamjav discovered the world class Oyu Tolgoi gold copper deposit being developed by Rio Tinto/Ivanhoe. CIC Gold has appointed Dr. Earl W. Abbott independent consulting geologist to produce a technical competent person's report on the interest. The company then will conduct mineral asset de risk works and seek to divest its interests.

# Turquoise Hill Resources (TRQ) Posts Earnings Results, Misses Expectations By \$0.01 EPS

November 5 (Voice Chronicle) Turquoise Hill Resources (NYSE:TRQ) issued its quarterly earnings data on Thursday. The company reported \$0.01 earnings per share for the quarter, missing analysts' consensus estimates of \$0.02 by \$0.01, ARN reports. The company earned \$431.70 million during the quarter, compared to analysts' expectations of \$522.85 million. Turquoise Hill Resources's revenue was down 12.2% compared to the same quarter last year. During the same period in the prior year, the business earned (\$0.05) EPS.

Shares of Turquoise Hill Resources (NYSE:TRQ) traded down 2.05% during mid-day trading on Thursday, reaching \$2.86. The company's stock had a trading volume of 1,361,132 shares. The company's 50 day moving average price is \$2.84 and its 200-day moving average price is \$3.50. The company has a market capitalization of \$5.76 billion and a price-to-earnings ratio of 34.46. Turquoise Hill Resources has a 1-year low of \$2.41 and a 1-year high of \$4.74.



TRQ has been the subject of a number of analyst reports. Scotiabank cut their price objective on Turquoise Hill Resources from \$5.75 to \$5.00 in a report on Tuesday, September 29th. TheStreet lowered Turquoise Hill Resources from a "hold" rating to an "e+" rating in a report on Friday, August 7th. One equities research analyst has rated the stock with a sell rating, two have issued a hold rating and one has issued a buy rating to the stock. The company has a consensus rating of "Hold" and a consensus target price of \$5.67.

Turquoise Hill Resources Ltd. (NYSE:TRQ) is an international mining company focused on mining operations in Mongolia. The business's principal and only material mineral resource property is the Oyu Tolgoi copper -gold mine in southern Mongolia. The Oyu Tolgoi Mine is about 550 kilometers south and 80 kilometers north of the Mongolia-China border. The minerals on the property contain porphyry-style copper, gold, silver and molybdenum within a structural tendency that is linear (the Oyu Tolgoi Tendency) that extends 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).document.write("");

## **Minfocus Issues Shares to Settle Debt After Approval by Shareholders and Regulators**

TORONTO, ON--(Marketwired - November 04, 2015) - Minfocus Exploration Corp. (TSX VENTURE: MFX) ("Minfocus" or the "Company") is pleased to announce that further to its press release of October 19, 2015, it has received TSX Venture Exchange approval and issued 3,500,000 shares at a deemed value \$0.05 per share in full and complete settlement of \$175,000 of its outstanding payable with an insider of the company as a result of which he will hold approximately 23.7% of the outstanding shares.

About Minfocus Exploration Corp.

Minfocus Exploration Corp. is a Canadian company currently advancing a portfolio of base metal projects including zinc and nickel projects in British Columbia and a Platinum Group Element ("PGE") rich nickel project in N.W. Ontario. Minfocus has a successful management group with a record of multiple discoveries of deposits worldwide, including gold and uranium deposits in Mongolia and PGE-rich resources in Ontario, including the discovery of the first Platinum-rich Pt-Pd-Cu-Ni deposit, the Current Lake deposit (+700,000 oz. Pt-Eq).

Neither the TSX Venture Exchange nor its Regulatory Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.

This press release includes certain forward-looking statements concerning the future performance of the Company's business and operations as well as management's objectives, strategies, beliefs and intentions. Forward-looking statements are often identifiable by the use of words such as "may", "will", "might", "would", "plan", "believe", "expect", "anticipate", "intend", "estimate", "scheduled", "forecasts" and similar



expressions or variations (including negative variations) of such words and phrases. Forward-looking statements are based on the current opinions and expectations of management, and are subject to a number of risks and uncertainties that may cause actual results, performance or achievements of the Company to be materially different from those currently anticipated by such statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things, the possibility that future exploration results will not be consistent with the Company's expectations, fluctuating commodity prices, delays in commencing the Company's proposed drilling program, exploration costs varying significantly from estimates, the availability of financing, and other risks identified in the Company's documents filed with the Canadian securities regulatory authorities at [www.sedar.com](http://www.sedar.com). Any forward-looking statement speaks only of the date on which it is made, and except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement.

#### CONTACT INFORMATION

For further information please contact:

Gerald Harper

President & Chief Executive Officer

Phone: (416) 232-0025

## Erdene Announces a Three Month Extension to Warrants

HALIFAX, NOVA SCOTIA--(Marketwired - Nov. 3, 2015) - Erdene Resource Development Corp. (TSX:ERD) ("Erdene" or "Company"), announced today that it has agreed to extend the term of all of the common share purchase warrants ("Warrants") that were issued in connection with a non-brokered private placement, which closed in two tranches in June 2015, other than those that were issued to insiders. 3,636,431 of these Warrants expire on December 4, 2015 and 1,208,880 expire on December 12, 2015. Effective November 19, 2015, all 4,845,311 Warrants will have their expiry date extended to March 15, 2016. The exercise price of \$0.16 and all other terms of the Warrants remain unchanged.

#### About Erdene

Erdene Resource Development Corp. is a Canada-based resource company focused on the acquisition, exploration, and development of base and precious metals in underexplored and highly prospective Mongolia. The Company holds four exploration licenses and a mining license located in southwest Mongolia. These include: Altan Nar - an extensive, high-grade, near-surface, gold-polymetallic project that the Company is aggressively advancing toward a production decision, however the Company has not yet completed a mining study to support the technical feasibility and economic viability of Altan Nar; Bayan Khundii - an early-stage, high-grade gold discovery made in Q3-2015; Khuvyn Khar - an early-stage, copper-silver porphyry project with multiple drill targets and significant copper intersections; Zuun Mod - a large molybdenum-copper porphyry deposit; and Altan Arrow - an early-stage, high-grade, gold-silver project. In addition to the above properties, the Company has an Alliance with Teck Resources



Limited on regional, copper-gold exploration in the prospective Trans Altay region of southwest Mongolia. For further information on the Company, please visit [www.erdene.com](http://www.erdene.com). Erdene has 97,277,377 issued and outstanding common shares and a fully diluted position of 113,649,988 common shares.

#### Forward-Looking Statements

Certain information regarding Erdene contained herein may constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Although Erdene believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Erdene cautions that actual performance will be affected by a number of factors, most of which are beyond its control, and that future events and results may vary substantially from what Erdene currently foresees. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration results, continued availability of capital and financing and general economic, market or business conditions. The forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and is subject to change after that date. The Company does not assume the obligation to revise or update these forward-looking statements, except as may be required under applicable securities laws.

NO REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED THE CONTENTS OF THIS RELEASE

#### CONTACT INFORMATION

Peter C. Akerley

President and CEO

(902) 423-6419

Ken W. MacDonald

Vice President Business Strategy and CFO

(902) 423-6419

[info@erdene.com](mailto:info@erdene.com)

[www.erdene.com](http://www.erdene.com)

Twitter: <https://twitter.com/ErdeneRes>

## **Guildford Coal to rebrand as it focuses on BNU**

November 3 ([worldcoal.com](http://worldcoal.com)) The weak global market conditions and volatility in the resource market continues to pose significant economic and funding challenges for junior and mid-tear mining companies around the world. One such company battling to survive is Mongolia focused coal company, Guildford Coal, which recently announced a change of name and debt restructuring plan.

Going forward the company will be known as TerraCom Ltd with the company directors believing that “this name far better reflects the strategic direction and focus to transition to a dynamic energy and resources company.”



Guildford Coal operates the BNU coal project in South Gobi province, Mongolia, where it is in the process of ramping up production to the target annualised production rate of 1.5 million tpa by the end of the year. The BNU coal project restarted production of metallurgical coal at the end of last year. It contains JORC resources comprising 15.26 million t measured, 8.77 million t indicated and 3.04 million t inferred.

The company has offtake agreements for its coal with two Chinese customers: JISCO and Haohai. "While the market continues to remain soft there are some positive signs and there is still strong buyer interest for the BNU coking coal," the company said in its quarterly report. "Guildford remains committed to developing its Mongolian business in the most capital and cost efficient methods."

In addition to the BNU project, Guildford is also developing the Uvs project in northwestern Mongolia, where it is targeting production of potash salts, brines and metallurgical coal. The company undertook a successful site visit during 3Q15, which included meetings with local ministry representatives and confirmation of approval of the environmental plan for the three licenses that comprise the project.

Outside of Mongolia, Guildford Coal is also developing two thermal coal projects in Queensland, Australia: the Northern Galilee project and Springsure project.

## Oyu Tolgoi named BCM 'Company of the Year'

November 3 (Oyu Tolgoi) Oyu Tolgoi was named as Company of the Year for 2015 by the Business Council of Mongolia (BCM), an organisation dedicated to the promotion of trade and investment in Mongolia, representing all investors - domestic and foreign.

Business Council of Mongolia Executive Director, Jim Dwyer, said: "The Business Council of Mongolia is delighted to acknowledge that Oyu Tolgoi, one of our longest and most loyal members, has been awarded 'Best Company of the Year 2015'. A significant milestone in the development of Oyu Tolgoi was reached this year with the agreement to progress the Underground Development of the mine. We strongly believe the Oyu Tolgoi project is and will continue to be, an important milestone by which to measure the development of Mongolia."

Speaking at the event, Oyu Tolgoi President and CEO, Andrew Woodley, said "I am honoured to accept this award on behalf of Oyu Tolgoi's 5,825 employees. This award is a testament to strength, dedication and commitment of our workforce that is building a world class Mongolian company. We thank the Business Council of Mongolia for the recognition of what we have achieved, and our potential as we work to deliver our next phase of growth."

## More local companies to benefit from OT underground development

November 4 (gogo.mn) Oyu Tolgoi underground development forum is being held today at State Opera and Ballet Theater.



The forum aimed to provide information about the underground development, to discover potential suppliers, to establish partnership between Mongolian and foreign companies, and to organize underground procurement activity openly, with introducing principles of procurement and contracts.

Oyu Tolgoi LLC will select suppliers based on following fundamental principles:

- Safety first
- Business ethics
- Sufficient and long-term partnership
- World-standard local competency

Over 600 companies from 29 countries who are seeking to supply services and products to underground development are attending the forum.

Majority of companies comes from Mongolia (400), China, Canada, Australia and USA. Also, representatives from Embassies of Australia, Canada, Czech, Republic of Korea and UK are taking part in the forum.

Last year, Oyu Tolgoi LLC received half of its products and services from local companies. Then, the underground development is certain to improve volume of products and services received. Oyu Tolgoi LLC officials promised that selection process to choose supplier companies is going to be open and fair.

Main Speakers at the forum:

- President and CEO of Oyu Tolgoi LLC Andrew Woodley
- CEO of Erdenes Mongol LLC B.Byambasaikhan
- Managing Director of Iron ore and Copper projects, Rio Tinto, Steve Felice
- Director Oyu Tolgoi underground project Chris Aitchison
- Manager of procurement and contracts, Oyu Tolgoi LLC, Andrew Arnet

#### WHAT OYU TOLGOI ADMINISTRATION OUTLINED

As the first speaker of the forum, President and CEO of Oyu Tolgoi LLC Andrew Woodley said: "Oyu Tolgoi LLC is a Mongolian company. We are working on reducing expenses and increasing profits. 80% of the Oyu Tolgoi reserves remain underground. We will be major player in copper and gold markets with the introduction of underground mining.

CEO of Erdenes Mongol LLC B.Byambasaikhan spoke: "Mongolian companies all have benefited from Oyu Tolgoi mine, which is fundamental to Mongolian competitiveness at global stage. For instance, GDP of Mongolia, USD 4.5 billion in 2009, has witnessed three-fold increase within last five years thanks to the project. Every single dollar spent on the project implementation is followed by two dollars. Within last two years, the company has exported 1.5 million tons of copper concentrate.

Total of USD 4.2 billion is needed in order to finalize the underground development. 19 international financial organizations are having negotiation to raise the required amount of money for the investment. Mr B.Byambasaikhan is confident that the negotiation is going to be completed within this year.



## **Ministry of Labor, Oyutolgoi LLC and GIZ to cooperate until 2019**

Today Ministry of Labor, Oyutolgoi LLC and GIZ signed Memorandum of Cooperation which is to valid until 2019 at State House.

November 5 (gogo.mn) Signing ceremony was attended by the Ministry of Labor G.Bayarsaihan, President & Chief Executive Officer of OT Mr. Andrew Woodley and Country Director at GIZ Office Ulaanbaatar Mrs. Ulrike Ebeling.

In scope of the Memorandum, many issues related to labor market including preparation for skilled specialists and improving training centers and schools to be solved jointly.