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Politics

Premier gives interview to Financial Times

Ulaanbaatar, March 8 (MONTSAME) The Prime Minister Ch.Saikhanbileg has given an interview to the "Lunch with the FT" taken by Lucy Hornby, a Beijing-based correspondent of the Financial Times newspaper, one of the world biggest and leading newspapers.

The Financial Times is a British English-language international daily paper with a special emphasis on business and economic news internationally. The paper, published by Pearson in London, was founded in 1888 by James Sheridan and Horatio Bottomley, and merged with its closest rival, the Financial News (which had been founded in 1884) in 1945.

Ms Hornby has interviewed PMs and celebrities of many countries.

Ch.Saikhanbileg: "Mongolia is heading in the right direction"

March 10 (Mongolian Economy) Prime Minister Ch.Saikhanbileg held a meeting with American Chamber of Commerce in Mongolia (AmCham). At the beginning of the meeting, Chairman of AmCham Mongolia Jackson Cox said: "We believe Mongolia will find solutions to the economic issues very soon. Amcham will support the Prime Minister and other decision makers, and try to cooperate henceforth." More than 100 representatives of foreign and domestic companies gathered during the meeting.

Most of the investors and entrepreneurs who were participating in the meeting wanted to know the current investment atmosphere in Mongolia, and what measures parliament is undertaking to improve the situation. Participants emphasised the case of the management of SouthGobi Sands, which sent a nightmarishly negative message to foreign investors. The Prime Minister said: "Judicial departments must correct the incomprehensible court decrees and laws. In order to avoid such situations in the future, we shall discuss if need to make amendments to the tax law during the spring session. I am confident that we will not face situations like this again, because Mongolia is heading in the right direction."

The Prime Minister added that participation of private sector actors in the development of value added manufacturing will bring about success. The meeting participants expressed their support of this belief. The government will provide support to the megaprojects Oyu Tolgoi, Tavan Tolgoi and Sainshand Industrial Park by increasing the involvement of the private sector and letting them handle management.

Ch.Saikhanbileg stressed that Mongolia is not against investors. The government considers making changes to address both the past and current situations. A government study of international tax system standards is underway, in order to change the tax system during the forthcoming spring session. The Prime Minister said: "I think it



would be wise to invest during the world market commodity price decline. I hope the investors see this opportunity to benefit when commodity prices rise again. We will continue our current work vigorously.”

Speaker of Parliament presented with activity at Oyu Tolgoi LLC

March 9 (news.mn) On March 6, administrators of Oyu Tolgoi LLC met with Speaker of Parliament Z.Enkhbold and accompanying officials at the OT mine site, and presented updated, general information regarding the operation of the mine.

Director of Local Relations Sh.Baigalmaa introduced local projects being implemented by the company.

Since the export of its first copper concentrate 19 months ago, on February 18, the amount of exported copper concentrate reached one million tons.

In 2014, the Oyu Tolgoi mine produced 148,400 tons of ore containing copper and 589,000 ounces of gold containing concentrate.

Ore containing concentrate from the mine is processed at the mine's factory, and administrators of the factory told the Speaker that in 2015, the factory is going to produce 175,000 to 195,000 tons of copper concentrate and 600,000 to 700,000 ounces of gold concentrate for export.

Presently there are 16 female drivers operating heavy machinery from Komatsu for production, and the OT officials introduced the work of one of the women.

The Speaker stressed that Mongolian women are very strong, which could be seen from the driving of heavy machinery by these women.

The Speaker was also introduced to the crushing plants for ore from the mine and with the packaging factory for final products. Specialists from the central Geological Laboratory of Germany are working at the packaging factory and drying ready concentrate. After the determination of the concentrate's dry weight, it is sent to an authorized laboratory for inspection.

There are 6,500 employees working at Oyu Tolgoi, 95 percent of whom are Mongolians. Twenty-one percent of the Mongolian employees are residents of Umnugobi Province. The officials also pointed out that Oyu Tolgoi has purchased goods valued at 42 million USD from supply companies in the province.

In 2014 Oyu Tolgoi LLC paid 250 million USD in taxes and fees to the Government of Mongolia.

As reported by the Media and Public Relations Department of the Parliament the following MPs and officials accompanied the Speaker on his visit to the Oyu Tolgoi mine: MP D.Bat-Erdene, Senior Advisor of the Speaker S.Lamba, Advisor of the Speaker D.Lkhagvasuren, Head of the Board of Directors of OT G.Batsukh, Executive Director of Erdenes Oyu Tolgoi LLC D.Ganbold, General Operational Manager of Oyu Tolgoi LLC Andrew Miller, and others.



Speaker of Parliament of Mongolia to Pay Official Visits to Germany and Poland on Mach 14-21, 2015

March 13 (infomongolia.com) Mongolian delegates led by Speaker of the State Great Khural (Parliament) Zandaakhuu ENKHBOLD will be conducting official visits to the Federal Republic of Germany on March 14-18 upon an invitation of the President of the Bundestag, Professor Norbert Lammert and continuing to the Republic of Poland upon an invitation of the Marshal of the Senate, Bogdan Borusewicz on March 18-21, 2015. During his visit to Germany, Parliament Speaker Z.Enkhbold will be having bilateral talks with Bundestag President Mr. N.Lammert and Vice President Mrs. Edelgard Bulmahn.

Also, it is planned to meet the Secretary of State to the German Federal Ministry for Foreign Affairs Mr. Markus Ederer, Parliamentary State Secretary to the Federal Minister for Economic Cooperation and Development Mr. Hans-Joachim Fuchtel and the President of State Parliament (Landtag) of Berlin Mr. Ralf Wieland.

During his visit to Poland, Parliament Speaker Z.Enkhbold will be also meeting the Marshal of the Senate (Upper House) B.Borusewicz and Marshal of the Sejm (Lower House) Radoslaw Sikorski.

Also, it is planned to have talks with Deputy Prime Minister of Poland and Minister of Economy, Mr. Janusz Piechocinski as well as Minister of Foreign Affairs Mr. Grzegorz Schetyna and other officials from Warsaw University.

Signs for petition to dismiss the President collected

March 9 (gogo.mn) On March 7th, Khamag Mongol Project leader State Honored Artist S.Javkhlán, DM Darkhan Mongol Union and Gal Undesten Union have organized peaceful meeting on Chinggis Square.

Meeting participants have been expressing their protest against the state policy and have called the State Great Khural, Government of Mongolia and President for the open debate on the pressing issues. During the meeting organizers have collected the signs for the petition to dismiss the President.

Studies on Constitutional amendments are being conducted

March 10 (gogo.mn) Based on the resolution issued by State Great Khural to conduct studies on the current Constitution Law dated January 13th, 2015 working has been established to draft the amendments and submit for discussion.

Working group meeting was held on March 7th to discuss the main amendments and discuss the research.



Working group on drafting the amendments to the Constitution of Mongolia is led by MP N.Batbayar and MPs N.Battsereg, S.Bayartsogt, L.Bold, R.Gonchigdorj, D.Demberel, D.Lundeejantsan, L.Tsog and S.Oyun are included as members of the working group.

Civil Will-Green Party celebrates its 15th anniversary

March 10 (infomongolia.com) On March 09, 2015, the Civil Will-Green Party, CWGP (Иргэний Зориг Ногоон Нам), a political force having two seats at the 2012-2016 State Great Khural (Parliament), organized its Plenary Meeting celebrating the 15th anniversary of founding the Party.

The ceremonial event commenced with laying wreathes and flowers to the statue of late Sanjaasuren ZORIG and the meeting gathered over 500 delegates at the Drama Theatre in Ulaanbaatar.

The greeting remarks were delivered by CWGP Chairwoman, incumbent MP Sanjaasuren OYUN, CWGP Chairman, incumbent MP Sambuu DEMBEREL and CWGP Secretary General B.Khuder-Yan.

The meeting focused on Party structural issues and according to regulations, the CWGP is administered by three Chairpersons, where the third Chairman, former MP D.Enkhbat withdrew the Party membership in 2012 and since then the post was vacant to date.

At the voting, Ts.Gankhuyag, who used to be a member of CWGP Political Council, was elected as the third Chairman of the Civil Will-Green Party.

The Civil Will-Green Party was first founded under Civil Will Party on March 09, 2000 and called its first Plenary Meeting electing S.Oyun as the Head of the Party. In 2002, the Civil Will Party merged with Mongolian Republican Party and renamed as CWP-MRP until 2006 when the CWP became an opposition force on political arena and restored its initial name of Civil Will Party during the IV Plenary Meeting held in January 2006. Later, the Party authorities made some amendments in its regulation during the VIII Meeting held in January 2012 and it was resolved to obtain current name of the Party as the Civil Will-Green Party.

Cabinet Meeting in Brief

Ulaanbaatar, March 10 (MONTSAME) At its meeting on Monday, the cabinet decided to set up a working group to celebrate this August the 70th anniversary of the 1945 Victory in Liberation War.

- The Minister of Mining R.Jigjid presented to the cabinet matters on augmenting the exploitation of gold and intensifying the national economy. In conjunction with this, the Minister was ordered to take some measures for increasing the gold exploitation.
- The cabinet authorized the Representing Steering Committee of the State Bank of Mongolia to trade stocks costing up to USD 300 million at the international market in order to ensure implementation of the 41st resolution of parliament and to create a long-term financial source of foreign currency with a low-interest.



- The cabinet discussed and backed in principle a draft amendment to the law on protection of children's rights initiated by S.Odontuya and D.Battsogt MPs.
- The cabinet re-approved a composition of the commission of organization for the Naadam festival.

Cabinet considers Foreign Visits

Ulaanbaatar, March 10 (MONTSAME) The cabinet meeting on Monday discussed a state visit of the President Ts.Elbegdorj to the Czech Republic on January 18-20 as well as his participation in the 45th meeting of the World Economic Forum held January 21-24 in Davos, Switzerland. The Minister of Foreign Affairs L.Purevsuren was obliged to submit results of these visits to the National Security Council (NSC).

- The cabinet discussed participation of the Foreign Minister L.Purevsuren in the 51st Munich Security Conference held in February in Munich, Germany. The FM was ordered to take measures in connection with the Conference.
- The FM L.Purevsuren introduced to the cabinet results of an official visit of Mr S.Ye.Naryshkin, the Chairman of the State Duma of the Russian Federation, to Mongolia this February. He was obliged to present them to the NSC.
- The Deputy PM U.Khurelsukh was allowed to participate in the 3rd Conference on Reducing Disaster Risks to be held this March in Sendai city, Japan. Directives needed to be maintained during the visit will be approved by the Prime Minister.

Heads of AMH and COM appointed

Ulaanbaatar, March 12 (MONTSAME) By a decision of the cabinet made at its irregular meeting on Wednesday, D.Tsogt-Ochir has been appointed the head of the Authority of Meteorology and Hydrology (AMH), and B.Tsengel--the head of the Customs Office of Mongolia.

Mr Tsogt-Ochir used to work as a first deputy head of the Cabinet Secretariat for Government and as acting head of the AMH.

Foreign Relations

OSCE Conference of Asian region to run

Ulaanbaatar, March 10 (MONTSAME) An Asian region's conference of the Organization for Security and Co-operation in Europe (OSCE) regarding the Code of Conduct on military and politics will be held March 10-12 in Ulaanbaatar.

One of the OSCE's main bodies of military and politics is the Forum of Security Cooperation (FSC) which has functions of controlling armament, its trust and strengthening security. It runs every Wednesday and gathers delegates of the OSCE members and partners. It is chaired by its Participating-State, for a four-month term, Mongolia is chairing it from January to April of 2015.



The main aim of the Conference is to fulfill implementation actions of improving knowledge and understanding on the OSCE Code of Conduct among the Participating-States in Central Asia (Kyrgyzstan, Kazakhstan, Tajikistan, Turkmenistan and Uzbekistan) and the Partners of Asia (Japan, South Korea, Thailand, Afghanistan and Australia).

The Asian region's Conference will bring together officials of the OSCE Office for Democratic Institutions and Human Rights (ODIHR) and the International Research and Scientific Institute. They will exchange views and give reports on a democratic control over security and Armed Forces, international humanitarian laws and human rights of servicemen.

ASEM meeting National Council discussions

March 10 (gogo.mn) 11th ASEM meeting is set to be organized in July 2016 in Ulaanbaatar city. ASEM 2016 will be by far the largest diplomatic gathering in Mongolia's history with over 5000 guests including leaders, government officials, international agencies and media of 51 countries attending the event.

National Council organizing the event is led by the Prime Minister Ch.Saikhanbileg and today the council held its plenary discussion on the organizational matters.

Minister of Foreign Affairs L.Purevsuren emphasized that 11th ASEM meeting should come up with two documents, which are Ulaanbaatar Manifest and Chairman Statement. Chairman Statement will be a document that concludes on the cooperation and partnership success and experiences, while the Ulaanbaatar Manifest will state the future direction concepts for the governments of the member countries.

As for Mongolia, it will find itself in the international spotlight. For a frontier economy like Mongolia, such high-level international exposure comes rarely and will represent an opportunity to boost its profile and attract investment and tourist flows.

Next meeting for National Council is set to be held within this month.

FM Addresses Disarmament Conference

Ulaanbaatar, March 9 (MONTSAME) Minister of Foreign Affairs of Mongolia L.Purevsuren, being with a working visit to Geneva of Switzerland, addressed on March 5 the High-Level Segment of the UN Conference on Disarmament.

The Chief diplomat of Mongolia said his country fully supports the global community's effort for forwarding the objective on disarmament, particularly in the dispensing and non-proliferation of nuclear weapons, and emphasized an importance of restoring the active operations of the Conference on Disarmament that has a key responsibility in the implementation of such an objective. In this regard, certain initiatives and suggestions made by Mongolia as the current chair of the Conference can serve in intensifying the operations of the Conference on Disarmament, said Mr Purevsuren.

All efforts must be put by the global community in order to ensure the full implementation of the Treaty on the Nuclear Weapons' Non-Proliferation, and the enforcement of the Comprehensive Nuclear Test Ban Treaty, he went on.



The Nuclear-Weapons-Free Zones are making a certain contribution to strengthening of the international and regional security and to the consolidation of the non-proliferation system, underlined the FM and added that Mongolia has also been contributing to these frameworks.

The High-level Segment of the Conference on Disarmament is being held on March 2-10. Foreign Ministers and their deputies from 31 countries including the UK, Germany, Russia, South Korea, Mexico, Turkey, Japan, Sweden, Iraq, the Netherlands and North Korea are attending the Segment. Mongolia is chairing the event in February and March.

Purevsuren attends Human Rights Council Session

Ulaanbaatar, March 9 (MONTSAME) On the sidelines of his visit to the UN Headquarters in Geneva, the Minister of Foreign Affairs L.Purevsuren gave remarks to the 28 th Session of the UN Human Rights Council on March 5.

The Foreign Minister, on behalf of the Mongolian Government, complimented the Human Rights Council for its responsible observance of the duties in ensuring the human rights and fundamental freedoms since its establishment in 2006.

The FM informed the gathered about the measures taken by the Government for promoting and protecting the human rights. He mentioned that Mongolia has joined 30 international agreements on human rights, which include seven main agreements, and that the Parliament ratified the International Convention for the Protection of All Persons from Enforced Disappearance and of the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment in 2014.

Mongolia has been giving special significance in reflecting the recommendations and suggestions given by the Council during the discussion of the First National Status Report on Human Rights in 2010, noted the FM and informed that the Second Report will be discussed in May of 2015.

He also noted that the government of Mongolia has made its first donation to the Office of the High Commissioner for Human Rights, and appealed to the other countries to promote by all means the activities of the Office.

The FM mentioned that Mongolia is actively working towards sharing with other countries its achievements and practices of overcoming the challenges in strengthening democracy, the human rights and freedoms and their protection.

Lastly, the Minister Purevsuren highlighted that Mongolia candidates for the membership to the Council in the term of 2016-2018 and requested the other member states to support Mongolia.

FM Attends COD Governing Council Meeting

Ulaanbaatar, March 9 (MONTSAME) A delegation led by the Minister of Foreign Affairs L.Purevsuren participated on March 4 and 5 in the 16th Meeting of the Governing Council of the Community of Democracies in Geneva, Switzerland.



The delegation included the Ambassador of Mongolia to the Swiss Confederation and the UN Headquarters in Geneva Mr V.Purevdorj and the head of the Department for Multilateral Cooperation Mr G.Ganbold.

Mongolia, who chaired the Community of Democracies in 2012-2013, is an elected member of the Governing Council. Minister Purevsuren addressed the 16th meeting that discussed the draft of "San Salvador Declaration on the New Issues of Development of the Community of Democracies (CD)", which is to be adopted during the Ministerial meeting of the CD to be held in El Salvador on July 24.

In these times of degrading of the space and involvement of civil societies and the rise of oppression, said the Minister, it is right to principally support such a document in light of protecting the civil societies and providing them with opportunities. However, the contents and structure of the Declaration have to be refined, he added and noted that Mongolia has initiated draft resolutions concerning the democracy education and had the 68th UN General Assembly and the 58th General Conference of the UNESCO adopt the resolutions. The FM said that Mongolia conducts various frameworks to shape the democratic values in the community.

Mongolia, backed its decision to transfer to democratic order and market economy by its Constitution in 1991, is aiming to engrain the democratic election along with the comprehensive concept of good governance, the human rights, press liberty, rule of law and transparency, he went on. "Our country is chairing the Online Freedom Coalition in purposes to affirm and share the achievements gained in last 25 years with others, and is to hold the Fifth Conference of the Coalition in May 4-5 in Ulaanbaatar. The fundamental rights of humans to speech and expression must be protected in the online world, as well" said the Minister.

At the meeting, the Secretary General of the CD, the Ambassador M.Leissner, and the UN Special Lector for the Right to Speech and Expression D.Kay announced their intentions to participate in the Fifth Conference of the Online Freedom Coalition.

Japan to provide non-refundable aid

Ulaanbaatar, March 11 (MONTSAME) the Minister of Foreign Affairs L.Purevsuren and the Ambassador of Japan to Mongolia T.Shimizu signed Wednesday a Note of Understanding on the "Project on supplying museum exhibit preserving equipment for Mongolian National Museum".

In its frames, a JPY 41.8 million, or 690 million Togrog worth equipment is to be allocated to Mongolia. The Minister said this aid is the 25th cultural aid for Mongolia provided by Japan. "The amount of the previous non-refundable aids totaled to one billion 560 million Yens or 25.7 billion Togrog," he noted and thanked the government of Japan for showing assistance in preservation, archiving and studying the historic exhibits, the cultural immunity of Mongolia.

"We will never forget the earnest help given by the government and the people of Mongolia four years ago when the earthquake caused great damage in Japan," noted the Ambassador Shimizu. He said Japan has been actively working for conserving the cultural heritage of Mongolia, for instance, the projects on Preserving the Intangible Cultural Heritage and on Assistance for Museum Curators' Capacity Building have been implemented successfully through the Japan Fund at the UNESCO since 2012. He also



mentioned the establishment of "Kharkhorin" museum in Ovorkhangai aimag under a financing of a non-refundable aid by Japan's government.

"Dissemination and advertisement of historic and cultural heritage have been reflected in the Medium-term Program of the Strategic Partnership, signed by Mongolia and Japan. We consider that today's project will serve greatly in realizing those goals and can give an impetus to the tourism development in Mongolia," the Ambassador said.

A related agreement on the project implementation was inked by the Minister of Finance J.Erdenebat and by the head of mission of the JICA to Mongolia Mr M.Sato.

Ambassador of Belarus Stanislav Chepurnoy meets Vice Minister for Construction and Urban Development of Mongolia

March 11 (mfa.gov.by) On March 11, 2015 Ambassador Extraordinary and Plenipotentiary of the Republic of Belarus to Mongolia Stanislav Chepurnoy met with the Vice Minister for Construction and Urban Development of Mongolia, Chairperson of the Mongolian part of the Joint Belarusian-Mongolian Commission on trade and economic cooperation Gochoosuren Baigalmaa.

The sides discussed a wide range of issues of bilateral cooperation, including the agenda of the next session of the Joint Belarusian-Mongolian Commission on trade and economic cooperation.

Turkey to broaden cooperation with Mongolia in agriculture, transportation, education and food industries

March 10 (infomongolia.com) On March 06-07, 2015, the Ambassador Extraordinary and Plenipotentiary of the Republic of Turkey to Mongolia, Murat Karagoz and his accompanying delegates have paid a working visit to Selenge Aimag, Mongolia.

The visit was aimed to conduct bilateral meetings in broadening economic and cultural cooperation between the two countries as well as to get acquainted with activities of Altanbulag Free Trade Zone and to stimulate open diplomatic activities to public carried out by the Turkish Embassy to Mongolia. =

Ambassador M.Karagoz was accompanied with Mr. Oguz Kuyumcu, Economic and Commercial Counselor at Turkish Embassy; Mr. Mustafa Fahri Ugur, Social Services Coordinator at Turkish Embassy; Associate Professor Ekrem Kalan, Project Coordinator for Turkish International Cooperation and Development Agency (TIKA); Mr. Turan Can, Assistant to Prof. E.Kalan; Ms. Baatar ALTAI, President of Turkish-Mongolian Industrialists' and Businessmen's Association (TMIBA) and Mr. Nusret Kaya, TMIBA Vice-President in charge of Turkish side.



In the frameworks of the visit, Ambassador Murat Karagoz held a bilateral meeting with Governor of Selenge Aimag S.Burenbat to discuss potential cooperation in the fields of agriculture, transportation, education and food industries. Also, the delegates were familiarized with "Altan Taria" mill house activity and held a meeting with students and business community. As part of cultural programs, "Istanbul Unveiled" a travel documentary film was shown to public and the delegates went sightseeing the Selenge Aimag's pride of Khulan Khatan Monument (Khulan Queen) and Saikhany Khutul, a natural landscape.

On March 07, 2015, the Turkish delegates and Selenge Aimag Governor have visited the Altanbulag Free Trade Zone and attended the opening ceremony of "Made in Turkey" center.

During the meeting with Governor of Altanbulag Sum and other officials of the Free Trade Zone, Ambassador M.Karagoz noted, "There are 19 active Free Zones in Turkey, where Ege Free Zone in Ismir is the largest one. Last year, commercials equivalent to 3.5 billion USD were made at these Free Zones. Our Government adheres three policies on free trade - open & competitive, friendly & trustworthy to foreign investors and less bureaucracy or less management levels. In this regard, we are able to partner and exchange experiences with Mongolian counterparts in this sphere".

Afterwards, the Turkish Ambassador and accompanying delegates crossed the Altanbulag border port and continued their working visit in Kyakhta (Khiagt), an administrative center of Kyakhtinsky District in the Republic of Buryatia, Russia. During the visit, Ambassador M.Karagoz held a meeting with Kyakhta Governor A.Buyantuev.

Concluding his working visit to Selenge Aimag, Mr. Murat Karagoz told to press that the Republic of Turkey is ready to partner with Selenge Aimag in any sectors as considered as a strategic region of Mongolia and the Embassy further to work supporting businesses in Selenge Aimag as well as to establish a sister-city relation between Selenge Aimag and a Turkish city.

On their way back to Ulaanbaatar, the delegation was welcomed by Governor of Darkhan-Uul Aimag S.Nasanbat.

Darkhan city of Darkhan-Uul Aimag has recently established a sister-city relation with Eskisehir city, the capital of the Eskisehir Province, Turkey.

The Murat Karagoz's visit to Selenge Aimag and Altanbulag Free Trade Zone is recorded as the first official visit by Turkish Ambassador.

Ambassador of Canada presents credentials

Ulaanbaatar, March 11 (MONTSAME) The President of Mongolia Ts.Elbegdorj received the credentials from the Ambassador Extraordinary and Plenipotentiary of Canada to Mongolia Mr Eelco Jager on March 11.

Mr Elbegdorj congratulated him on arriving in Mongolia as the Ambassador and noted with satisfaction a successful development of the relations and cooperation between the two countries in recent years.

He also underlined the successful visits to Mongolia of Canada's Governor-General David Johnston in 2013 and of Foreign Minister John Baird in 2014. "The round table



meetings between the two countries have become an important mechanism to evaluate the current level of the relations and to discuss the future cooperation possibilities. The Head of the Mongolian side of the round table meeting, the Minister R.Jigjid's visit to Canada was a success where he attended the 2015 Convention of Prospectors and Developers Association of Canada (PDAC)," he said.

He is pleased with placing Mongolia in the list of Canada's "Countries of focus" for international development assistance program, he said. There are numerous potentials in further developing of the cooperation in education, legislature, agriculture, construction, infrastructure, and health spheres, he added.

The Ambassador Jager said he is glad to be appointed to Mongolia--to country with unique history and traditions. He gives a great importance to the visit of Mongolian Mining Minister R.Jigjid to Canada and to the meeting of the Mining Ministers of the two countries.

After this, the sides touched upon opportunities for developing the partnership in the education sphere.

Foreign Trade

Made in Turkey center to operate at Altanbulag Free Trade Zone

March 11 (gogo.mn) Mr Murat Karagoz Republic of Turkey Ambassador to Mongolia visited Altanbulag Free Trade Zone on March 6-7 in Selenge aimag in order to conduct meetings on developing and strengthening economic and cultural cooperation.

Ambassador Murat Karagoz met with Mr C.Burenbat, Governor of the Selenge aimag and exchanged views on the opportunities to cooperate in agricultural, transportation and logistics, education and food sectors.

Later during the visit Ambassador addressed the opening ceremony of the Made in Turkey center, which took place at the Altanbulag Free trade zone. During the event Ambassador noted that in Turkey there are 19 free trade zones and one of the most active ones are at Ege and that annual sales at those free zones reached USD 3.5 billion, as Turkey improved business environment for investors and other businesses and emphasized that Turkey is ready to cooperate with Mongolia in this direction and share its experiences.



2015 Mongolia-Russia-China Trade Fair to Take Place in Ulgii Sum of Bayan-Ulgii Aimag

March 12 (infomongolia.com) On March 16-18, 2015, the Mongolia-Russia-China Trade Fair of three neighboring countries was announced to be organized in center of Bayan-Ulgii Aimag, Ulgii Sum.

In the frameworks to develop the trilateral economic partnership and to boost the inter-border collaboration, entrepreneurs from Russia's Altai Republic and Altay Prefecture of the Xinjiang Uyghur Autonomous Region, PR of China will be gathering at the Jana-Olke indoor trading center organized by Governing Administration of Bayan-Ulgii Aimag. Such trilateral business event has been organized annually in each territory and the last Mongolia-Russia-China Fair Trade was held at the International Convention and Exhibition Center in Manzhouli city of Inner Mongolia, China in August 2014.

Counterfeit Goods under "Made in Mongolia" Labels No Longer to Import from Inner Mongolia, China

March 13 (infomongolia.com) A group of delegation from Mongolian Authority for Fair Competition and Consumer Protection headed by Chairman T.Ayursaikhan is conducting a working visit to China's Inner Mongolia Autonomous Region Administrative Bureau of Industry and Commerce, reports Mongolian Authority on March 13, 2015.

During the visit, Chairman T.Ayursaikhan and Director General of Industry and Commerce Administration of the Bureau, Mrs. Chen Jie have held a bilateral meeting discussing a wide range of cooperation issues, in particularly, how to broaden partnership in the sector and promote collaboration.

As part of negotiations reached, parties agreed to conduct a joint training on consumer rights, exchanging experiences and information on implementation of legal frameworks under the Law on Fair Competition as well as mutual support on border surrounding areas and improve monitoring on counterfeit goods.

Thereby, if Mongolian citizens' consumer rights are violated with purchased goods or services in Inner Mongolia, the Administrative Bureau ensures to deal with allegation promptly.

Moreover, some goods being sold in Inner Mongolia are potentially misleading Mongolian consumers as fake labels attached onto as "Made in Mongolia". Therefore, the sides agreed to carry out urgent measures not to cross-border trade such products and goods into Mongolia.



Economy

Mongolia's 'third neighbor'

March 15 (Japan Times) On Feb. 10, Japan and Mongolia signed an Economic Partnership Agreement that will come into effect this spring. Trade between the two countries is small — accounting for less than 1 percent of Japanese trade. The agreement is, however, of strategic importance as Japan seeks to negotiate closer economic ties with countries in the region. Mongolian mineral resources such as its coal deposits are increasingly important for Japan as it contemplates the appropriate energy mix at a time when it is considering how to reduce its dependence on nuclear power.

Japan, Mongolia, China and Russia exist alongside the United States within the World Trade Organization (WTO) system as equal members. This system has at its core, a set of mutually agreed principles on the operation of international trade in goods, services, agriculture and other areas.

The casual observer could be forgiven for thinking that this system had fallen into disuse since the late 1990s. Nothing could be further from the truth.

The turning point was the failed 1999 WTO Ministerial held in Seattle that prompted a few small Asia-Pacific countries to begin a pattern of negotiating bilateral trade agreements according to the model originally found in Article 24 of the General Agreement on Tariffs and Trade (GATT). These countries such as Singapore and New Zealand, because they were smaller countries, felt more keenly the cold wind of anxiety as the U.S. and Europe were bogged down in multilateral trade negotiations.

In hindsight, the trade system was deadlocked and little has changed in 15 years. Up to this point, Japan had placed faith and confidence exclusively in a nondiscriminatory trade policy that didn't entertain even the notion of a free trade agreement. After careful evaluation, credible evidence emerged that failure to negotiate bilaterally would undermine Japan's competitive advantage. This remains Japan's view.

At the time, existing free trade agreements were conferring preferential treatment to other countries, discriminating against Japanese companies operating abroad. Some in the government also believed that such agreements would have a positive flow-on effect on the Japanese economy.

What Japan adopted was the pattern of negotiating bilateral agreements that while originally intended to focus on "free trade" became wider in scope, leading to the framing of "strategic economic partnership agreements" or EPAs. Currently Japan has 13 agreements in force and one regional agreement, and is negotiating with a further three nations and five regions.

Receiving media attention these days has been the Trans-Pacific Partnership (TPP), partly because of the involvement with the U.S. All agreements both in force and under negotiation are of importance to Japan.

In the 1990s there was some discussion of so-called strategic trade policy. This was tied to the idea of using protectionism to promote certain domestic industries. The use of the term in the context of an EPA is quite different.

An EPA usually focuses on the liberalization of trade, clarification and stabilization of rules of commerce and paves the way for an expansion of trade and investment only



among some trading partners. Since the turn of the century, most countries in the region have been negotiating various types of similar trade agreements with many of their trading partners.

It is true that the Japan-Mongolia EPA is not the TPP. But the Mongolia-Japan EPA is of strategic importance for both countries. At the Japan-Mongolian Summit in Tokyo on Feb. 10, Mongolian Prime Minister Chimed Saikhanbileg affirmed Japan as Mongolia's "third neighbor," alongside Russia and China. This idea encompasses a growing cultural, educational, social as well as economic integration between the two countries.

In economic terms, Mongolia's rich mineral deposits are increasingly important for Japan. Mongolia is rich in iron ore, gold, coal and crude oil. Japan is a resource-poor country and needs to import such materials to sustain economic well-being.

At the current time, China is the principal importers of Mongolian mineral resources, but Chinese dominance is expected to be challenged under this agreement.

In recent years there has been growing concern in Mongolia and elsewhere over China's economic growth and implications for the future political integrity of this landlocked nation.

Critics allege that coal prices are suppressed by China's dominant influence. Others critics argue that this has led to national anxiety over China's intentions for Mongolia. Not surprisingly, as China grows exponentially, its appetite for raw materials and minerals such as coal is a consequence of that growth.

China remains Mongolia's largest destination of coal.

The EPA with Mongolia however is expected to facilitate greater Japanese investment in the Mongolian resources market, to compete with other foreign companies already operating in the country. Provisions in the treaty guarantee national treatment as well as giving both parties the right to take measures against anti-competitive behavior. These rules will contribute to greater stability and clarity.

The WTO celebrates competition and free markets within a system of mutually agreed rules. Japan, China and Mongolia rely upon these rules to safeguard the massive economic growth in the region in recent years. Any trade with Mongolia relies upon the transportation of trade resources across Chinese territory.

Japan also needs to adapt to the energy realities after the tragic March 11, 2011, earthquake and tsunami. Before this catastrophe, Japan's electrical power was driven largely by nuclear energy but in the current climate, other sources of power are desirable.

It is in this context that Mongolian mineral resources are of growing importance for Japan as the nation seeks the right path for "An agreeable energy mix" as suggested in the Feb. 27 editorial of The Japan Times.

Mongolia is part of a vital regional economy that relies upon continual economic expansion and stability. Japan's future is also dependent upon the WTO system, a system that has informed and underpinned the growth and development of China and East Asia.



Participate in the Mongolian Economic Forum

March 10 (Mongolian Economy) One of the most exciting and important conferences in Mongolia is the highly anticipated annual Mongolian Economic Forum, which assembles for two days to discuss the country's politics, economy, and private sector. The discussion, featuring representatives from international organisations and domestic participants in every sector, is open to the participation of the general public.

While the event is usually held in March, this year's Forum will be held on April 2-3rd. Executive director of the Mongolian Economic Forum NGO B.Lakshmi gave the following explanation for the delay: "There were a number of reasons why we delayed the Forum. Mongolia is participating in the ITB Berlin-2015 exhibition as an official partner for the first time. And one of the reasons we delayed the Forum was that the President and several members of parliament went to Berlin to participate in this exhibition. The other reason was that most of the parliament members are working in their affiliated jurisdictions during the current break between parliament sessions."

Every year, the Forum is held under a new slogan; this year's motto is "Trust". The organisers chose this word as they feel there is a lack of trust on every level in Mongolia. Due to government instability, an ever-shifting investment environment, and legal cases that have made international headlines, foreign investors have completely lost their faith in Mongolia as an investment destination. Domestic businesses and civil society as well have little to no trust in the Mongolian government. The objective of the Forum is to regain the trust Mongolia has lost; various sector representatives will voice their opinions.

During the Forum, the participants will discuss macro-economy issues associated with Mongolia's current economic troubles, and the megaprojects Oyu Tolgoi and Tavan Tolgoi. In addition, other discussions will focus on improving Mongolia's credit rating, and the free-trade agreement with Japan. Government representatives will present state policy decisions; while private sector representatives will voice their opinions about the state's legal and business environment, and discuss improvements. Both sides will be on hand to present their point of view, hear that of others, and reach potential solutions.

Forum participants won't just be Mongolians, but also representatives of foreign investors and international organisations, all there to discuss current issues and offer suggestions. For example, former Prime Minister of the Netherlands Wim Kok, the person who turned the Dutch Disease into the Dutch miracle, was a guest speaker in 2012. Last year, delegates from the World Economic Forum came to discuss and advise Mongolia's development strategy and green development policy. This year, guests from the European Union will be joining the Forum.

Over the coming weeks, as the Forum's schedule of events fills out, keep checking back in with Mongolian Economy magazine, which is working as the Forum's media sponsor for the fifth year. Stay tuned for updates on the Mongolian Economic Forum news on our website www.mongolianeconomy.mn. As in previous years, please register for the Forum at www.meforum.mn/register.



Possible State Budget Adjustments expected at Spring Khural Session

March 13 (gogo.mn) State Budget approved by the State Great Khural provisioned the copper prices to be at USD 6500, while the current market prices are at USD 5700, which might impose negative outcomes at the budget income.

Budget deficit usually come evident around October of each year with the interruption of the operations of state entities. This situation has started quite early for this year as Ulaanbaatar Railroad and other state owned entities are facing problems with their salaries.

As the prices of main commodity of Mongolia copper, which is the main contributor to Mongolia's state budget, is falling at the international market, there might be possible adjustments at the State Budget this spring.

Balance of payments for last quarter of 2014

Ulaanbaatar, March 9 (MONTSAME) The Bank of Mongolia released Friday the report on the Balance of Payment (BoP) for the last quarter of 2014. Compared BoP for quarter 4 with the preliminary BoP that was released on January 30, the report shows following changes: current account deficit decreased by USD3.3 million, capital and financial account surplus declined by USD 41.6 million and errors and omission decreased by USD38.3 million.

Quarterly BoP (October, November and December) alters from the preliminary release as it was executed using data from quarterly surveys of enterprises, international trade statistics, state budget report, information from the banking system and Mongolian enterprises' balances at foreign accounts.

Preliminary BoP for January 2015

Ulaanbaatar, March 11 (MONTSAME) The Bank of Mongolia (BoM) reported Wednesday that the current account of the Balance of Payments (BoP) had surplus of USD 116.7 million which means the deficit had dropped by 196 percent from the previous year.

This was due to USD 235.0 million increase on surplus of trade in goods to USD251.4 million.

Capital and financial accounts showed deficit of USD 278.8 million, which is a decrease of 229 percent or USD 495.1 million against 2014. This sharp decline is explained by drop in foreign direct investment into Mongolia and portfolio investment byUSD242.0 million and USD336.5 million respectively.



Inflation rate reached 9.3%

March 13 (gogo.mn) As of February 2015, inflation rate in Mongolia reached 9.3 percent, while inflation rate in Ulaanbaatar city reached 8%. If that situation continues, Bank of Mongolia policy to control inflation at lower level, i.e. 7 percent will be implemented. As of June 2014, inflation rate was 14.9 percent. Thus, our purchasing power was lowered by 15 percent.

Today, Financial Stability Council is to discuss on main factors of inflation rate in detail. N.Zoljargal, Governor of BoM, J.Erdenebat, Minister of Finance and Z.Narantuya, Head of FRC are included in the Financial Stability Council.

External Trade Turnover in Statistics

Ulaanbaatar, March 13 (MONTSAME) Total external trade turnover of Mongolia reached USD1,215.6 million in the first two months of this year after trading with 103 countries.

USD 753.2 million was made up by exports and USD 462.4 million by imports. Total external trade turnover increased USD 7.3 million or 0.6% of the total. Exports increased by USD 158.9 million or 26.7%, whereas imports decreased by USD 151.5 million or 24.7% against the previous year.

External trade balance showed a deficit of USD 19.5 million in the first two months of 2014, while it was in surplus of USD 290.9 million in the first two months of this year.

Money supply in figures

Ulaanbaatar, March 13 (MONTSAME) According to a report of the Bank of Mongolia, money supply(broad money or M2) reached MNT 10.3 trillion at the end of February, decreasing by 63.5 billion Togrog or 0.6 percent from the previous month, and increasing by 403.3 billion Togrog or 4.1 percent against the same period of the previous year.

Currency issued in circulation reached MNT775.9 billion, showing increase of 43.5 billion or 5.9 percent against the previous month, and of 19.3 billion Togrog or 2.5percent compared to the same period of 2014.

Loans outstanding amounted to MNT12.2 trillion at the end of February, reflecting increase of 90.2 billion Togrog or 0.7 percent against the previous month, and an increase of one trillion Togrog or 9.2 percent compared to the same period of the previous year.

Principals in arrears reached 397.6 bln.tog at the end of February 2015, increased by 79.9 bln.tog or 25.2 percent from previous month, by198.7 bln.tog or 2.0 times compared to same period of the previous year.



Stock Exchange

Stock exchange weekly review

Ulaanbaatar, March 9 (MONTSAME) Five stock trades were held at Mongolia's Stock Exchange March 2-6 of 2015. In overall, 170 thousand and 987 units of 32 JSCs were traded costing MNT one billion 617 million 632 thousand and 794.

"Hermes center" /99 thousand and 919 units/, "Olloo" /10 thousand and 250 units/, "State Department Store" /7,850 units/, "Remikon" /5,744 units/ and "Genco tour bureau" /5,507 units/ were the most actively traded in terms of trading volume, in terms of trading value were "APU" (MNT 16 million 529 thousand and 450), "Hermes center" (MNT 14 million 188 thousand and 498), "Gobi" (MNT 13 million 896 thousand and 620), "Tavantolgoi" (MNT 13 million 053 thousand and 150) and "Mogin gol" (MNT eight million).

The total market capitalization was set at MNT one trillion 346 billion 776 million 547 thousand and 323. The Index of Top-20 JSCs was 13,696.99, and the MSE all index was 980.95 against the previous day.

Stock exchange news for March 9

Ulaanbaatar, March 9 (MONTSAME) At the Stock Exchange trades on Monday, a total of 3,301 units of 19 JSCs were traded costing MNT nine million 329 thousand and 504.90.

"State Department Store" /905 units/, "Khokh gan" /590 units/, "Makh impex" /332 units/, "Tavantolgoi" /328 units/ and "E-trans logistics" /300 units/ were the most actively traded in terms of trading volume, in terms of trading value were "Material impex" (MNT three million), "Talkh chikher" (MNT one million 868 thousand and 600), "Tavantolgoi" (MNT one million 180 thousand and 810), "Makh impex" (MNT one million 145 thousand and 400) and "Gobi" (MNT 766 thousand and 500).

The total market capitalization was set at MNT one trillion 344 billion 106 million 523 thousand and 028. The Index of Top-20 JSCs was 13,728.98, increasing 0.23% and the all index of MSE was 982.34, increasing 0.14% against the previous day.

Stock exchange news for March 10

Ulaanbaatar, March 10 (MONTSAME) At the Stock Exchange trades on Tuesday, a total of 204 thousand and 177 units of 36 JSCs were traded costing MNT 16 billion 816 million 211 thousand and 250.20.

"Dornod avto zam" /23 thousand and 975 units/, "Remikon" /2,545 units/, "APU" /2,466 units/, "Tavantolgoi" /546 units/ and "Material impex" /286 units/ were the most actively traded in terms of trading volume, in terms of trading value were "Dornod avto zam" (MNT 64 million 732 thousand and 500), "APU" (MNT eight million 660 thousand and 500), "Material impex" (MNT four million and 290 thousand), "Tavantolgoi" (MNT one million 956 thousand and 450) and "Gobi" (MNT 408 thousand and 800).



The total market capitalization was set at MNT one trillion 329 billion 218 million 339 thousand and 659. The Index of Top-20 JSCs was 13,637.27, decreasing 0.67% and the all index of MSE was 978.52, decreasing 0.39% against the previous day.

Stock exchange news for March 11

Ulaanbaatar, March 11 (MONTSAME) At the Stock Exchange trades on Wednesday, a total of 4,286 units of 20 JSCs were traded costing MNT 19 million 684 thousand and 535.00.

"APU" /2,205 units/, "Genco tour bureau" /682 units/, "Gobi" /500 units/, "Khokh gan" /200 units/ and "Tavantolgoi" /163 units/ were the most actively traded in terms of trading volume, in terms of trading value were "APU" (MNT seven million 839 thousand and 780), "Gobi" (MNT three million and 650 thousand), "Bayangol hotel" (MNT three million and 074 thousand), "Talkh chikher" (MNT one million and 830 thousand) and "Darkhan nekhi" (MNT one million and 344 thousand).

The total market capitalization was set at MNT one trillion 354 billion 691 million 632 thousand and 079. The Index of Top-20 JSCs was 13,787.67, increasing 1.10% and the all index of MSE was 987.91, increasing 0.96% against the previous day.

Stock Exchange news for March 12

Ulaanbaatar, March 13 (MONTSAME) At the Stock Exchange trades on Thursday, a total of 52 thousand and 053 units of 34 JSCs were traded costing MNT 221 million 366 thousand and 840.10.

"Tavantolgoi" /44 thousand and 755 units/, "APU" /2,715 units/, "Merex" /1,770 units/, "Hermes center" /778 units/ and "Genco tour bureau" /455 units/ were the most actively traded in terms of trading volume, in terms of trading value were "Tavantolgoi" (MNT 200 million 319 thousand and 660), "APU" (MNT nine million 543 thousand and 315), "Talkh chikher" (MNT three million and 825 thousand), "Material impex" (MNT three million) and "Gobi" (MNT one million 071 thousand and 480).

The total market capitalization was set at MNT one trillion 377 billion 736 million 639 thousand and 980. The Index of Top-20 JSCs was 13,789.78, increasing 0.02% and the all index of MSE was 987.41, decreasing 0.05% against the previous day.

Stock exchange news for March 13

Ulaanbaatar, March 13 (MONTSAME) At the Stock Exchange trades on Friday, a total of 16 thousand and 418 units of 18 JSCs were traded costing MNT 38 million 267 thousand and 516.75.

"Hermes center" /4,200 units/, "APU" /3,340 units/, "Baganuur" /2,181 units/, "Genco tour bureau" /1,750 units/ and "Gobi" /1,498 units/ were the most actively traded in terms of trading volume, in terms of trading value were "APU" (MNT 11 million 931 thousand and 200), "Gobi" (MNT 10 million 993 thousand and 640), "Baganuur" (MNT five million 235 thousand and 647), "Darkhan khuns" (MNT two million and 185 thousand) and "Material impex" (MNT one million and 695 thousand).



The total market capitalization was set at MNTone trillion 378 billion 547 million 310 thousand and 649. The Index of Top-20 JSCs was 13,816.25, increasing 0.19% and the all index of MSE was 987.31, decreasing 0.01% against the previous day.

Banking

Banks sign an agreement to implement principles of stable financing

March 10 (news.mn) Development Bank of Mongolia and 13 commercial banks in Mongolia have signed a verification document to implement stable financing principles. As of the end of last year, all of the nation's banks agreed on the need to implement principles of stable financing principles, and starting from today, they are introducing these principles in their operations.

Representatives of the banking sector believe that although the implementation of the principles of stable financing agreed upon in the verification document may have a negative impact on the economy in the short term, the change will be very important for the nation's long term financial stability.

The changes will also give commercial banks the opportunity to save on their operational costs.

According to estimates from Mongol Bank, through the introduction of stable financing principles to domestic commercial banks and Development Bank of Mongolia, Mongolia will be able to enjoy stable development by 2030.

Mongolia's State Bank to Issue Bond on International Stock Market Equivalent up to 300 Million USD

March 11 (infomongolia.com) At the Cabinet meeting held on March 09, 2015, one of the issues resolved was to issue a bond on international stock market.

On February 18, 2015, the State Great Khural (Parliament) ratified a Decree No.41 that states on "Measures to Overcome the Facing Economic Difficulties".

As part of the tasks to implement, Cabinet allows the Board of Directors of State Bank (Turiin Bank) to issue bond on international stock market equivalent up to 300 million USD. This decision is aimed to provide a source of foreign currency financing under low-interest and long-term.



Mining

Mongolia-Rio Tinto Impasse: Could it be Over?

March 10 (geopoliticalmonitor.com) "Yes," Mongolian Prime Minister Chimed Saikhanbileg reportedly said on March 4 in a closed-door question-and-answer session at the American Chamber of Commerce in Mongolia, market intelligence analyst Badral Munkhdul, founder and CEO of Cover Mongolia, told Geopolitical Monitor on March 5.

The two parties have been locked in a stalemate for months now, with the Mongolian government insisting that Rio Tinto owes \$30 million in taxes, while the mining firm has been unhappy with Mongolian management of the \$5.4 billion mining project, claiming that costs have ballooned unnecessarily.

Negotiations drawn out over Mongolia's largest coal mine

March 10 (Reuters) - Talks to allow a consortium led by China's Shenhua Energy to take over Mongolia's largest coal mine have yet to be completed, with the project still paying off debts to another Chinese state miner, an official said on Tuesday.

Mongolia is desperate to kick-start a deal expected to be worth as much as \$4 billion, with foreign investment into the country falling 74 percent last year, largely because of disputes between companies and the government.

Last year, China's top coal firm Shenhua formed a consortium with Japan's Sumitomo Corp and Energy Resources LLC, a wholly-owned unit of the Mongolian Mining Corp, to take over the management of the Mongolian state-owned firm in charge of the huge Tavan Tolgoi coal deposit.

The mining project in the country's southern Gobi region includes the East and West Tsankhi blocks.

Negotiations with Shenhua were due to be completed before Mongolia's lunar new year in February, but have already missed the deadline, according to Mongolian Minister Mendsaikhan Enkhsaikhan, who oversees Tavan Tolgoi and other giant mining projects. One challenge is how to handle debts owed to China's Chalco Group by Erdenes Tavan Tolgoi, the Mongolian state-owned firm in charge of the project.

Erdenes Tavan Tolgoi borrowed \$350 million from Chalco in 2011 and agreed to pay back the debt in the form of coal deliveries from its East Tsankhi block. It still owes about \$150 million to the company, as well as other commitments.

The government used most of the funds it borrowed from Chalco to finance a short-lived social welfare programme that distributed about \$15 to every citizen each month.

"After the repayment of outstanding loans to Chalco, Erdenes Tavan Tolgoi still has an obligation to sell 80 percent of its coal (to Chalco) from the East Tsankhi mine for five years," said Enkhbaatar Myagmarulzii, a project manager working under the minister.



Mongolia has set up a working group to lead negotiations with the consortium, which will be entrusted with developing and managing both the East and West Tsankhi blocks, which hold a combined 1.8 billion tons of coking coal.

The Tavan Tolgoi project has attracted the attention of dozens of foreign investment banks and mining conglomerates, but its progress has stalled as a result of financial strains and interference from the government.

Mongolia's previous attempt to find investment for Tavan Tolgoi ended in failure, when its decision to award the project to a consortium consisting of Shenhua, Peabody Energy and a team of Russian and Mongolian firms was criticised by Japanese and South Korean rivals and subsequently annulled.

Erdenes Tavan Tolgoi is also still in dispute with MacMahon Holdings, which was contracted to develop the mine's east block. MacMahon claims it is owed about \$30 million.

"It's a complicated issue, but the working group and consortium are seeking to reach a win-win solution now," said Myagmarulzii. (Editing by David Stanway and Pravin Char)

Tavan Tolgoi stalled by Erdenes Tavan Togloi's Chalco debt

March 9 (news.mn) News.mn spoke to Minister of Mongolia M.Enkhsaikhan about the progress of Tavan Tolgoi negotiations. He said that the Tavan Togloi discussions are on hold for a while. to address the issue of Erdenes Tavan Tolgoi's debt to be paid to Chalco.

Mongolia concluded an agreement with Chinese Company Chalco in 2011, to pay back 350 million USD in loans through the delivery of coal. All citizens are familiar with the agreement because the money was spent on social welfare allowances for all Mongolian citizens. Presently, 150 million USD from this debt has not been paid.

The agreement with Chalco hasn't been talked about recently until today. Why is this? Do the investors know about it?

About this agreement, only now are these issues being discussed because this agreement concluded with Erdenes Tavan Tolgoi involved a private third party.

Now detailed issues are being revealed and bringing barriers to the discussion

Can we terminate the agreement with Chalco?

Yes, we can. In this case, the Mongolian government will have to pay 50 million USD and the case will be resolved in an arbitration court in New York.

Chalco may claim the profits earned for the next five to six years and the government will have to pay this debt to Chalco. This is the agreement we have concluded.

So what are we supposed to do now?

Of course we will work to find a resolution. This is a difficult issue. In case we can't decide on this issue, we'll be left with a debt to Chalco of 150 million USD.

Presently, we are paying 12 percent interest rate fees on this 150 million USD. Moreover, they are not interested in receiving payment by coal, because coal prices half fallen greatly in the global market.



Mongolia: Between a Rock and a Hard Place

March 12 (internationalpolicydigest.com) Since the establishment of a democracy in Mongolia following the collapse of the Soviet Union, foreign interests have attempted to reassert control over the landlocked piece of steppe between China and Russia.

Mongolia's position, located between two ambitious powers, means that it is the target of Chinese and Russian influence, often to the detriment of the fledgling democracy and its people. Historically Mongolia's geographical position and nomadic inhabitants (of which there are still many) has made it vulnerable to the influence of its neighbors. Mongolia was subjugated to both Beijing and Moscow at different times and still struggles with the political influence of both powers.

Economics further complicates Mongolia's diplomatic issues; vast amounts of mineral wealth have been discovered in Mongolia since the early 90's including large reserves of copper, gold, and coal. Previously Mongolia's weak economy, based on pastoral products such as beef and cashmere production, meant that it provided very little potential wealth for powers seeking to control it. These discoveries have led to serious interest from a resource-hungry China, which accounts for 89% of Mongolia's exports, as well as Russia, which faces more competition for resources in an ever more hostile Europe.

Despite the renewed interest from its neighbors, most foreign companies involved in the Mongolian mining sector have been Canadian or Australian, of the 11 foreign companies invested in copper production, 9 of them were Australian or Canadian. In most sectors the primary owners of the mining companies have been Canadian or Australian, with a few from Hong Kong or the UK. These firms often own and operate mines in conjunction with the Mongolian Government, which creates friction when the negotiations go sour, such as with the massive Oyu Tolgoi mine that has seen constant delays from shareholder disputes and concerns over the operating cost.

The access to fossil fuels and raw minerals have given some measure of control over Mongolian politics and makes government corruption all the more dangerous to the Mongolian people. On February 26th the president of Mongolia pardoned 3 foreign nationals involved in the mining industry who had been convicted of tax evasion. The foreign nationals were accused of evading 6.8 Billion USD, a sum so ridiculous that the arrests shook foreign confidence and caused complaints in the UN over human rights violations. The simultaneous state of unprecedented economic growth and unrelenting economic exploitation have left the Mongolian authorities and people with as much resentment for foreigners as gratitude. A former member of Mongolian parliament and minister of foreign affairs stated "It is no secret that small Chinese, Korean, and Vietnamese investors are commonly robbed, threatened, and slandered in cases brought on false charges." An ineffectual and divided Mongolian Government coupled with widespread corruption enables foreign interests to undermine the welfare of the state over the acquisition of its resources.

Submitting to foreign nations for political reasons over economic ones often holds serious financial consequences for Mongolian taxpayers. In 2009 the Mongolian government passed a nuclear energy law, and, under Russian pressure, revoked the



uranium licenses of Khan Resources, a Canadian company that owned the Dornod Uranium property. The government then seized Khan Resources' assets with no compensation, resulting in a lengthy legal battle between the company and the government. On March 2nd an international arbitration tribunal determined an award of 100 million USD to be paid by the Mongolian government to Khan Resources. It is speculated that Russian companies were interested in entering the uranium sector in Mongolia and pressured the government to pass the nuclear energy law and attack the competition, especially since the law came right on the heels of an announced joint venture to mine uranium between the Russians and Mongolians.

The Chinese are also muscling in on foreign companies, especially ones that produce the construction materials that China needs to power its real estate boom. The Canadian mining company, Turquoise Hill Resources, recently sold its entire stake in SouthGobi Resources to Novel Sunrise Investments. Novel Sunrise and its affiliated groups intend to use their logistics and marketing experience to leverage their way into procuring raw materials for construction, iron ore and coal, that companies such as SouthGobi produces. Many of the mining firms in Mongolia are based in Hong Kong and seek a larger share of the untapped mineral wealth.

While most mining companies in Mongolia are not owned by either the Chinese or the Russians, the local geography means that nearly all imports and exports come from those two countries. The next 3 biggest importers, South Korea, Japan, and The United States, account for about 19% of imports combined, nearly 10% less than Russia alone and less than half of China's imports. These are all major regional players whose imports have been impeded by Mongolia's dependence on the rail systems through China or Russia to transport goods to and from the pacific. This level of dependency has upset Mongolia, which claims that China takes advantage of its isolation by buying Mongolian coal for less than it's worth. There is very little competition for Mongolian exports, even Russia only makes up 1.5% of Mongolian export value, preferring to export to, rather than from, Mongolia. Mongolian officials have tried to reach out to other nations, most recently Japan and the DPRK, but the government can only do so much to escape the limitations of its physical location.

Foreign investment in the mining sector has spurred serious economic growth; for a period of time Mongolia had the world's fastest growing economy, the mines provided better jobs for Mongolians and fostered urbanization to replace the pastoral nomadic lifestyle that remained pervasive throughout the country. However, this massive influx of investment now represents the vast majority of the economy; so in recent times where commodity prices have slumped for Mongolians and international confidence in the Mongolian government is low, growth has been significantly stunted. In response the Mongolian government formed a super-coalition last December consisting of members from all major parties attempting to deal with the economic problems. The main policy goals of the coalition were to alleviate the economic downturn by reducing the government restrictions on mining to get foreign investment back on track while continuing to pursue economic ties with nations outside China and Russia.

This series of policies gets to the root of the Mongolian problem: Mongolia cannot prosper without foreign investment and by opening itself up to political and economic influence from interests that have very little concern for the welfare of Mongolia or its inhabitants. Mongolia's vulnerability to the economic interests of its neighbors means



that its needs from Russia and China translate into political capital that undermines Mongolia's economic and political independence.

EMC keeps its "Best Taxpayer" rank

Ulaanbaatar, March 11 (MONTSAME) The General Taxation Office has issued a list of the 100 best tax-paying entities in 2010-2014. The list was led by Erdenet Mining Corporation (EMC), which accumulated to the State Budget two trillion 93 billion Togrog of tax.

It was followed by Oyu Tolgoi LLC which paid 493.5 billion Togrog, and by APU Co.Ltd. with its 442.4 billion Togrog taxes of four years. Except for APU, other companies, included in the list's "top ten", are engaged in mining. To sum up the value of taxes paid by these ten, a total of four trillion 560 billion Togrog was accumulated to the State Budget in 2010-2014.

The best tax-payer from the banking sector was Khan Bank, having paid 88.5 billion Togrog in the above period, followed by the Development Bank which paid 56 billion Togrog of tax and ranked the 23rd.

Gold mining operations to gain Government support

Ulaanbaatar, March 12 (MONTSAME) The cabinet of Ministers at its irregular meeting on Wednesday discussed ways of increasing the gold mining activities. In order to sustain the economic growth, promote the realistic development of the sector, and to increase the foreign exchange reserve, the Minister of Finance J.Erdenebat and the Minister of Mining R.Jigjid were told to undertake works on promoting the gold mining, studying investment possibilities for the registered gold deposits, and settling the easy-term loan sources.

Financing these promotion activities was assigned to the executive director of the Development Bank of Mongolia (DB) N.Monkhbat, whereas a president of the Bank of Mongolia (BoM) B.Zoljargal was obligated to support the development of appropriate financing scheme.

The Ministers of Finance and Mining were also charged to provide possibility to take out loans from commercial banks in cases of reaching agreements with any gold-mining companies that are able to continue operations in frames of the amendments to the "Law on Prohibiting Mineral Exploration and Extraction Near Water Sources, Protected Areas and Forests".

The cabinet also told the Minister of Environment, Green Development and Tourism D.Oyunkhorol and the Minister R.Jigjid to issue regulations and agreement/contract templates regarding the amendments to the above law, to determine the boundaries of the protected and specially-protected areas within the referred territories of water reserves, and to register and receive resource clarifications, feasibility studies, and detailed analyses of environmental impact, within the first quarter of 2015.

D.Oyunkhorol, R.Jigjid, also the Justice and Defence Ministers D.Dorligjav and Ts.Tsolmon were obliged to take under the protection the gold deposits and



occurrences that overlap with the state borderlines and special-use areas, and, if required, to consider commercializing such deposits and to develop and present proposals on the issues.

Regarding the growth in gold mining operations, the Deputy Premier U.Khurelsukh along with the Ministers of Finance and Mining were told to develop and submit proposals on the capacity building of the Assay Office at the National Agency of Standardization and Metrology, and on the improvement of clearance system.

Mongolia and North Korea Agree to Commence Partnership of Mongolia's Export of Mineral Products

March 13 (infomongolia.com) On March 12, 2015, Minister for Roads and Transportation of Mongolia N.Tumurkhuu received in his office a delegation from the Democratic People's Republic of Korea headed by Minister of Land and Marine Transportation, Kang Jong-gwan.

During the meeting, parties expressed their readiness to start partnership in transportation of Mongolia's mineral products via railway, auto road and maritime transport to the third party.

Mongolia's Minister N.Tumurkhuu noted, "This is Mongolia's priority goal to have an access to the sea as a landlocked country and in this regard, Mongolia will be adhering the principle of equal and mutually beneficial cooperation with trilateral parties of the Russian Federation, People's Republic of China and the North Korea. Moreover, Mongolia anticipates authorizing its own seaport and thus we are willing to co-utilize a seaport at the first phase".

In the scope of implementation of above tasks, Minister N.Tumurkhuu and Minister of Transport of the Russian Federation M.Yu.Sokolov signed a Memorandum of Cooperation during his working visit to Russia conducted on February 25-28, 2015.

Also, Minister N.Tumurkhuu will be paying a working visit to the PR of China from next Monday upon an invitation of his counterpart and consequently, the Mongolia-Russia-China's transportation sectors will be organizing a tripartite meeting in July 2015.

Afterwards, the three parties will be continuing the Trilateral Dialogue on export of Mongolia's mineral products through formerly known Rajin, now Rason Special Economic Zone to the third party.

Concluding the bilateral meeting, Minister for Roads and Transportation of Mongolia, Namkhai TUMURKHUU and Minister for Land and Marine Transportation of the DPRK, Kang Jong-gwan have inked an intergovernmental agreement of cooperation in the transport sector.



Regional

Australia may join China-backed fund

March 14 (bangkokpost.com) SYDNEY — Australia expects to decide within weeks whether to join the China-backed Asian Infrastructure Investment Bank (AIIB), Prime Minister Tony Abbott said on Saturday.

However, Mr Abbott said Canberra wanted to be assured first that the fund would not become a tool for pursuing Beijing's political interests in the region.

A decision by Australia to join the fund would risk upsetting key strategic allies the United States and Japan. Staying out could upset China, its top trading partner.

Britain this week said that it had sought to become a founding member of the AIIB because it was in its "national interest", making it the first Western country to embrace the institution, which would finance infrastructure projects in Asia Pacific.

US President Barack Obama expressed disappointment with the British decision. Washington would prefer to see other countries work with the World Bank and the International Monetary Fund to support development work.

However, critics of the two institutions contend that they place unrealistic conditions on developing countries in return for funds. They have faced protests in many countries by groups that say they are tools of Western political and corporate interests.

The China-backed fund, in which Thailand is also participating, is seen in some quarters as a direct challenge to the US-headquartered World Bank and the IMF. It is expected to have initial seed capital of between \$50 billion and \$100 billion.

Developing economies in Asia Pacific need to raise hundreds of billions of dollars to fund infrastructure to help make their economies more competitive and lift people out of poverty. But the prospect of the money coming from a China-backed fund raises concerns that the recipients could be pushed closer to China strategically.

Mr Abbott chose his words carefully when describing the decision his country faced.

"Our position all along has been that we are happy to be part of something which is a genuine multilateral institution such as the World Bank, such as the Asian Development Bank," he said. "What we are not prepared to do is to sign onto something which is just an arm of one country's foreign policy.

"We're looking very carefully at this and we'll make a decision in the next week or so. I would like to think that it is possible for this to be a genuine multilateral institution and I think it could well be an important part of bringing China fully into the international community."

Twenty-one countries were represented at the announcement of the bank in October — Bangladesh, Brunei, Cambodia, China, India, Kazakhstan, Kuwait, Laos, Malaysia, Mongolia, Myanmar, Nepal, Oman, Pakistan, the Philippines, Qatar, Singapore, Sri Lanka, Thailand, Uzbekistan and Vietnam.

Indonesia later said that it would join, and China said earlier this year the number of founding members had risen to 26.

But Japan, Australia and South Korea, the other notable absentees in the region, have held back ahead of a March 31 deadline for making a commitment.



Japan, China's main regional rival, has the highest shareholding in the Asian Development Bank along with the United States, while Australian media said Washington had put pressure on Canberra to stay out of the AIIB.

Mr Abbott said he hoped that many countries, including Japan and the United States, would join the AIIB if it was set up as a genuine multilateral institution.

Britain applies to join Chinese-led bank for Asia region

March 14 (chinapost.com.tw) BEIJING -- Britain has become the first major Western government to apply for membership in a proposed Chinese-led Asian regional bank that Washington worries will undercut institutions such as the World Bank.

The British Treasury said Thursday it will join talks this month on the Asian Infrastructure Investment Bank's structure and governance arrangements.

China proposed the bank in 2013 to finance construction of roads and other infrastructure. It has pledged to put up most of its initial US\$50 billion in capital.

Twenty-one other governments including India, New Zealand and Thailand have said they want to join. For now, the United States and its close allies Japan, South Korea and Australia are not part of the new club.

The bank is one of a series of initiatives by Beijing to increase its influence in global finance and expand trade links with Asian neighbors and developing countries in Africa and Latin America.

Washington has expressed concern the new Asian bank will allow looser lending standards for the environment, labor rights and financial transparency, undercutting the World Bank and International Monetary Fund.

China is the top trading partner for most of its neighbors. They want to promote commercial ties but are uneasy about Beijing's strategic ambitions, especially at a time when it is embroiled in territorial disputes with Japan in the East China Sea and with Vietnam and other Southeast Asian neighbors in the South China Sea.

A Chinese foreign ministry spokesman, Hong Lei, said Beijing welcomed Britain's application to join the bank.

Principle of Openness

"The bank will be founded on the principle of openness. We welcome all prospective countries to join," said Hong. "It will enable all prospective members to share Asia's growth opportunities."

Speaking in Tokyo, the World Bank president said Friday his Washington-based institution welcomes the new source of financing for infrastructure developing economies urgently need.

"We welcome the entry of the Asian Infrastructure Investment Bank," said Jim Yong Kim, an American, at the Foreign Correspondents Club of Japan. "We welcome it because of the extraordinary need for infrastructure."

Beijing has tried to soothe security concerns, insisting its initiatives are not aimed at any potential foreign rival.

"The initiatives are not China's solo, but a symphony performed by all relevant countries," said Foreign Minister Wang Yi this week, according to state television.



The British Treasury's announcement said it would try to ensure the Asian bank “embodies the best standards in accountability, transparency and governance.”

Joining will help Britain promote commercial ties with Asia, said the British finance minister, George Osborne, in the statement.

“Joining the AIIB at the founding stage will create an unrivalled opportunity for the UK and Asia to invest and grow together,” said Osborne.

Other member governments include Singapore, Vietnam, the Philippines, Mongolia, Laos, Cambodia, Oman, Uzbekistan, Sri Lanka, Qatar, Pakistan, Nepal, Bangladesh, Brunei, Kazakhstan, Kuwait, Malaysia and Myanmar.

In May, Chinese President Xi Jinping called for the creation of a new Asian structure for security cooperation based on a 24-nation group that excludes the United States.

Agriculture

Cooperation with Cuba to be expanded in Agricultural Sector

Ulaanbaatar, March 8 (MONTSAME) The Minister of Food and Agriculture R.Burmaa MP Thursday received Mr Omar L. Marrero Betancourt, the Ambassador Extraordinary and Plenipotentiary of the Republic of Cuba to Mongolia.

The Minister noted that Mongolia has been cooperating with Cuba in the agricultural sector, for example, in a way of receiving deep-frozen semen of milk-breeding goats, in trade and industrial experiments of pesticides for pasture plants.

In response, Mr Betancourt expressed a willingness of Cuba to forward this cooperation and emphasized that it is possible to supply Mongolia's market with Cuban products and with achievements of sciences and researches.

The sides also exchanged views on a chance of establishing a joint factory at the Scientific Institute of Plant Protection in order to fight rodents.

Construction

State employees to qualify for lower down payments on new apartments

March 9 (UB Post) The Governor's Office draft on reducing the down payment required for the purchase of new apartments by city and state employees and citizens with low income is awaiting final approval from the City Council.



The draft was processed to sell apartments built for the redevelopment of ger districts, and to support efforts to provide state employees with access to the new housing.

In a study conducted among 11,862 teachers and workers from 119 schools and 180 kindergartens, 96 percent of respondents said they wanted to live in apartments. Seventy-nine percent of those wanting apartments were willing to purchase those built as part of redevelopment projects, but only four percent said that they were able to make the standard 30 percent down payment.

Over 20 private companies are implementing redevelopment projects, and they have requested support from the Governor's Office to sell units.

The draft states that assistance will be provided to city affiliate and state employees for up to 50 percent of the down payment for those who can't provide the required percentage in full.

State employees requesting support must have worked in their current organization for at least three years, and have the ability to pay 50 percent of the down payment on their own.

The Capital Management Council supported the regulation, and it will be discussed by the City Council this month. If the regulation is approved, city and state employees that meet the requirements for assistance will be able to get support from the city, take out loans, and purchase apartments from the redevelopment projects opening next month.

Housing Price Index in Ulaanbaatar declines by 5.06 percent

March 12 (gogo.mn) Real Estate Agency Tenkhleg Zuuch conducted independent studies on Housing Price Index as of February 2015.

According to the study as of February the Housing Price Index in Ulaanbaatar city has been increased by 17.3 percent compared to the base period of January 2013. Compared to last month the decline is at 0.5 percent, and 1.4 percent compared to start of the year 2015. The numbers declines by 5.06 percent compared to the same period of last year.

It is evident that the HPI in Ulaanbaatar city has seen decline for seven consecutive months. While the HPI for the newly constructed housings has increased by 25.4 percent, which has declined by 1.37 percent compared to January 2015 and 1.08 percent since the start of the year 2015. Whereas it is a 0.55 percent increase compared to the same period of last year.

HPI for the old constructions seen increase by 12.9 percent compared with the base period, which is the 1.3 percent decline compared to January of 2015 and 8.29 percent decline compared to the same period of last year.

The HPI is calculated using the Hedonic Regression method, including the information of 4068 new and old housings listed on the market.



Aviation

MIAT Mongolia defers B737 order; eyes B787 for longhaul

March 11 (ch-aviation.com) MIAT - Mongolian Airlines (OM, Ulaanbaatar) has deferred the delivery of two outstanding B737-800s to 2019-2020 Namsraijav Ganbold, the airline's Vice President (Flight Operations), has disclosed. In an interview with the airline's inflight magazine posted by the AirSoc website, Ganbold said that with the deferment, MIAT would also consider converting the order to B737 MAX jets. Talks are currently ongoing with lessor Air Lease Corporation (ALC) about the conversion. The aircraft were ordered in 2011 along with one B767-300(ER) that has since been delivered.

On MIAT's longhaul future plans, Ganbold said the Mongolian national carrier is currently in talks with Boeing (BOE, Chicago O'Hare) about the possibility of inducting a B787 into its fleet within the next three to four years. The aircraft would be used in opening up longhaul flights to New York JFK, London, and Singapore Changi, he added. Currently, MIAT operates three B737-800s and two B767-300(ER)s on flights to China, Germany, Hong Kong, South Korea, Russia, Singapore and Japan.

Infrastructure

Road to Khushigt Valley Airport to be commenced in 2016

March 10 (gogo.mn) Minister of Road and Transportation N.Tumurkhuu was assigned to work on the commencement of the road to Khushigt Valley Airport in the second quarter of 2016 as the Ulaanbaatar city will host 11th ASEM meeting in 2016. The road construction is to be financed with loans from China.

With the commencement of the first phase of the Khushigt Valley Airport being constructed in Tuv aimag the road leading to the site needs capital improvements.

Financing of the road construction is to be resolved with the soft loan from the Chinese Government, which is seen as the best solution to meet the deadline.



Khushigt Valley International Airport Highway to Be Accomplished by Q2/2016 Financed by Government of China

March 11 (infomongolia.com) On March 09, 2015, the regular Cabinet meeting took place, where it was agreed to construct the highway road from Ulaanbaatar to new International Airport in Khushigt Valley, Tuv Aimag under finance loan to receive from the Government of the People's Republic of China.

The construction of new road should be accomplished within the second quarter of 2016 prior the XI Asia-Europe Meeting (ASEM) Summit of Heads of State and Government to be hosted by Mongolia in Ulaanbaatar in 2016, and the Minister of Roads and Transportation N.Tumurkhuu was obliged to take necessary measures.

The first phase of the Airport will be accomplished in the middle of 2016 and thus, the road construction works are anticipated to finish timely if to execute the Ulaanbaatar-Khushigt Valley International Airport, a dual carriageway road with three lanes in each direction under soft loan from the Government of China.

Construction of roads to be performed under concession contracts

Ulaanbaatar, March 11 (MONTSAME) At its meeting on Monday, the cabinet obliged D.Erdenebat, the Minister of Industry, to establish concession contracts with companies on constructing auto roads.

According to the contracts, which will be signed on a "construction-and-transmission" term, a 98km road between Altai and Darvi, 129.4km road between Bayankhongor-Altai, 167km cross-road in Tosontsengel (Zavkhan aimag), and a 15.8km road between Mandal soum-Zuunkharaa (Selenge aimag) will be run.

An order was given to J.Erdenebat, the Minister Finance, to place money in the state budget for investing the works reflected in the concession contracts.

In frames of the 2012-2014 governmental goal to connect centers of all aimags to the UB city, the auto roads have been already put into use going from the city to Bayankhongor, Omnogobi, Khovsgol, Dundgobi, Khentii, Dornogobi, Zamyn-Uud soum (Dornogobi) and Sukhbaatar aimags. Same roads from other provinces are being run.



Energy

Cabinet Forwards to Construct Three Power Plants in Order to Supply with Reliable Energy and Reduce Energy Import Spending

March 11 (infomongolia.com) At the regular Cabinet meeting held on March 09, 2015, it was resolved to finish started one and construct two more power plants in Mongolia, of which two hydroelectric power generation facilities and one coal-fired power station.

The first, hydroelectric power plant of the Egiin Golyn (Eg River's) Hydropower Plant Project was first initiated in 2013 and the Feasibility Study for the Project was approved by the Science and Technology Council at the Ministry of Energy of Mongolia on August 25, 2014 and pursuant to project estimation, it would be required 827 million USD of finance. The Egiin Gol Hydropower Plant will be executed on the Eg River, which locates in the territory of Khutag-Undur Sum of Bulgan Aimag about 450 km from Ulaanbaatar and to produce 606 MWh/yr of electricity with capacity of 315 MW. This is a strategically important project to supply with reliable energy and thus, authorities agreed to set up negotiation with the Government of the People's Republic of China on establishing an intergovernmental soft loan agreement to finance the Project at the latter Cabinet meeting.

The second, hydroelectric power plant or the Erdeneburen Hydropower Plant Project will be constructed on the Khovd River in the territory of Erdeneburen Sum of Khovd Aimag and at the Monday Cabinet meeting, Minister of Energy D.Zorigt was entrusted to accomplish the Project. The Feasibility Study for the Project will be developed within 2015 and necessary fund will be allocated from the Energy Minister's Package set in the 2015 State Budget. Moreover, the selection of executive contractors will be started in the second quarter of 2016.

The third, coal-fired power plant in Baganuur District will be executed under concession contract of Build-Operate-Transfer by "Baganuur Power" LLC, which is authorized to supervise by Chairman of Invest Mongolia Agency. According to contract, the construction and assembly works estimate 4 years with 21 years of utilization period. In order to implement the Concession agreement, Minister of Energy D.Zorigt, Minister of Roads and Transportation N.Tumurkhuu, Minister of Mining R.Jigjid, Minister of Environment, Green Development and Tourism D.Oyunkhorol and Minister of Construction and Urban Development D.Tsogtbaatar are obliged to carry out necessary measures.



International Wind Energy and Environment Conference to be held in Mongolia

March 11 (gogo.mn) International Wind Energy and Environment Conference to be held in Ulaanbaatar during June 4-5 by World Wind Energy Association and Mongolian Wind Energy Association.

The main purpose of this international conference is to inform on the benefits of utilizing wind energy to the legislators and state leaders, disseminate proper information on the renewable energy market, technological solutions, improvement of the investment environment and increase foreign interest in Mongolian wind energy market from the investors and donor organizations.

Company News

Turquoise Hill Resources Ltd. Short Interest Disclosure

March 12 (stafforddaily.com) Turquoise Hill Resources Ltd. (NYSE:TRQ) stated loss of 554,014 shares or 2.6% in the short interest. The short interest registered from 21,635,789 on February 13,2015 to 21,081,775 on February 27,2015. In terms of floated shares, the shorted positions stood at 2.3%. The stock has been averaging 1,855,851 shares daily in trading and would need 11 days to cover the shorts.

Turquoise Hill Resources Ltd. (NYSE:TRQ) ended the trading day with a decline of 0.97% or 0.03 points. The intraday bulls never looked convincing as the stock moved only negligibly above the opening price but dropped well below it. The opening trade was registered at \$3.09 and the price peaked for the day at \$3.09. The level of \$2.995 acted as a support and the last transaction was made at \$3.05. Volume had zoomed to 2,079,710 shares. The previous closing price is entered as \$3.08. The 52-week low of the share price is \$2.65. The company has a market cap of \$6,138 million.

Turquoise Hill Resources Ltd. (NYSE:TRQ) has dropped 0.32% during the past week, however, the bigger picture is still very bullish; the shares have posted positive gains of 2.29% in the last 4 weeks. In the past week, the counter has outperformed the S&P 500 by 1.28% and the outperformance increases to 1.51% for the last 4 weeks.

Turquoise Hill Resources Ltd. (NYSE:TRQ) announced the earnings results for Fiscal Year 2014 and Quarter 3. The results came in during pre-market on November 10,2014. Company reported revenue of \$466.00 Million, below the estimates of \$604.00 Million. The revenues were \$-138.00 Million or 22.85% below the estimates. Earnings per share were \$0.02. The reported EPS was below estimates by \$0.01 or -33.33%. Analysts had estimated an EPS of \$0.03.



Turquoise Hill Resources Ltd., formerly Ivanhoe Mines Ltd. is an international mineral exploration and development company. The Company's principal mineral resource property is the Oyu Tolgoi Project, located in Mongolia. The Company also has two subsidiaries, through which it holds interests in coal resource properties in Mongolia and molybdenum, rhenium, copper, gold and uranium resource properties in Australia. Its subsidiary, SouthGobi Resources Ltd. (SGQ), owns and operates the Ovoot Tolgoi Coal Project located in Mongolia. Its subsidiary, Ivanhoe Australia Limited (Ivanhoe Australia), owns the Osborne Project, the Merlin Project and the Mount Dore Project, all of which are located in Queensland, Australia. In November 2013, Turquoise Hill Resources announced that it has completed the divestment of its interest in Inova Resources Limited (Inova) to Shanxi Donghui Coal Coking & Chemicals Group Co., Ltd.

Guildford Coal marks first coal shipment

March 11 (miningaustralia.com.au) Guildford Coal has made the transition from explorer to miner following its first shipment of 6000 tonnes of coal.

The miner has sent the shipment from its Baruun Noyon Uul coking coal in South Gobi, Mongolia, to Baotou Iron & Steel in China.

Production at the Mongolian mine kicked off late last year, "and this significant milestone marks the final step to commercial production," Guildford said in a company statement.

Following this initial shipment the miner has now lined up its next shipment of 20,000 tonnes for Jiuquan Iron & Steel, which is part of a wider 60,000 tonne contract to be completed over March and April.

Pre-payment has been made on both these shipments.

These company milestones come at a time when most coal miners are facing increasing uncertainty in the market, particularly as the major buyer China institutes new plans to reduce its consumption levels over the next five years, potentially building on the current oversupply issue affecting the market.

Oyu Tolgoi celebrates Mongolia's best at 'Gobi Gem' awards

Ulaanbaatar, Mongolia – (March 12) Oyu Tolgoi held its sixth annual Supplier Recognition 'Gobi Gem' Awards at the National Opera and Ballet House on Thursday, with government officials, local dignitaries, trade associations, and the supplier community taking part in the celebration of the finest of Mongolia's industry.

The awards looked back over achievements in eight main categories in 2014: Safety, Business improvement; Social responsibility; Supply Chain development; South Gobi, Khanbogd, and Emerging suppliers, and a 'Grand Prix' category for the overall best-performer.

The awards, in addition to recognizing the eight winners, celebrate the achievements of Mongolia's business and industrial community across sectors – from mining to logistics, and food services to aviation. Oyu Tolgoi worked with over 800 Mongolian companies, behind whose success stand nearly 35,000 workers and their families. In 2014, the



company spent 77 per cent of its total operational spend of approximately US\$ 457 mn in 2014 in Mongolia, and 51 per cent of which – totalling over US\$ 301 mn – was with national companies. The company also raised spend in the South Gobi region by 28 times since 2010, reaching US\$42.0 million in 2014.

The winners at Gobi Gem for 2014 are:

- Best Supplier for Safety performance – Bats Urgoo LLC
- Best Supplier for Business improvement – Central Geological Laboratory of Mongolia
- Best Supplier for Social responsibility – Aero Mongolia LLC
- Best Supplier for Supply Chain development – Weir Minerals LLC
- Best South Gobi Supplier – GoviGurvanSaikhan LLC
- Best Khanbogd Supplier – Khanbogd Khurd LLC
- Best Emerging Supplier – MIAT JSC
- Grand Prix – Support Services Mongolia LLC

Speaking at the event, Andrew Woodley, President and CEO – Oyu Tolgoi said: “At Oyu Tolgoi we recognise that we are on a journey together with our suppliers, and they are partners in our success. The Gobi Gem awards are a reflection of this commitment to develop together, which we have enshrined in our vision – to go from natural wealth to enduring value, knowledge and skill.

“In the sixth year of these awards, we celebrate Mongolian businesses that are reaching global standards of excellence – and partnering with us to deliver skill and experience that will be the foundation of a truly world class industry and workforce in Mongolia.

“It is both inspiring and satisfying to see so many strong Mongolian businesses emerging and developing quality products and services that support not just our business, but – more importantly – broader national and regional development.”

Others

Mongolia to observe Daylight Saving Time from March 28, 2015

March 10 (infomongolia.com) Today, the Prime Minister's Spokesman Ts.Munkhtur briefed about the Cabinet meeting decisions resolved on March 09, 2015.

According to Cabinet meeting resolutions, Mongolia will be enacting the Daylight Savings Time or to turn forward One Hour at 01:00 am on March 28, 2015.

The Daylight Saving Time (DST) or summer time is the practice of advancing clocks during summer months by one hour so that light extends into the evening hours - sacrificing normal sunrise times.

Mongolia first implemented nationwide the DST in 1983 upon the Ministerial Council Resolution No.51 and later, following a Government Resolution issued in 1999, the DST was stopped, but restored in 2001 and after six years, the Daylight Saving Time in Mongolia has been stopped to observe since 2007.



The 2015 Government Resolution on Daylight Saving Time in Mongolia will be effective annually from 02:00 am on the last week (night between Friday and Saturday) of March until 00:00 am on the last week of September throughout the country.

New Zealander George Vernon Hudson proposed the modern idea of daylight saving in 1895. Germany and Austria-Hungary organized the first implementation, starting on April 30, 1916. Many countries have used it at various times since then, particularly since the energy crisis of the 1970s.

The practice has received both advocacy and criticism. Putting clocks forward benefits retailing, sports, and other activities that exploit sunlight after working hours, but can cause problems for evening entertainment and for other activities tied to the sun (such as farming). Although some early proponents of DST aimed to reduce evening use of incandescent lighting (formerly a primary use of electricity), modern heating and cooling usage patterns differ greatly, and research about how DST currently affects energy use is limited or contradictory.