



## Contents

Politics.....	3
Speaker meets Vice President of European Parliament.....	3
Draft amendments to Constitution submitted.....	3
Minister for Health and Sports G.Shiilegdamba sends petition to Prime Minister Ch.Saikhanbileg.....	4
Mongolian official wanted by Interpol.....	4
Mongolia to celebrate the National Pride Day.....	5
Cabinet meeting in brief.....	5
Director of Liberty Partners Ch.Ganbat wanted by Interpol.....	6
Chingis Khaan Order goes to G.Mend-Ooyo.....	7
Ministers assemble for irregular meeting.....	7
Group of MPs present draft amendments to law on election.....	8
President's China Visit.....	8
Xi Jinping Holds Talks with President Tsakhiagiin Elbegdorj of Mongolia, Stressing to Promote China-Mongolia Comprehensive Strategic Partnership for Continuous Development.....	8
China, Mongolia Agree to Gain Progress in Comprehensive Cooperation.....	10
China-Mongolia Relationship at 'Historical Best': President Xi.....	11
Premier Li meets with Mongolian president in Beijing.....	12
President meets Xhang Dejiang.....	12
Mongolia and China sign cooperation agreements.....	13
Mongolia and China will regularize cooperation activities in some spheres.....	13
Foreign Relations.....	14
Mr L.Purevsuren gives speech at closing of ASEM FM Meeting.....	14
The 2015 CALD Conference successfully concluded in Ulaanbaatar.....	15
Foreign Trade.....	15
Mongolian imports to quench forage thirst.....	15
Economy.....	17
ADB Supports Mongolia's Drive to Boost Food Safety, Exports.....	17
Moody's: Mongolia's credit quality constrained.....	18
The World Bank: In 2016, Mongolia's Economic Growth Will Slow Further.....	19



The resolution to establish a free economic zone in Khalkh River must be dismissed .....	20
Credit agreements between Government and ADB ratified .....	20
USD 3 million project launched to boost social accountability in Mongolia .....	21
Bank of Mongolia: Balance of Payments for the first 9 months of 2015.....	22
Mining.....	22
RC Inspection Mongolia receives ISO 17020 accreditation .....	22
Xanadu Mines bags \$8M as Mongolian copper attracts interest .....	23
Head of the Labor Union of Erdenes TT set himself on fire .....	23
Erdenes Tavantolgoi's director to be dismissed.....	23
Oil & Gas.....	24
PM assign officials to reduce the disparity in petroleum prices.....	24
Petrol import data .....	25
State officials say fuel prices will not increase .....	25
Energy.....	26
Salkhit Wind Park saving 1.6 ton water each year.....	26
Infrastructure.....	26
China to finance road construction .....	26
Company News.....	27
Prophecy Development Corp (TSE:PCY) Financing Change .....	27
SouthGobi Resources Ltd (TSE:SGQ) Earnings Update.....	27



## *Politics*

# Speaker meets Vice President of European Parliament

Ulaanbaatar, November 9 (MONTSAME) The Chairman of the State Great Khural (parliament) Z.Enkhbold Saturday received a delegation headed by Ms Anneli Jaatteenmaki, a Vice President of the European Parliament (EP) and former Prime Minister of Finland.

The EP's delegation took part here at the Forum of Asian Liberal and Democratic Parties which was concluded on Sunday in UB.

Expressing thanks to the Speaker for an audience, Ms Jaatteenmaki noted that the Council of Asian Liberals and Democrats (CALD) is a member of the Liberal International (LI), and that Mongolia's Civil Will-Green Party joined this organization in 2011. The Mongolian party is chairing the LI in 2014- and 2012, Ms Jaatteenmaki noted. The CALD forum brought together representatives of 12 countries, including Sam Rainsy, a politician from Cambodia; and Mr Emil Kirjas, the LI secretary-general.

Present at the meeting were also Ms S.Oyun MP, the chairwoman of the Civil Will-Green Party; and other officials.

# Draft amendments to Constitution submitted

Ulaanbaatar, November 9 (MONTSAME) Draft law on making amendments to the Constitution of Mongolia was presented to the Chairman of the State Great Khural (Parliament) Z.Enkhbold by the head of working group for developing amendments to the Constitution N.Batbayar MP, last Friday.

The current Constitution was adopted on January 13 of 1992, and was amended on December 14 of 2000. First amendments to seven articles have been facing some serious criticisms.

"Issues have risen as the country's development advances that require new management over the interaction, coordination and pro-action between the state powers and authorities", said N.Batbayar MP.

The draft suggests increasing the number of Parliament members from 76 to 99, lengthening the term for Cabinet and Parliament from four years to five years and the term for President to four years to six years.

It also proposes to exclude political parties' participation from the elected posts in citizens' representatives khurals, and to involve Cabinet in the processes of forming Constitutional Court and appointing Prosecutor-General. Also, other changes were proposed through the draft in order to reduce duplications of responsibilities.

If adopted, the Constitution would regulate that President shall not be elected by the citizens, and shall be appointed by Parliament.



This draft has been supported by 47 MPs or 61.8 percent of parliament, comprising representatives from the Democratic Party, Mongolian People's Party, Civil Will and Green Party, Justice coalition and independent MPs.

Moreover, a national referendum will be held prior to discussion at the plenary session of the Parliament and it is cited in the draft amendments to hold the national referendum on November 26, the date when Mongolia's first constitution was adopted in 1924.

In case the draft amendments to Constitution are publicly approved, this Parliament will be likely to disband before the term ends, leading to early parliamentary election.

## **Minister for Health and Sports G.Shiilegdamba sends petition to Prime Minister Ch.Saikhanbileg**

November 9 (infomongolia.com) Minister for Health and Sports G.Shiilegdamba sent a petition regarding his arrest to Prime Minister Ch.Saikhanbileg on November 06, 2015.

His petition says: "I have not committed any crime and I am sure that the state court will prove it. However, it is going to take long time until court proves me innocent judging the current situation. I believe that I have become a victim of planned political ploy.

Therefore, I have decided to resign from the position of Minister for Health and Sports and member of the Government as I do not want to harm the reputation of my colleagues who stand on the protection of health of Mongolian people day and night. I humbly ask you to accept my request.

Moreover, I would like to thank "Justice" Coalition of MPRP - MNDP, which proposed me for the position of Minister for Health and Sports, and Prime Minister Ch.Saikhanbileg, President Ts.Elbegdorj and the Parliament, who accepted me. I believe that I will meet you next time with honor."

## **Mongolian official wanted by Interpol**

November 10 (news.mn) Last week the Economic Crime Bureau of the Police Authority arrested B.Batzaya, who is the ex-secretary of the Ministry of Transportation and former director at the board of the "Mongolian Railway Company", together with the heads of the "Samsung CT Corporation" as well as a senior representative of the "Uhaahudag-Gashuunsuhait" railway. The police also are investigating other suspects, involved in alleged money laundering and embezzlement. They include the director of the "Liberty Partners Company" Ch.Ganbat and the Deputy Director of the "Mongolian Railway Company" P.Bat-Erdene. Currently, Ch.Ganbat is abroad; he is wanted by Interpol.



# Mongolia to celebrate the National Pride Day

November 10 (infomongolia.com) Mongolia is going to celebrate the 853rd Anniversary of Birth of Chinggis Khaan on November 12, 2015.

In 2012, the State Great Khural (Parliament of Mongolia) approved the legislation to celebrate the birthday of Chinggis Khaan as a National Pride Day, which marks annually on the first day of the first winter month in the Mongolian lunar calendar. Day of Mongolian Pride or National Pride Day is a public holiday.

On the day of celebration, authorities will hold a ceremony to pay tribute to the Statue of Chinggis Khaan and present the Order of Chinggis Khaan at the State Palace.

The Order of Chinggis Khaan is conferred on people who provided significant contribution to political, cultural and education sectors of Mongolia. This year, writer and poet Gombojav MEND-OOYO receives the honor to be awarded with the supreme state prize of Mongolia.

## Cabinet meeting in brief

Ulaanbaatar, November 10 (MONTSAME) The cabinet meeting on Monday discussed results of a working visit of Japan's Prime Minister Shinzo Abe to Mongolia on October 22, and obliged the Minister of Foreign Affairs to submit the issue to the National Security Council (NSC).

- The cabinet backed results of the 5th meeting of the Mongolia-Hungary intergovernmental commission for the trade, economy, science and technical cooperation, held September 23 in Ulaanbaatar. An obligation was given to N.Battsereg, the Minister of Environment, Green Development and Tourism and head of the commission for the Mongolian side, to adopt a plan of works to be done in accordance with the meeting's agreement.
- The cabinet approved results of a consultative meeting of the Mongolia-Germany intergovernmental talks on developmental policy cooperation, which was held on October 19 in Ulaanbaatar. The State Secretary of the Ministry of Finance and head of the intergovernmental talks for the Mongolian side Kh.Gantsogt was told to ensure a preparation for the next year's intergovernmental talks.
- The cabinet approved results of the 6th meeting of the Mongolia-Germany intergovernmental working group that is responsible for ensuring realization and monitoring of an intergovernmental agreement on cooperation in mineral, industry and technology spheres. The Minister of Industry and head of this group's Mongolian side D.Erdenebat was ordered to adopt a plan of works within the meeting held on October 15 in Ulaanbaatar.
- The cabinet backed also draft amendments to the laws on adhering to the law on accounting, on maintaining the law on audit, on state audit and on budget. These drafts will be submitted to parliament.
- State counting and examination of state and local properties will be carried out until this December 31. An obligation was given to the Committee of State Properties to present consolidated results of the counting to the cabinet in fourth quarter of 2016.



- The cabinet discussed and backed a draft Mongolia-France intergovernmental agreement on exploiting a circulating asset of food aid from France. An order of PM will be issued to authorize R.Burmaa, the Minister of Food and Agriculture, to sign the agreement, representing the government of Mongolia.
- In accordance with the cabinet decision, the governmental resolution on excise tax on petroleum and diesel fuels for automobiles was amended.
- Based on the law on government, a government member and Deputy PM Ts.Oyunbaatar was appointed the acting Minister of Health and Sport.

## Director of Liberty Partners Ch.Ganbat wanted by Interpol

November 12 (UB Post) The International Criminal Police Organization (Interpol) is in pursuit of Mongolian citizen Ch.Ganbat, who is wanted by the judicial authorities of Mongolia and accused of money laundering and appropriation of property by fraud.

Ch.Ganbat served as an advisor to the former Minister of Roads, Transportation, Construction and Urban Development, Kh.Battulga. Ganbat, current director of financial and legal advisory firm Liberty Partners, is being investigated for a case involving B.Batzaya, former state secretary of the Ministry of Roads and Transportation.

B.Batzaya was arrested on the suspicion of embezzlement on October 30. He served as the former head of Mongolian Railway's managing board, and he participated in choosing the contractor for the 267 km railroad connecting Ukhaakhudag to Gashuunsukhait.

Ch.Ganbat was the head of the working group selecting investors for the Tavan Tolgoi Project. He was also a member of the working group for monitoring the implementation of railway policy at the time. Some sources say that Ch.Ganbat's involvement in the case may be related to holding the simultaneous positions.

McKinsey & Company, BNP Paribas Corporate & Investment Banking, and Pillsbury Winthrop Shaw Pittman were selected for advisory services team members for Tavan Tolgoi, but while funds were being distributed from Chinggis Bonds, Liberty Partners joined the consulting team. As founder of Liberty Partners, Ch.Ganbat owns 85 percent of the company, and the remaining 15 percent is owned by Liberty Management Trust, an entity owned by the management team of Liberty Partners.

Former deputy chairman of Mongolian Railway P.Bat-Erdene was planning to complete the construction of the Ukhaakhudag to Gashuunsukhait railroad's infrastructure through private funding from Energy Resources, but former Minister B.Battulga transferred the project to Mongolian Railway. Although around 200 million USD was issued from Chinggis Bond funding, the project remains incomplete.

Some local media reports say that Ganbat may be in Singapore. Currently, nine Mongolian citizens are wanted by Interpol for crimes involving murder, fraud, and embezzlement. N.Enkhtuya, sister of former president of Mongolia N.Enkhbayar, is also on Interpol's wanted list.



## Chingis Khaan Order goes to G.Mend-Ooyo

Ulaanbaatar, November 13 (MONTSAME) On the birth anniversary of Chingis Khaan and the Day of Mongolian Pride, the State's first-class "Chingis Khaan" order was bestowed upon a poet, writer and a "great enlightener" of Mongolia Mr G.Mend-Ooyo November 12, in recognition of his contribution to the studies of national history and culture and traditional heritage.

"Mend-Ooyo is a gifted person, an author of works that have been translated to the most number of foreign languages, among Mongolian writers. He received a prize from the International Poetry Festival by his "Moon Rises above the Old Temple" poem, and other distinguished awards from countries across China to the UK, from Greece to Korea, India, Japan and the USA," said the President Ts.Elbegdorj during the award ceremony held in Nine White Banners Hall of the State House.

G.Mend-Ooyo is the only Mongolian who has officially been nominated to the Nobel Prize in Literature.

He has attempted creations in all forms of literature. The President highlighted his most recent novels—Gegeenten (The Saint) and Shiliin Bogd.

Mend-Ooyo's good deeds are well received by Mongolians, as well as internationally, such as the "Megzed Janraisig" and "Mongol Suvdan Sondor" projects, advertisement of Mongolian calligraphy, disseminating the knowledge about Morin Khuur (horse-head fiddle—Mongolian traditional musical instrument) heritage and publishing of journals about Mongolian literature and poetry.

Present at the ceremony were also Chairman of the State Great Khural Z.Enkhbold and the Prime Minister Ch.Saikhanbileg with their spouses, the previous order awardees and others.

Students of the Music and Choreography College performed the State Anthem, "Khaluun Elgen Nutag" (dedication to the Motherland) and "Aav Eej Khoyor Mini" (dedication to parents).

G.Mend-Ooyo is the ninth person to receive this prize. Since 2005, it has been gone to nine people, including the first president of Mongolia P.Ochirbat, State Honored music composer B.Sharav, former prime minister D.Byambasuren, a vice speaker R.Gonchigdorj, a former president N.Bagabandi, D.Demberel MP, a former PM D.Sodnom, and a renowned scientist physicist Kh.Namsrai.

## Ministers assemble for irregular meeting

Ulaanbaatar, November 13 (MONTSAME) The cabinet of Ministers held Friday an irregular meeting to discuss about submitting series of draft documents to parliament, regarding legal statuses of customs and tax authorities, along with other issues.

The Ministers decided to submit draft amendments to the law on legal statuses of general authorities of customs and taxation, to the General Tax Law and the Law on Customs, draft additions to Law on Bank, and draft amendments to the parliamentary resolution on revising the State Body Structures and General Schemes, for immediate readings, along with the discussions on 2016 State Budget.



They also resolved to withdraw the bill on legal status of the National Revenue Authority and related-to-it drafts.

The draft amendments by O.Baasankhuu MP to the Law on Parliamentary Election and the Law on Political Parties received approvals from the Ministers in terms of principles.

## **Group of MPs present draft amendments to law on election**

Ulaanbaatar, November 13 (MONTSAME) A draft amendments to the Law on Election was presented to Speaker Z.Enkhbold on November 13. The bill was initiated and developed by O.Baasankhuu, N.Battsereg, Z.Bayanselenge, M.Sonompil, D.Terbishdagva, Ts.Oyunbaatar, Ch.Ulaan and Ts.Tsolmon MPs.

The initiators considered that, although a new version of Parliamentary Election Law was adopted in 2011, the law has been deficient in regulating the contemporary social situations and has been weakly exercised. They said on motives to develop the draft amendments, the bill aims at creating legal basis to facilitate citizens' full enjoyment of their constitutional right to elect and to be elected to state bodies, and the right of eligible citizens to public, liberal and direct election.

## *President's China Visit*

# **Xi Jinping Holds Talks with President Tsakhiagiin Elbegdorj of Mongolia, Stressing to Promote China-Mongolia Comprehensive Strategic Partnership for Continuous Development**

November 10 (fmprc.gov.cn) On November 10, 2015, President Xi Jinping met at the Great Hall of the People with President Tsakhiagiin Elbegdorj of Mongolia. The two heads of state agreed to join efforts to promote China-Mongolia comprehensive strategic partnership for continuous development to benefit the two peoples.

Xi Jinping pointed out that China and Mongolia are good neighbors, good friends and good partners. At present, the bilateral relationship is the "best ever" in history. The development of the comprehensive strategic partnership between China and Mongolia is in the common interests of the two sides and has won support from the people of both sides. The Chinese side attaches great importance to its relations with Mongolia and always places its relationship with Mongolia in an important place in China's neighborhood diplomacy. China respects Mongolia's independence, sovereignty and



territorial integrity as well as the development path independently chosen by the Mongolian people. China will develop China-Mongolia relations by carrying forward the concept of amity, sincerity, mutual benefit and inclusiveness and carry out bilateral practical cooperation in the principles of mutual benefit and win-win result. China appreciates Mongolia for taking its relations with China as a top priority in its foreign policy and for firmly sticking to the One China policy in issues concerning China's core interests. It is hoped that both sides could unswervingly push forward bilateral exchanges and cooperation in economy, politics, military, and people-to-people and cultural engagement to realize win-win cooperation and common development.

Xi Jinping stressed that China is ready to, together with Mongolia, maintain the momentum of high-level exchanges, enhance exchanges between the government departments, parliaments and political parties of both sides, constantly deepen mutual trust and practical cooperation in various sectors, expand people-to-people and cultural exchanges and facilitate personnel exchanges. China and Mongolia have reached consensus on accelerating the pace in conjoining China's Silk Road Economic Belt initiative with Mongolia's initiative of the Prairie Road, and both sides could discuss on signing an agreement about the docking of the development strategies between the two governments while pushing ahead with concrete projects. China is willing to, together with Mongolia, speed up efforts in implementing all tasks based on the important consensus of promoting bilateral cooperation in three dimensions of mining resources development, infrastructure construction and finance in a coordinated manner, striving for concrete results from the major projects in bilateral economic and trade cooperation.

Xi Jinping noted that China agrees that China, Mongolia and Russia should enhance communication and coordination to complete the formulation of the planning of the China-Mongolia-Russia Economic Corridor as soon as possible. China actively supports Mongolia in holding the Asia Europe Meeting in 2016, and stands ready to keep communication and carry out cooperation with Mongolia on major issues, so as to jointly safeguard regional security and stability and maintain world peace and justice.

Tsakhagiin Elbegdorj expressed that the Mongolian side agrees on and devotes to developing Mongolia-China comprehensive strategic partnership, and is willing to further push bilateral relations for in-depth progress through the visit. Mongolia gives top priority to the friendly relationship with China in its foreign policy and is ready to keep close exchanges with China between high level officials and in multiple areas including legislature, national defense and peace-keeping operation to enhance mutual trust and mutually beneficial cooperation. Mongolia is pleased to see the rapid development of Mongolia-China economic and trade relations, and hopes to continue pushing forward the facilitation of bilateral trade through such measures as institutional consultation and improvement of port management. Mongolia hopes to intensify exchanges and cooperation with China in agriculture and husbandry, quarantine examination of animal and plant, culture, education, science, technology, health care and other sectors. Mongolia values the Mongolia-China-Russia cooperation, attaches importance to China's stance and proposition in multi-lateral affairs and is ready to enhance communication and coordination with China.

After the talks, the two heads of state witnessed the signing of bilateral cooperation documents in economy, technology, food safety, infrastructure construction, aviation, energy, finance and other fields.



Prior to the talks, Xi Jinping held a welcoming ceremony for Tsakhiagiin Elbegdorj at the North Hall of the Great Hall of the People. Peng Liyuan, Yan Junqi, Yang Jiechi, Wang Qinmin and others were present.

## China, Mongolia Agree to Gain Progress in Comprehensive Cooperation

Beijing, Nov 12 (Prensa Latina) China and Mongolia agreed to make progress in comprehensive cooperation in various fields through a joint declaration issued here, announced the government today.

Invited by Chinese President Xi Jinping, the Mongolia's president, Tsakhiagiin Elbegdorj concluded last night a three-days state visit to this country, during which he met with senior leaders to discuss cooperation in bilateral and multilateral areas.

In talks with Elbegdorj, Xi labeled that the relationship between China and Mongolia is in the 'best' moment of the history, asserting that the two sides will solidly promote exchanges and cooperation in various fields.

Collaboration in political, defense, crime fight, economy, trade, investment, people exchanges, regional and global issues, among others, is included in the statement approved.

Ulan Bator and Beijing agreed to actively raise the signing of an agreement to align the Chinese initiative of the Belt and the Road with the Mongolian Plan of the Steppes Road, a proposal of infrastructure construction aimed at reinforcing the Mongolian economy through cross-border transport.

According to the text, the two sides will support financial cooperation between Mongolia and the Asian Bank of Infrastructure Investment and the Silk Road Fund in major infrastructure projects.

Similarly, the whole pact emphasizes the support of China to Mongolia's efforts aimed at joining the Asia-Pacific Economic Cooperation Forum (APEC, for its acronym in English).

It also supports its active participation in the cooperation in Eastern Asia and the China-Japan-South Korea cooperation, properly.

A relevant issue addressed in the declaration is the support to trilateral cooperation between China, Mongolia and Russia and in this sense urges to conclude the preparation of a program for the economic corridor China-Mongolia-Russia.

On the other side, Mongolia invited Xi to attend the summit of the Asia-Europe Meeting (ASEM, by acronym in English) to be held in that territory in 2016.

At another point of Elbegdorj's visit, Chinese Prime Minister, Li Keqiang expressed his intention to work with Mongolia to strengthen regional peace and stability, strengthen unity and mutual trust and promote growth and prosperity.



## China-Mongolia Relationship at 'Historical Best': President Xi

November 12 (Xinhua) Chinese President Xi Jinping held talks with his Mongolian counterpart Tsakhiagiin Elbegdorj on Tuesday, saying the current bilateral relationship is the "best ever" in history.

"China and Mongolia are good neighbors, good friends and good partners," Xi said during talks with Elbegdorj at the Great Hall of the People. Invited by Xi, Elbegdorj is in Beijing for a state visit to China from Monday to Wednesday.

It is Elbegdorj's second trip to China this year. The Mongolian president visited Beijing in September to attend the commemoration marking the 70th anniversary of the victory of Chinese People's War of Resistance against Japanese Aggression and the World Anti-Fascist War.

"The development of the comprehensive strategic partnership between China and Mongolia is in the common interests of the two sides and has won support from the people of both sides," Xi said during Tuesday's talks.

The two countries decided to establish the partnership in August 2014 after Xi made a state visit to Mongolia.

"The Chinese side attaches great importance to ties with Mongolia and the bilateral relationship is always put in an important place in China's neighborhood diplomacy," Xi said on Tuesday.

Xi said China respects Mongolia's independence, sovereignty and territorial integrity as well as the development path chosen by the Mongolian people on their own.

As China and Mongolia have reached consensus on conjoining China's Silk Road Economic Belt initiative with Mongolia's Steppe Road plan, Xi suggested the two governments discuss an agreement while pushing ahead with concrete projects.

The Steppe Road plan is an infrastructure construction proposal aimed at boosting the Mongolian economy through trans-border transportation.

Xi also called for early completion of the outline of a China-Mongolia-Russia economic corridor.

Elbegdorj said the Mongolian side gives priority to the friendly relationship with China in its foreign policy and is ready to increase interactions with China in multiple areas to enhance mutual trust and reciprocal cooperation.

Mongolia is committed to the development of the comprehensive strategic partnership, Elbegdorj said, expecting his visit to further promote the bilateral relationship.

Mongolia values trilateral cooperation with China and Russia as well as China's stance in international affairs and is willing to step up communication and coordination with China, according to the visiting president.

After the talks, the two presidents witnessed the signing of a string of cooperation documents.

Prior to the talks, Xi held a red-carpet ceremony to welcome the Mongolian president.



## Premier Li meets with Mongolian president in Beijing

BEIJING, Nov. 12 (Xinhuanet) -- Chinese Premier Li Keqiang has met with Mongolian President Tsakhiagiin Elbegdorj at the Great Hall of the People in Beijing.

The premier said during the meeting that China attaches great importance to the development of bilateral ties between the two countries.

He said that China is willing to maintain high-level exchanges and enhance cooperation and communications in various fields with Mongolia.

Li pointed out that under the current global financial situation, the developing countries should help each other handle economic downward pressures.

Elbegdorj said his country is willing to deepen its cooperation relations with China.

The president said Mongolia will expand trade with China in energy sources and livestock products.

He said the two countries will also explore the start of negotiations on a free-trade agreement, and strengthen the construction of cross-border economic zones.

## President meets Xhang Dejiang

Ulaanbaatar, November 11 (MONTSAME) In People's Republic of China (PRC) with the state visit, the President of Mongolia Ts.Elbegdorj Wednesday received Mr Zhang Dejiang, the Chairman of the Standing Committee of the National People's Congress (NPC).

The President expressed a satisfaction with meeting Mr Zhang again and with big achievements in a present bilateral cooperation. He said he is happy with a signing of 11 documents on broadening the Mongolia-China economic cooperation. He also emphasized a significance of a creation of a permanent mechanism of talks between the legislative bodies of the two countries which will bring their relations into a newer level and increase their roles in a development of the ties.

The parties underlined that an increase in a frequency of high level mutual visits and meetings has been promoting the mutual political trust, and expressed a mutual satisfaction with enriching of the cooperation between the legislative bodies with new contents.

They considered as necessity to actively cooperate in forming a legal fundamentals for deepening the developmental policies of the two countries such as understanding each other's positions, learning each other and exchanging information and experiences in order to make common values of the legislative bodies.

In a scope of this matter, Mr Zhang hoped that the forthcoming 1st meeting of the Permanent meeting mechanism between the two legislative bodies will succeed during a visit of a delegation led by Ms Yang Junqi, the Vice Chairwoman of the Standing committee of the NPC to Mongolia this month.

The sides also agreed with an importance of implementing big projects that will contribute to the economic development of both countries and give benefits to people.

The state visit of the Mongolian President will give impetus to strengthening of the mutual trust and understanding, to enhancing of friendly atmosphere of the bilateral



relations, to deepening of the comprehensive strategic partnership relations, and to fortifying of the equal and mutually-beneficial cooperation, the sides consider.

## **Mongolia and China sign cooperation agreements**

November 11 (infomongolia.com) During the state visit of President Ts.Elbegdor to the People's Republic of China, a number of bilateral agreements in various sectors were signed.

The heads of state of the two countries attended the signing ceremony of cooperation agreements. The following documents were inked:

- An Intergovernmental Agreement on Economic and Technical Cooperation between the Governments of Mongolia and China;
- A Letter of Exchange between the Governments of Mongolia and China on providing a 300 million CNY non-refundable government grants in 2016;
- The Memorandum of Understanding on Cooperation in trade and economic sectors between the Ministry of Industry of Mongolia and the Ministry of Commerce of China;
- General Loan Agreement on utilization of USD 1 billion credit from the Government of China between the Ministry of Finance of Mongolia and the Export-Import Bank of China;
- Agreement on the Cooperative execution of the feasibility study of "Shivee Ovoo" project between the Ministry of Energy of Mongolia and China National Electric Equipment Corporation;
- A Loan Agreement on Construction project of overpass near the Traffic Police Department of Mongolia;
- A Loan Agreement on Construction of new "Yarmag" bridge and Reconstruction project of old bridge;
- The Memorandums of Understanding between the General Agency for Specialized Inspection of Mongolia and the General Administration of Quality Supervision, Inspection and Quarantine of China on the Export of Mongolian heat-processed meat and meat products, including beef, mutton and chevon; and on Food Safety of imported products;
- Civil aircraft search and rescue operational agreement between the Civil Aviation Authority of Mongolia and the Civil Aviation Administration of People's Republic of China;
- An Agreement on Cooperation between Trade and Development Bank of Mongolia (TDBM) and China Development Bank Corporation (CDB).

## **Mongolia and China will regularize cooperation activities in some spheres**

Ulaanbaatar, November 13 (MONTSAME) Mongolia and China have concurred to focus on a regularization of activities of the intergovernmental commission for the trade,



economy, sciences and technical cooperation, as well as the Cooperation council of minerals, energy and infrastructure spheres.

It was sounded during a meeting of Mongolia's President Ts.Elbegdorj Wednesday with Mr Li Keqiang, the Premier of the PRC State Council.

The latter expressed a satisfaction with meeting with the Mongolian leader again, since a meeting during the 70th anniversary of the victory in the Liberation War, and considered the state visit of Mongolia's President as the contribution to the boosting of the bilateral relations.

In response, Mr Elbegdorj stressed his satisfaction with seeing the PRC State Council's Premier again, and said the matters of the bilateral trade and economic ties, which had been agreed during China's President to Mongolia, are being realized well.

He also said he is pleased with a signing of 11 documents on the bilateral economic ties, which had taken place after the tete-a-tete meeting and official talks with Mr Xi Jinping.

Mr Li pointed out that his country will support Mongolia's request to collaborate in combating together infectious diseases of livestock, in establishing a joint research lab, and in creating top breeds of livestock within a matter on supplying animal products to China. He also said the two countries can establish a joint factory equipped with the latest technologies.

The President Elbegdorj underlined that a bilateral between Mongolia's Premier Ch.Saikhanbileg and the PRC State Council Premier Mr Li, held at the Summer Davos in Dalian in September, was an event vital in terms of maintaining a frequency of high level mutual meetings. He expressed a satisfaction with successful organization of the "Mongolia-China EXPO" in China, which intensified the collaboration between entities of our countries.

## *Foreign Relations*

### **Mr L.Purevsuren gives speech at closing of ASEM FM Meeting**

Ulaanbaatar, November 9 (MONTSAME) The Mongolia's Minister of Foreign Affairs Mr L.Purevsuren delivered a speech at a press conference and a closing meeting of the 12th ASEM Foreign Ministers' Meeting (ASEM FMM12) held on November 5-6 in Luxembourg.

Mr Purevsuren expressed thanks to the Grand Duchy of Luxembourg for successfully organizing the ASEM Foreign Ministers' Meeting, and said he is satisfied with openly exchanging his views on climate change, sustainable development and management on reducing risks of natural disasters.

He also gave reports about his participation in the Meeting together with Ms Federica Mogherini, the High Representative of the European Commission's Union for Foreign Affairs and Security Policy; and his counterpart of Luxembourg Mr Jean Asselborn.



"Gaining a right to host the 11th ASEM Summit is a part of Mongolia's contributions to the ties between Asia and Europe. Now, Mongolia is working hard to organize the forthcoming ASEM Summit, and it is noticeable that this Summit is coincided with the 20th anniversary of the ASEM," Mr Purevsuren emphasized.

He pointed out that Mongolia intends to work out a draft Declaration of Ulaanbaatar that will conclude the 20-year initiatives, programmes and projects of the ASEM and will determine future of unofficial talks of the Asia-Europe cooperation. The UB Declaration will reflect proposals from ASEM members, he went on.

Following the press conference, Mr Purevsuren has met with his counterparts of Russia, the Great Britain, Japan, the Netherlands and Thailand, exchanging views with them on the bilateral relations and cooperation.

## **The 2015 CALD Conference successfully concluded in Ulaanbaatar**

November 11 ([infomongolia.com](http://infomongolia.com)) The 2015 Council of Asian Liberals and Democrats (CALD) conference was successfully held under the theme "Sustainable Development Goals and Post 2015 Development Agenda" at the conference hall of Corporate Hotel in Ulaanbaatar, Mongolia from November 06-10, 2015. This is fourth conference held by CALD in Mongolia.

Currently, parliament member and Chairwoman of Civil Will Green Party (CWGP) of Mongolia, Ms. Sanjaasuren OYUN is leading CALD. She was elected as its chairperson in 2014 with three-year term. This year, Secretary General of Liberal International, Mr. Emil Kirjas and President of Cambodian National Rescue Party, Mr. Sam Rainsy and representatives of CALD member parties have attended the conference.

Council of Asian Liberals and Democrats (CALD) was established with support of former Thai Prime Minister Chuan Leekpai and South Korea's Kim Dae-Jung on October 15, 1993 in Taipei city, Taiwan. CALD offers platform for dialogue and cooperation for liberal and democratic political parties in Asia with dynamic forums promoting discussion and exchange of ideas regarding trends and challenges affecting democracy, human rights and the rule of law in the region.

## ***Foreign Trade***

### **Mongolian imports to quench forage thirst**

November 12 ([chinadaily.com.cn](http://chinadaily.com.cn)) China will import more than 400,000 metric tons of forage from Mongolia next year to cope with the growing demand for dairy and other high-protein products, officials said on Wednesday.



Shipments have already started with eight trucks carrying 200 tons of forage reaching the Zuunkhadavchi Land Port of Xilin Gol League in North China's Inner Mongolia autonomous region on Wednesday. This is also the first time that China is importing forage from Mongolia.

Since Mongolia's eastern region is rich in stockbreeding resources, the government of Xilin Gol League signed an agreement with three Mongolian provinces—Omnogovi, Dornogovi and Suhbaatar—to import forage.

China will import 100,000 tons of forage from Mongolia by the end of this year and the annual import volume of forage is expected to exceed 400,000 tons in 2016.

Limited by its poor forage crop production, China used to import forage from the United States and Australia to support its stockbreeding industry. Rising prices of imported forage, alfalfa and corn silage have affected the nation's raw milk output in the past two years. Most of the Chinese dairy farms lack access to quality feed for their cattle and cows.

"Since most of the farmland in China is used for growing grains and vegetables, the cultivation of forage crops is far behind that of developed countries. The country largely depends on imported forage and alfalfa to supply domestic dairy and cattle farms," said Navchimaa, deputy head of Dong Ujimqin Banner of Xilin Gol League.

She said demand for milk, beef and mutton in China's western region, particularly in the Ningxia Hui and Xinjiang Uygur autonomous regions, and Qinghai and Gansu provinces, has grown in the past five years, as it is becoming more expensive to raise cattle and cows in western China, where the economy and livestock industry are less developed than in the eastern provinces.

Due to the limited grazing lands and breeding cycle, China's sheep breeding sector has also lagged behind consumer demand, resulting in higher lamb prices over the past five years, according to a report released by Beijing-based Chinese Academy of Agricultural Sciences in June.

Eager to meet domestic demand for various foodstuffs, the Chinese government has increased international trade in food products through trading arrangements such as free trade agreements or non-tariff deals for certain agricultural products with its trading partners in Central Asia, Europe and South America.

"As China has found it impossible to grow all of the food it needs and has consequently formed closer ties with its trade partners, demand for dairy products, beef and mutton will certainly provide many opportunities for forage suppliers and other agricultural businesses in Mongolia," said B Bayanmagnai, director of Mongolia's Bichigt Custom district.

Under the agreement, Xilin Gol League and Mongolia will also start horse trading in each other's land ports. The two sides plan to trade 20,000 horses next year, as well as open more market channels for breeding cattle and sheep.



## *Economy*

# **ADB Supports Mongolia's Drive to Boost Food Safety, Exports**

November 13 The FINANCIAL -- The Asian Development Bank (ADB) has approved a \$15 million loan to support Mongolia's efforts to continue strengthening food safety and animal and plant health standards to realize the country's vast potential by increasing agri-food exports to neighboring countries.

"The country has an estimated 52 million head of livestock, which are a key source of employment and income for the rural population," said Cristina Lozano, an ADB Regional Cooperation Specialist. "But gaps in sanitary and phytosanitary standards have limited the country's ability to take advantage of demand for meat, milk, and other animal products from neighboring countries in Central Asia, as well as the People's Republic of China and the Russian Federation."

The government has significantly improved its sanitary and phytosanitary system over the past decade but challenges remain. Testing laboratories lack modern facilities, equipment and skilled personnel, and information technology is not widely used. As a result, food safety and animal and plant health measures are not well harmonized with international standards, hampering Mongolia's export potential.

This project will help the Government of Mongolia continue developing internationally acceptable agri-food handling, inspection and testing measures that will allow it to boost exports and provide job and income opportunities in rural areas, according to ADB.

The project will target improvements in laboratories in three provinces served by the Central Asia Regional Economic Cooperation (CAREC) corridor which links border crossing points critical to the movement of agricultural and food products between the Russian Federation and East Asia. The improvements will include infrastructure and equipment upgrades, and the adoption of a laboratory information management system to manage samples and analysis. Assistance will be given to establish a sanitary and phytosanitary inspection management system that will incorporate risk-based import controls to automate risk assessment.

Support will also be given to align testing and sampling methodologies with World Trade Organization-compliant international standards to reduce inspection and testing-related delays, and to gain international acceptance.

The project will allow Mongolia to take the lead in promoting sanitary and phytosanitary reforms across the CAREC region. ADB has been supporting regional efforts to develop and align modern, uniform food safety and animal and plant health standards, through a separate regional technical assistance project.

ADB, based in Manila, is dedicated to reducing poverty in Asia and the Pacific through inclusive economic growth, environmentally sustainable growth, and regional integration. Established in 1966, it is owned by 67 members—48 from the region. In 2014, ADB assistance totaled \$22.9 billion, including cofinancing of \$9.2 billion.



## Moody's: Mongolia's credit quality constrained

November 12 (ftseglobalmarkets.com) Moody's says Mongolia's B2 government bond rating is supported by the country's strong growth potential, driven in large part by its abundant natural resource wealth. However, slowing growth due to falling commodity prices, coupled with sizeable fiscal deficits and a thin foreign reserve cover have weighed on credit quality.

The negative outlook on Mongolia's rating since July last year, incorporates external pressures, including those stemming from a low level of foreign exchange reserves of \$1.4bn as of September this year relative to Moody's estimates of maturing public and private sector external this year and next one.

Moody's conclusions were contained in its just-released credit analysis "Mongolia", which looks at the country's credit profile in terms of Economic Strength, assessed as "Low (+)"; Institutional Strength, "Very Low (+)"; Fiscal Strength, "Low (+)"; and Susceptibility to Event Risk, "High".

Moody's says its "Low (+)" assessment of Mongolia's economic strength reflects the country's small size and very strong but volatile growth performance.

This year authorities have begun unwinding monetary and quasi-fiscal stimulus undertaken to support growth in the previous two years. Consequently, inflation and credit growth have moderated and the current account deficit is projected to fall sharply, to 3.2% of GDP this year from 11.7% of GDP last year.

However, as a commodity exporter, Mongolia still faces considerable external challenges stemming largely from its high exposure to China (Aa3 stable), accounting for close to 90% of its exports, and from the sharp fall in mineral prices over the year.

Further, the recent resolution of a three-year long dispute between the government and Rio Tinto over the development of the second phase of the large Oyu Tolgoi copper and gold mining project will boost export revenues once production ramps up. But until such time, Moody's says Mongolia will remain reliant on support from multilateral and bilateral lenders to bridge its external financing needs.

The "Very Low (+)" assessment of institutional strength reflects the degree of government effectiveness, the agency says. Inflation levels in Mongolia have been relatively low compared with other sovereigns Moody's rates, but inflation volatility has been high, partly mirroring the volatility in GDP growth.

Moody's "Low (+)" assessment for fiscal strength takes into account the sovereign's moderate but rising debt burden, and relatively strong debt affordability metrics. A high proportion of foreign currency-denominated debt relative to the total adds foreign exchange risk to the government's debt repayment profile. The government's annual refinancing requirements are also subject to shifts in international capital market sentiment.

The "High" assessment for susceptibility to event risk is driven by external vulnerability that has arisen as foreign reserves remain low, even as external debt is edging higher. Exposure to China and falling commodity prices add to these external pressures. Moody's believes that political uncertainty is also likely to increase ahead of parliamentary elections next year.



## The World Bank: In 2016, Mongolia's Economic Growth Will Slow Further

November 11 (Mongolian Economy) The World Bank stated its latest Mongolia Economic Update that continued fiscal consolidation, sound monetary policies and a revitalisation of foreign investment are needed to help Mongolia weather external risks. According to the newly released report, Mongolia's long-term economic prospects remain promising but the economy faces short-term challenges. With limited policy buffers to address imbalances in the economy, debt repayments will begin in 2017. More specifically, the World Bank report said it was important that the Mongolian government stay committed to its policy reforms, in order to minimise external risks in commodity markets and slowing growth of trading partners. Also, the prices of raw materials on international markets remain unfavourable.

"The measures that the Government has taken over the past year were necessary to strengthen the resiliency of the economy and reduce the balance of payments risks. At the same time, falling commodity prices and other risks call for further efforts. The key to a successful adjustment of the economy is to ensure the credibility of policy adjustment. Maintaining reform momentum and a stable investment environment is needed to build a solid footing for stable and sustainable growth, while girding against possible shocks," stated James Anderson, World Bank Country Manager for Mongolia. China's economic growth is slowing due to the weakening of the commodity market. Furthermore, Mongolia's economic growth slowed to 3.0 percent in the first half of 2015 amid declining exports. Mongolia's annual GDP growth is expected to slow to 2.3 percent for all of 2015.

"The revised forecast reflects weaker crop harvests and slower industrial production data in the third quarter. Mining production is expected to decline in 2016-17 amid the weak commodity market conditions. The non-mining sector of the economy will likely remain weak in early 2016, but a recovery in foreign investment would support the industries supplying goods and services needed for large scale mining investment projects," stated Taehyun Lee, World Bank Senior Economist.

The report noted that while growth has slowed, subdued domestic demand has contributed to a significant improvement in the current account balance and to lower inflation. The current account deficit is expected to narrow to around 5 percent of GDP this year, down from 11.7 percent last year.

The World Bank acknowledged the commitment of the government to policy reforms, but urged Mongolia to continue and deepen those reforms. It suggested the government implement fiscal consolidation, reduce the budget deficit, drawing on realistic revenue projections and consolidating off-budget expenditures.

The report commended Mongolia's social welfare programmes, noting that the programmes are relatively generous compared to other countries. Despite the fact that Mongolia's poverty rate declined from 27.4 percent in 2012 to 21.6 percent in 2014, many remain near the poverty line.



## **The resolution to establish a free economic zone in Khalkh River must be dismissed**

November 11 (gogo.mn) Independent MPs delivered a report on draft laws scheduled to be discussed this week.

Last Friday, 12 MPs submitted a draft resolution to Speaker Mr. Z.Enkhbold. The draft resolution was submitted, with the aim to dismiss parliament's 75th resolution, which was approved on July 9 in order to establish a free economic zone in Khalkh River area. In regards to the matter, MP Ts.Davaasuren: "The sudden approval of a draft law just prior to national celebration days in order to distract the public also applied to the resolution. The resolution of the parliament to establish a free economic zone in Khalkh River area is different in reality from what Minister R.Burmaa spoke of. The resolution is poised to violate the constitution, the law of protecting cultural heritage and the law of the land. So, the resolution must be terminated.

Also, it is going to be a negative influence for local residents. The agricultural field is one of fundamentals for our country. According to international standards, soil pollution and production of DNA-modified products must be avoided in order to establish a free zone in agricultural area. We must follow the standards.

Also, independent MPs are concerned that a large number of foreign people are expected to enter into the free economic zone.

## **Credit agreements between Government and ADB ratified**

Ulaanbaatar, November 10 (MONTSAME) The State Great Khural (parliament) ratified the credit agreements of Government of Mongolia and Asian Development Bank on program of supporting social welfare and on additional funding for the project on agriculture and rural development at the plenary meeting of November 10.

Finance Minister B.Bolor read the introductions of the agreements. In frames of implementing the measures for overcoming economic difficulties, the Government requested support from the ADB in order to diminish the negative impact of the current economic decline on the vulnerable strata. The Bank accepted the request and resolved to make two separate installments of credit worth 150 million US dollars in 2015 and 2016. The program of supporting social welfare will complete on December 31 of 2016. The bill on ratifying this credit agreement was backed with 83.1 percent approval of MPs. Agricultural and rural development project has been involving providing assistance to many farming cooperatives, with an aim to promote herders and cooperatives which are main suppliers of agricultural raw materials. The project's first phase has allocated 176 incentives to 104 cooperatives that is worth 1.46 million USD, so far, being implemented in 38 soums of six aimags. It has also given 23 types of training to more than 4,300 people.



In collaboration with commercial banks, the project also allowed credits of 22.3 million USD or 29 billion MNT to 12 newly established businesses, and created 1,854 jobs. The second phase of this project needs additional funding of some 50 million USD, in order to continue its actions toward improving value-added production's network in Mongolia. The credit agreement between the Government and ADB on additional funding for phase two of Agricultural and Rural Development Project was backed by 84.5 percent.

## USD 3 million project launched to boost social accountability in Mongolia

November 13 (gogo.mn) The World Bank and the Swiss Agency for Development and Cooperation (SDC) today launched a \$3 million project to boost social accountability in Mongolia in the next four years.

The Mainstreaming Social Accountability in Mongolia (MASAM) project seeks to support government efforts to increase transparency and accountability, and give impoverished communities a greater voice on issues affecting them.

"The project builds on years of innovating and experimenting on social accountability in Mongolia by citizens and government bodies, and follows last year's Glass Account Law that we consider an enabling legal reform for transparency," said James Anderson, the World Bank Mongolia Country Manager. "Through MASAM, we hope to facilitate concerted action around institutionalizing social accountability at all levels."

MASAM will focus on building skills and capacities of citizens and civil society groups in poor and vulnerable regions of Mongolia, and working with local governments to enable sustained outcomes throughout the project.

"We believe that civil society and citizens have an important role to play in strengthening the accountability of public officials, reducing corruption and improving public service delivery," said Markus Waldvogel, Director of Cooperation of Swiss Agency for Development and Cooperation. "This project will encourage citizens and civil society to exercise their rights to do so."

The MASAM project will be implemented over four years in 10 aimags and districts of the capital city, Ulaanbaatar. It will benefit poor and marginalized groups by involving them in social accountability processes, empowering them to hold public officials accountable for improving the quality, access and delivery of services in their communities.

The participating aimags and districts will be selected according to poverty rates, health-related risks and access to education, as well as the commitment by local governments to implementation. At the national policy level, the project will work with the Ministry of Finance and the Cabinet Secretariat to institutionalize social accountability measures in formalized and sustainable ways.

source: [www.worldbank.org](http://www.worldbank.org)



## Bank of Mongolia: Balance of Payments for the first 9 months of 2015

November 13 (infomongolia.com) On November 13, 2015, the Bank of Mongolia reported that according to revised estimates, the current account deficit stands at 412.7 million US dollars, showing a decrease of USD 1,051.6 million or 72 percent compared to the same period of the previous year.

The change is due to the improvement of trade in goods by 198% with surplus of USD 950.0 million, decline of deficit on trade in services by 48% to USD 632.9 million, widening of income account deficit by 23% to USD 849.4 million and fall of current transfer by 2% to USD 119.6 million.

Capital and financial accounts showed surplus of USD 345.3 million, where the decrease of US\$ 506.5 million (59%) from the previous year is mainly affected by decline of net foreign direct investment in Mongolia by 98% or USD 516.3 million compared to the same period of the previous year.

## *Mining*

### RC Inspection Mongolia receives ISO 17020 accreditation

November 12 (worldcoal.com) RC Inspection Mongolia has been officially accredited by the international ISO/IEC 17020:2013 norm.

The accreditation of compliance with ISO/IEC 17020:2013 acknowledges that the policies, practices and procedures of the company can be ensured with consistent quality and excellent expertise in the knowledge of the commodities and the services which are provided.

The accreditation is provided by the official Mongolian Agency for Standardization and Metrology (MASM).

This follows recently obtaining their ISO17025 accreditation for RCI Analytical Services – Mongolia in October.

The evaluation process for the company included quality management system development, a management system documentation review, pre-audit, initial assessment and clearance of non-conformances, all of which work to identify corrective actions that eliminate non-conformance to the quality management standard.

To maintain the certification, the MASM will annually perform audits to ensure compliance and to assess initiatives for continued improvement.

RC Inspection Mongolia is now the second group member of RC Inspection Group with full ISO 17020 accreditation.



## **Xanadu Mines bags \$8M as Mongolian copper attracts interest**

November 12 (Proactive Investors) Xanadu Mines' (ASX:XAM) Kharmagtai copper project in Mongolia is benefiting from additional investor backing with the successful completion of a A\$8 million fundraiser to support further exploration.

The funds come from a share placement at \$0.125 per share that was strongly supported by both new and existing sophisticated and institutional investors.

In conjunction with the placement, Xanadu is pursuing \$2 million of additional funding via a share purchase plan at the same offer price.

Shares in the company were last trading at \$0.135, or 80% higher than just two months ago.

The latest funding drive follows more than \$15 million in capital raisings since the company's 2014 annual general meeting and builds on a cash position of \$2.5 million as of the end of September.

This financial momentum will help reduce the acquisition consideration for Kharmagtai and support a winter exploration program at the project.

## **Head of the Labor Union of Erdenes TT set himself on fire**

November 13 (gogo.mn) Head of Labor Union of Erdenes Tavan Tolgoi JSC S.Erdene set himself on fire during press conference which was held at National Information Center today.

He protested against Erdenes Tavan Tolgoi's statement to discharge 30 employments at first stage and to discharge 200 employments in December. He poured a bottle of liquid upon his body and burned himself.

Journalists attending in the press conference called an ambulance and he was carried to National Trauma and Orthopedic Research Center.

Right now he is being treated at Department of Burn Rehabilitation and his health condition is stable.

In regards to this case, authorities of Erdenes Tavan Tolgoi to hold a press conference at 05PM today.

## **Erdenes Tavantolgoi's director to be dismissed**

Ulaanbaatar, November 13 (MONTSAME) "It was a tragic action that S.Erdene, the chairman of Board of "Solidarity" Labor Union and a personnel of Erdenes Tavantolgoi, attempted a self-emmolation protesting a structural and management change in the company", said the Minister of Mining R.Jigjid at a press conference on Friday.

PM Ch.Saikhanbileg summoned related officials on this matter and obligated them to take immediate actions. He assigned that acting Minister of Health and Sports and the



deputy PM Ts.Oyunbaatar take care of the health conditions and treatment of S.Erdene. The Premier gave a direction that it is only appropriate that Erdenes Tavantolgoi incurred charges for his treatment and aftercare.

“Associated authorities have been obligated to promptly settle the current circumstances in accordance with the regulations. In regard to this, a decision was made to dismiss the executive director of Erdenes Tavantolgoi JSC B.Batbileg and to appoint its director for legal matters T.Bilgee to acting director’s position”, said the Mining Minister.

## *Oil & Gas*

# **PM assign officials to reduce the disparity in petroleum prices**

November 11 (gogo.mn) Prime Minister held “Decision Time” meeting at 11:00 am on November 11 at “11-11” center, which receives requests and complaints from the public. During the period of the year, total of over 25 thousand requests and complaints have been received, around 500 of which are addressed to Prime Minister.

Minister of Mining R.Jigjid and Chairman of Oil Authority G.Ulziiburen today joined PM at the meeting.

On average, 230-250 citizens daily contact to the center. Majority of them express their opinions about petroleum price increase. In other words, different price range applies to the city and other regions, which means high price in the countryside in contrast to low price in the city. The government must be responsible in order to erase such the disparity in petroleum price.

Major reason behind high petroleum price in far regions is because of transportation cost delivering petroleum, officials claim.

Accordingly, Prime Minister Ch.Saikhanbileg said at the meeting: “One of the major objectives for the government is to reduce a gap in the base petroleum price between the city and other provinces such as Khovd, Gobi-Altai, Khuvsgul, Dornod, Sukhbaatar and Umnugobi.

The government has been working on taking certain approaches to resolve the issues, added Prime Minister. Namely, the exclusive tax imposed on imported oil and oil products to our country was reset at the regular meeting of the government last week.

The government will carry out a flexible approach in order to prevent fluctuation of petroleum price, which has been relatively stable for last three years.

If accomplished, it is safe to assume that prices in other common goods are going to drop, cited Prime Minister.

Moreover, Prime Minister assigned Ministry of Mining and Oil Authority to cooperate on creating oil reserves in connection with the low price of petroleum at international markets. It is crucial to reduce the disparity among petroleum prices within this year, said Prime Minister.

Press and Public Media Division of Government.



## Petrol import data

November 11 (news.mn) During the first nine months of 2015, Mongolia imported 875.9 thousand tons of petroleum, which has brought MNT 212.1 billion into the State Budget. In 2014, the price of petroleum fell by about 40% and in 2015 by 25%. Currently, the petroleum import companies are making a 13%-17%. The State considers that this should be reduced to 7%. Subsequently, the Government plans to increase the special petroleum tax by MNT 200,000-300,000 per ton in the Clarification to the 2015 State Budget. As a result, it is expected that the State will receive MNT 43.5 billion in tax revenue before the end of 2015 and MNT 200 billion in 2016.

## State officials say fuel prices will not increase

November 11 (UB Post) Head of the Petroleum Authority of Mongolia (PAM) G.Ulziiburen reported that fuel prices will not see any increase, following a government proposal on raising excise taxes on fuel.

G.Ulziiburen commented, "Information about a fuel price increase was spread among the public without any basis. Due to drops in the prices of fuel in the global market, the government has fully created an excise tax that is fixed. Following the decrease in fuel prices, a space for generating more income from excise taxes was created. We did regulate the issue so that excise tax would generate more for the nation's state budget without touching the prices for fuel."

He added that due to transportation costs, residents in the western regions of Mongolia consume fuel at a higher price than urban citizens. However, PAM is working toward distributing fuel at a lower cost to western regions, Ulziiburen said.

PAM also reported that Mongolia has imported 875,900 tons of oil products as of the first nine months of 2015, and generated 212.1 billion MNT for the state budget in excise taxes.

In 2014, prices for oil products went down by 40 percent, while this year they fell by 25 percent. Statistics show that oil importing companies work with a 13 to 17 percent profit. The state believes that their profit margin should be seven percent. Following this issue, the government submitted a proposal for a 2015 budget amendment to increase excise tax on fuel by 200,000 to 300,000 MNT per ton, not changing the current prices for fuel. Approval of the amendment will generate 43.5 billion MNT by the end of this year for the nation's budget, and increase budget income in the upcoming year by 200 billion MNT, according to government officials.



## Energy

### Salkhit Wind Park saving 1.6 ton water each year

Ulaanbaatar, November 9 (MONTSAME) A.Tleikhan MP visited Salkhit Wind Power Plant November 7 to get acquainted with the activities of Mongolia's first wind park that is operating on turbine generators supplied from General Electric.

The wind park, located in Sergelen soum of Tov (Central) aimag 75 km from Ulaanbaatar, was commissioned in June of 2013. The plant is based on 1.6 MWT capacity 31 turbine generators, annually reducing the greenhouse gas emission by 180 thousand tons and saving 1.6 million tons of water and 122 thousand tons of coal.

This environmentally friendly power source supplies 50 MWT electricity to the Central energy system, informed the CEO of Clean Energy LLC Ts.Sukhbaatar.

A.Tleikhan MP underlined that Salkhit plant has made huge progress in comparison with the last year, to which greatly attributed newly adopted Law on Renewable Energy and the State Policy on Energy. The world is putting away coal as energy source and turning to more clean sources as solar, hydro and wind powers. "Mongolia should do the same", he noted.

## Infrastructure

### China to finance road construction

November 10 (news.mn) The construction works of the road between "Tosontsengel-Uliastai" (114km) and "Bayanhongor-Baidrag Bridge" (129.4 km) which will be financed with an export-soft loan from the Chinese Government are ready to commence.

In 2010, during a visit by the Premier of the State Council of the People's Republic of China, Wen Jiabao, the official agreement for a raft of USD 500 soft loans was approved. Under this agreement, 13 projects were approved by the Parliament for implementation in three sectors. The soft loan has an annual 2% rate and must be repaid within 20 years.

The projects, mentioned above will be built by Chinese companies due to be approved by the Chinese Government.



## Company News

# Prophecy Development Corp (TSE:PCY) Financing Change

November 13 (articlebasis.com) Prophecy Development Corp. (TSE:PCY)(OTCQX:PRPCF)(Frankfurt:1P2) announces that it has closed the first tranche of the \$1,000,000 non-brokered private placement announced on November 12, 2015.

The first tranche of the Placement raised gross cash proceeds of \$250,000 through the issuance of 6,250,000 units of Prophecy. Each unit is comprised of one Common share and one Common share purchase warrant. Each Warrant entitles the holder to purchase one additional Common share of the Company at an exercise price of \$0.07 for a period of five years from the closing of the Placement.

in either instance, for a period of over 30 consecutive calendar days, at Prophecy's election, the exercise period may be reduced in which case, Warrant holders will only be entitled to exercise their Warrants for a period of 30 days from the date the Company either disseminates a press release or sends written notice to the Warrant holders advising them of the reduced and accelerated exercise period after which, the Warrants will expire.

Company management and directors subscribed for 2,500,000 units of the Placement in the first tranche.

Prophecy Development Corp., formerly Prophecy Coal Corp., is a Canada firm engaged in the acquisition, exploration and development of mineral, mining and energy projects in Mongolia, Bolivia and Canada. The company has a market cap of \$11.75 million. The Firm owns a 100% interest in coal projects in Mongolia, including the Ulaan Ovoo coal property, the Khavtgai Uul and Chandgana Tal coal deposits . It currently has negative earnings. The Ulaan Ovoo thermal coal mine is located 17 kilometers from the Russian border.

The stock closed at \$0.035 during the last session. It is up 20.00% since April 10, 2015 and is downtrending. It has underperformed by 17.78% the S&P500.

Prophecy Development Corp - Receive News & Ratings Via Email - Enter your email address below to receive a concise daily summary of the latest news and analysts' ratings with MarketBeat.com's FREE daily email newsletter.

# SouthGobi Resources Ltd (TSE:SGQ) Earnings Update

November 12 (articlebasis.com) SouthGobi Resources Ltd. (TSE:SGQ)(HKSE:1878) today announced its financial and operating results for the three and nine months ended September 30, 2015. All figures are in U.S. Dollars unless otherwise stated.

Market conditions and prices for coal remained weak in China through the third quarter of 2015. The Company sold 0.49 million tonnes of its coal products during the quarter.



The Company is pacing production with current and expected demand, production was 0.71 million tonnes for the quarter as compared to 0.17 million tonnes for the third quarter of 2014.

The Company ended the third quarter of 2015 without a lost time injury. As at September 30, 2015, the Company has a lost time injury frequency rate of nil per 200,000 man hours based on a rolling 12 month average.

During the first nine months of 2015, market conditions and prices for coal remained weak in China.

SouthGobi Resources Ltd. is a coal mining, development and exploration company. The company has a market cap of \$95.72 million. The Firm owns coal projects in Mongolia, which includes the Ovoot Tolgoi open pit producing coal mine (Ovoot Tolgoi Mine) and other development projects, including the Ovoot Tolgoi Underground Deposit, the Soumber Deposit and the Zag Suuj Deposit. It currently has negative earnings. These projects are located in the Umnugobi Aimag (South Gobi Province) of Mongolia, within 150 kilometers of each other close to the Mongolia-China border.

It is down 51.25% since April 9, 2015 and is downtrending. It has underperformed by 49.96% the S&P500.

SouthGobi Resources Ltd - Receive News & Ratings Via Email - Enter your email address below to receive a concise daily summary of the latest news and analysts' ratings with MarketBeat.com's FREE daily email newsletter.