

For a green development

EMONGOLIAN ECONOMY



On Time and on Cost

Chinggis Bond:
Positives vs. Negatives

Mongolia's Economy and Business Magazine

June, 2013. №11 (045)

www.mongolianeconomy.mn

A large white wind turbine stands on a grassy hill under a blue sky with scattered white clouds. In the foreground, several brown and black horses are grazing in a field of tall, dry grass. A red truck is visible in the distance on the left side of the hill.

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MONGOLIA



Mining

The Mongolian Oil Shale Association and Genie Oil Shale Mongolia have carried out a study on oil shale refining technology. Research on oil shale in Mongolia began from 1940 to 1950 by Russian researchers, leaving

Mongolia now today with a summary of 50 years of data and information on its oil shale reserves and a regional map of deposits. Mongolia has nine shale basins, three deposits and several areas in Mongolia where resources are available, for a total estimate of 788 billion tonnes of reserves.

Budget

Mongolia's 2014 development plan has set the goal to stabilise



the economy and reduce inflation to 6 percent. The plan also includes measures to support production, the reduction of imported construction materials, and domestic production in substitute of those imports.

Economics

According to a study by the Ministry of Economic Development, Mongolia's economy is projected to grow by 16 percent this year. In 2014 to 2016, copper and gold production is expected to increase significantly with growth in oil and iron ore also anticipated to expand in production. Economic growth is predicted to be 14.7 percent for 2014 and 11.8 percent for 2015. Export growth is projected at 45 percent for this year due to the large-scale mining projects scheduled to go online this year.

Foreign trade

Mongolia's foreign trade turnover is projected to rise by 17.2 percent between 2014 and 2016 for a total of USD 21.7 billion in 2016. The catalyst for this growth would be the mining

sector, infrastructure development and construction. The volume of imports is also expected to rise by 12 percent. The Ministry of Finance expects this significant rise in exports would bring the trade surplus to USD 1 billion, on average, between 2014 and 2016.

Tourism

Mongolia has become a partner of ITB Berlin 2015 in Germany, the world's leading travelling



trade show. Mongolia is going to be a partner of the international event for the first time. Accordingly, a National Committee headed by the prime minister has been established.

Development Bank

The Government of Mongolia has terminated the management agreement between the Development Bank of Mongolia and the Korea Development Bank, with amendments made to another agreement between their management teams. The two banks will continue to cooperate through a consulting agreement.

Economic and financial indicators
(As of Q1, 2013)

	GDP / %/	Industrial pro- duction / %/	Consumer prices %/	Unemployment
United States	+1.8	+3.5	+1.5	7.5
China	+7.7	+8.9	+2.4	4.1
Japan	+0.5	-7.3	-0.9	4.1
Britain	+0.6	-2.2	+2.8	7.9
Canada	+1.1	+2.3	+1.0	7.2
Austria	+0.7	+1.4	+2.3	4.7
Belgium	-0.4	-4.7	+1.0	8.2
France	-0.3	-2.5	+1.0	11.0
Germany	+0.4	-2.6	+1.2	6.9
Greece	-5.7	-3.9	-0.2	27.2
Italy	-2.8	-3.8	+1.2	11.5
Netherlands	-1.2	-5.3	+2.6	8.1
Spain	-2.0	-8.5	+2.4	26.7
Russia	+2.1	+2.4	+7.2	5.7
Sweden	+1.5	0	0	8.8
Switzerland	+1.4	+1.7	-0.6	3.1
Turkey	+1.4	+0.2	+6.1	10.1
Australia	+3.1	+4.8	+2.5	5.5
Hong Kong	+2.5	+1.3	+3.6	3.5
India	+4.5	+0.6	+10.4	9.9
Singapore	-0.6	-4.1	+3.5	1.9
South Korea	+1.5	-3.0	+1.2	3.5
Taiwan	+1.5	-3.3	+1.0	4.2
Brazil	+1.4	-3.3	+6.5	5.7
South Africa	+2.5	-3.1	+5.9	25.2

Source: The Economist magazine

WORLD

As the second largest economy, China is still facing a risk of an incredible slowdown.



The country is burdened with negative impacts from weakened external demand which cannot be countered fully by relying on domestic demand. There are fears that growth could dip well below 7.5 percent this quarter from 7.7 percent. The current leadership transition may be to blame.

Russian citizens are beginning to lose faith in hopes of economic prosperity. The first three months of 2013 have shown a decline in the annualised rate to 1.6 percent, the slowest rate since the crisis of 2009. Government officials are well aware that economic structure change is necessary, however the underlying cause of dependency on oil and gas needs to be resolved first.

The euro area has suffered six quarters of recession, but this trend has failed to infect



Switzerland's economy. According to a Bloomberg News survey, GDP had risen 0.2 percent from the previous three months and the economy shows no sign of slumping. As a major financial center, Switzerland has been able to keep its economy highly developed and diversified, a trait difficult to find in surrounding areas.

Can the United States balance its trade again? Its current account deficit exceeds 3 percent of GDP from last year. The United States has allowed its manufacturing industry to run down to low levels and has pushed outsourcing beyond appropriate limits. Hope still remains as the country is seeing a trend



in rising stock prices. The S&P 500 rose 22 percent from last November—when loss exceeded 5 percent.

Due to improvement in the US labor market and rising home prices, the US economy seems to be recovering at a more rapid pace than its peers. Statistics show a decline in Chinese factory activity and businesses suffering in the 17-country euro zone. As China stumbles and the euro zone searches for a way out, the United States seems to show promising

signs of growth.

Japan's economy has landed itself on a downward slope for the past several years. The yen has fallen nearly 14 percent against the dollar. However, Shinzo Abe, Japan's new prime minister, has pushed policy makers to help revive the nation's economy. With new pro-inflation policies underway, the country has taken a step in the right direction with evidence of extra profits for exporters. ■



A. Amarsaikhan's colimn



FEATURE TOPIC

A SINGLE INTENT AND STANDARD FOR EVERY PROJECT

BY I. JARGAL

Mongolian government officials have brainstormed on how to spend the funds from the USD 1.5 billion Chinggis bond for almost half a year. Observers are worried about directing efficient spending of those funds to counteract the risks imposed on future generations.

Recently, some projects have been named to be financed from the bond and have been allotted sums. The projects range from large infrastructure developments to incentives to the food industry, and include the Tavan Tolgoi power plant, road construction, construction of winter greenhouses, and financial support for textile, wool and dairy production. Now the only question is how to make these projects successful?

Mongolia has seen many large and small projects, but looking back the results of those projects have not always met their intended aims or been very beneficial. This was a fact agreed upon at The Good Project is the Start of Success Forum in May. The forum was very important as it was held during the debate over how to spend the money generated from last year's bond offering. The forum was particularly relevant as thus far there have been no standards employed over the selection and implementation of these projects.

Prime Minister Norovyn Altankhuyag opened the forum saying the absence of standards had hindered proper selection and evaluation of project proposals: "Mongolia's private sector is ahead of the public sector in

the implementation and management of projects as the public sector lacks experience and practice".

Past attempts to implement projects have been both successes and failures. Mongolia is only just now starting to learn about project management, and often times they are enacted in a way that only a few profit from them rather than the larger community at hand. Mongolia has learned from over USD 280 million worth of projects implemented by the US Millennium Challenge Corporation.

Mongolia has also benefited from the opportunity to gather many nations together under the flags of 44 nations. This is largely the result of the Oyu Tolgoi project. Yet Mongolia has other projects which are very attractive for foreign investors, including the Tavan Tolgoi and New Railway projects. Meanwhile, there are an increasing number of students who graduate from universities abroad majoring in project management. There is also a growing number of companies with reputations for successfully launching projects.

This edition of *Mongolia Economy* magazine focused on the agenda, interviews, and speeches delivered by national and international professionals during the forum; the projects to be financed from the Chinggis bond; and the effects the bond will have. The forum set out to build on the past experiences of past projects to help ensure success in the projects financed by the Chinggis bond. The findings from that forum may be the pillars to achieve that success. ■



Photo by E. Zorigt

PROJECT MANAGEMENT

ON TIME AND ON COST

BY B. ENKHTSETSEG

The phrases, “selling project”, “buying projects”, and “seeking someone to write project” have been commonplace in newspapers and on television for a long time. But it is hard to say how many of these local and foreign projects, supposedly for development aims, have been completed on time with expected results.

It has been common practice for Mongolian professional to follow various standards from different countries. In Mongolia foreign project manager default to their own countries; standards because Mongolia does not yet have its own standards for project management.

Worse still, often times project proposals are just a cover for people to attain low-interest loans, sometimes for reasons completely unrelated to the proposal.

Numerous projects of small and big scale in recent times have proven this true. Some examples of large-scale, well-known projects that fared poorly are the distribution of Erdenes Tavan Tolgoi shares to civilians, the 100,000 Homes project, the Sainshand industrial park, free trade zones, and the Railway project. Today we have seen few results from any of these initiatives.

Mongolia's Project Management Development ▶▶

- ▶ Institute said every day at least three to four people request from them past project plans. A team of professors from the Department of Business Management at the Institute's Management Academy did a study on project management capacities by looking at 300 companies in Mongolia. They found that 61.5 percent of projects were implemented to completion. Meanwhile a survey of project managers by the Institute showed there was no integrated concept or methodology, which was likely a main cause for slow progress.

Mongolia faces two main obstacles when attempting to enact project proposals. First is a lack of reliable information, and second is political instability, which includes changes in government and managing boards, amendments to agreements or their cancellation, and delayed implementation, said A. Munkhtaivan, project director of Millennium Challenge Account-Mongolia.

"Let's go forward with one principle: overseeing projects with a common language. Without that, the nearest example shows us that while one school's maintenance cost MNT 600 million another cost MNT 2 billion from the state budget", said, Prime Minister Norovyn Altankhuyag at The Good Project is the Start of Success Forum in May.

At the forum, Samdangeleg Sanjjav, a specialist at the development policy, strategic planning and coordination department at the Ministry of Economy and Development, said that it was hard to select projects to finance using funds generated from last year's USD 1.5 billion Chinggis bond when there was no standard for the country to rely on. Projects should meet the three principles of promoting social development, providing economic benefit, and care to the environment. However choosing one project over another and weighing how one proposal meets these criteria compared with another is not an easy task.

Panelists at the forum suggested the Project Management Body of Knowledge (PMBOK) standard was the best suited to Mongolia. PMBOK is the most widely used scheme developed by the Project Management Institute, an international organisation that assists project developers

in meeting their aims. But with over 50 project management methodologies available, one might wonder what made PMBOK so popular.

The terminology provided by PMBOK brings to the world a basis for easier understanding, and has been found to be so effective that it is utilised by 180 countries around the world. Public and private sector representatives concluded that bringing that management standard as the first link in a long chain of processes was best.

Colin Murphy of the Project Management Institute said that they had produced 13 standards, but PMBOK was the most successful because it is continually used throughout a project's lifetime from start to finish. It can also be useful as using the PMBOK scheme gives a project team access to PMI's reference catalogue of past projects to learn from those experiences.

"Implementing a good project, certified with ISO, means we need to acquire knowledge about the PMBOK standard. Products, services and projects that meet the ISO standard will emerge after installing project management in education programmes and adopting qualified project managers", said Ts. Unurjargal, who originally initiated the forum.

Though the word *project* is spoken nearly as often as *bread* in Mongolia, the positive results they launched have been minimal—not just in Mongolia but worldwide wherever communication poses a challenge. PMI's analysis of 1,000 projects showed organisations it deemed as highly capable for their achievements in criteria it felt were most important had outperformed their peers deemed less capable by 28 percentage points in terms of their ability to deliver a project on time, 24 percentage points in delivering projects on budget, and 20 percentage points for meeting the original goals and business intent of projects. They explained that weak points such as bad communication as well as poor planning, quality control and budgeting were the main failings. Bad communication, however, was cited as the most prominent obstacle, 50 percent of the time.

Perhaps Marc Tasse, resident director at the American Center for Mongolian Studies, summed it up best when he simply defined good project management at the forum as "On scope, on time, and on cost". ■

...often times project proposals are just a cover for people to attain low-interest loans, sometimes for reasons completely unrelated to the proposal.

PROJECT

REDUCING POVERTY THROUGH GROWTH



BY B. BAYARTOGTOKH

The Millennium Challenge Account-Mongolia's Reducing Poverty Through Growth initiative is currently implementing six projects: Property Rights, Peri-urban Planning, Vocational Education and Training, Health, Energy and Environment, and Roads. The US government has provided USD 285 million in total to wholly finance the projects and implemented them over the course of five years. Now these projects are expected to conclude this coming September.

Officials say this investment has helped foster good governance in Mongolia.

Although the Health Project may not produce any visible results, its economic impact will be readily apparent. The project's main goal is the prevention and early detections of non-communicable diseases, including cardiovascular disease, diabetes, cancers and injury-induced trauma. It aims to accomplish these goals through cost-effective medical treatments and introducing the best international practices. The project focuses on extending the productivity of the labour force through the reduced number of incidences and the severity of non-communicable diseases by reducing and redirecting health spending. The United States' Millennium Challenge Corporation has spent USD 39 million for the Health Project.

The Health Project includes the installation of angiography and tomography equipment, now ongoing at Hospital No. 3, for the diagnosis and treatment of non-communicable diseases. Additionally, the »

▶ project is establishing a diagnosis and treatment centre for heart and circulatory complications. A new section of the hospital for the centre is scheduled for commissioning in September.

Strict supervision by Millennium Challenge was employed throughout the project's implementation, said A. Munkhtaivan, the project's director. He added that when its work is complete, Millennium Challenge plans to hand over control to the Ministry of Health. The management process for this project included development, approval, planning, implementation, monitoring, administration and closure. A working plan was developed to outline the methodology to be employed along with a risk management plan.

The project provides a solution to how to install this equipment. Members of the project team cooperated with professionals from the food industry as well. Talkh Chikher, for example, has reduced the salt content in its Atar bread by 12 to 15 percent in the past three years, and Mon Suu is producing milk with less fat content and reduced sugar content in its yogurt products.

"In Mongolia, there is a lack of accurate data and information in implementing any project. The only scientifically grounded project for implementation into the health sector was the Health Project", said Munkhtaivan. "We carried out 10 studies during the first year and it was a waste of so much time".

He said that politics and a lack of cooperation were the chief factors for delays. He suggested that internationally accepted standards and methodology might resolve some of these challenges.

"The ability of Mongolians to work in team is not very strong, while the general belief is to praise achievements while ignoring the reality of the situation. "This negatively affects productivity for the project".

The experience gained from the Health Project has been utilised in Millennium Challenge's other five projects. It is also using the experience gained in Mongolia for its projects ongoing in other countries. As that experience is being used for some 50 projects in more than 10 countries, it seems they are not the start of development for Mongolia alone. ■

INTERVIEW

IT'S DIFFICULT TO DELIVER BIG SIZED PROJECTS ON TIME, ONE BUDGET

BY B. TSETSEE

Marc Tasse, resident director for the American Center for Mongolian Studies, has 15 years of business development experience and has spent six years living in Asia as a global business development specialist. He now provides support to US-sponsored academics and fellows conducting research. He also conducts business analysis for operations, identifies key points of interest and develops strategic partnerships to facilitate research opportunities in Mongolia. In the scope of project management, he seeks out new potential projects and areas for service expansion.

Tasse speaks on these topics and more following a presentation titled "Initiation, Implementation and Evaluation" at The Good Project is the Start of Success Forum on May 21. ▶▶



► **Please summarize the presentation you gave today.**

The presentation was about how the government of Canada and the United States implemented project management and the reasons why behind it. Because the communication process and the measurable outcomes are the main reasons, they use that throughout all of their operations.

With what's happened in Mongolia in the last 10 years, there's been some dramatic changes. I think Mongolia is now leaping into a global economy. For them to deal competitively and work in that environment they need to be able to work in that proper environment. One of the big criticisms they're having right now is there is some confusion with their foreign investors, foreign partners and stakeholders. They're expecting something in processes when working with the Mongolian government. A lot of that is differences in communication and because they've become used to a certain standard of how to perform and operate in something that's just now starting to develop within Mongolia

Currently Mongolia has a lot of projects on its plate while there's still many being introduced. How can this workload be balanced?

Well I think it goes back to what we were talking about. There's a miscommunication between the language being used within some of the foreign organizations and what's being interpreted in either way, from the Mongolian government or foreign companies, so their needs to be that cohesion of language so they're speaking the same terms and understanding the same meanings as they go through.

The second step is the process of how these projects are designed, evaluated and monitored. If you're using different standards and expectations of how this is supposed to be done then you're going to create conflict and confusion as you go through.

Some of the criticisms you can see with the foreign companies is because they try to be so scheduled, regulated, and planned with how they do things, it seems they are sometimes being almost inflexible. And that slows the process down because it's not happening as quickly as can necessarily be expected. An example is there was a competition in Europe where they had teams from different countries that were given an hour to build a structure as quickly as they could using a bunch of items on a table in front of them. The North Americans came in and starting piecing stuff together and the French were arguing and trying to do their own thing. The Germans sat down and spent 40 minutes of their hour designing, sketching and planning what their project is going to be. Everyone else figured they

would not even be able to get started before the hour was over. But once they started working on the project, in that last 20 minutes they ended up building the tallest tower of all of them because they planned out the process. They knew exactly what had to be done, they knew what the resources were, when things needed to be done, and that's when confusion happens, especially when you're dealing with different cultures.

You have to create a way to deal with cultural differences and cultural expectations. This is something that provides that venue. It's not one culture's process. PMI [Project Management Institute] is in a hundred-odd countries. It's being used as a standard for project management all around the world. It's become internationalised in how it's approached and standardised in that way. It's a very simple process for someone to step in to create that level of standards to deal with some of those problems coming up. There's inefficiencies, there's money being wasted, we're not seeing the productivity we're expecting. This creates a framework for evaluating to see is that true, is that actually happening, and if it is where is it so you can fix that problem.

What do you think are the main causes of the disputes between the government and the private stakeholders of the Oyu Tolgoi project?

It falls back to what was the original expectations when the agreements were originally designed. Was the language in those expectations involved? Were measures taken into account for unforeseen events?

No one really foresaw the collapse of the economy in 2008, and that's affected a lot of projects. No one's really predicted that the Chinese economy would create a slow down, which creates other problems. If you don't go through the proper process of planning and looking at everything the whole way, some of these things happen. You get events that we call scope creep. This is what we planned on doing, but as you go through someone asks, "Can we do this to it"? And it's only a small thing. Eventually if you add enough small things it becomes a big change. That's where you see things as in the example with the hospital. There was scope creep. The original idea for the hospital and what they ended up building was very different. And I think that's part of, in a way, what's happening with the projects here in Mongolia is that there's different expectations and different drives coming into it that are causing the project to go in different directions than what were planned for.

Does the size of a project make project planning more difficult?

Yeah, in most mega projects like this [Oyu Tolgoi] ►

▶ it's very difficult to deliver them on time, on budget, because there's so much. It's very common. It's more of the exception when they can stay on project than not. What you're now looking at is how far out are they. Is that within the normal parameters of what is expected or is this something that is way beyond and in that case should be considered a problem with the project?

What is the best advice you can give to Mongolian project managers?

The biggest advice is the communication factor. Communicating and getting the understanding of exactly what is the project expected to do and what is the real deliverable they are looking for, and getting that defined as precisely as you can so that from there when people do come up and say, "Can we add this little bit to the project?" you can turn around and say, "That's not part of the plan. That wasn't part of the scope. That's not what we originally wanted to build. We're building a road, not a park on the side of it. The park has nothing to do with the road plan".

Having that defined and being able to turn around and say this is what you want and say: "This is what you want. If you want me to change what we originally planned, we either have to change the time, change the costs or change the purpose or scope of the project. If you want to approve that, then we make an agreement and make a new project. And we continue from here".

The most difficult thing for a new project manager is dealing with that scope creep and that tendency for projects to try to evolve because that's something that happens usually over a long period of time. Time has a tendency to change things in ways unexpected.

Where should we put our attention in terms of educating people on project management?

That's one of the nice things with the PMI system; it's designed in a way to be very easily trained and transferable. It's one of the reasons why the government of Canada adopted that as a system because it's something you can bring in from some of the lowest levels of government and bring in a training process. At the same time you can apply it to senior government officials and provide them a very similar way of training because it's the same process. The only thing is there's a difference in the scale of what you're doing. But how you're ap-

proaching it ends up being the same. The basic skills makes it very easily taught and very easily transferable to different areas.

For Mongolia what the focus should be, regardless of what the standard becomes, picking one standard they want to use and implementing it in stages; probably starting from the higher levels so they can get organised and it will trickle its way down as it goes through. Once that standard is set, foreign companies or partners that try to deal with them, once they know what standard is being used, then it's easy for them to adapt to it because they know what those standards are and they can adjust accordingly, based on what the requirements are.

How long does it take to implement such a strategy?

For most of the program, you can teach someone how to run a project within six months and apply. Finding mentorships would be a good other alternative. There are several chapters of several other groups around the world that would be very willing to partner with Mongolian project managers as advisors and mentors to help them through that process. That's also part of being part of something like that Project Management Institute

network. You have 500,00 people as a potential resource to help others deal with some projects. It's also getting access to similar projects designed in other places and see that was how they structured it, how can this be related. Here's a framework for you to work with, adjust it for yourself rather than walking in and asking what do I do and where do I start.

What should be Mongolia's first steps following this forum?

What they [government] should be doing is pick a select group of people to start training them on the process and put them in charge of projects. See what happens, whether those projects do better than some others being run. A lot of what's done in industry is proof of concept. You have an idea you think it's something that's going to work. Test it somewhere. See if that idea actually works. This would be the time now to pick a group of 15, 20 people, put them through a training program to get them the basics of project management so they understand what the process is, leave them to go on specific projects, and measure the results. Then, see what happens. ■

The biggest advice is the communication factor.

ECONOMIST'S COLUMN

CHINGGIS BOND: POSITIVES VS. NEGATIVES



B. Munkhzaya (PhD) is a lecturer in finance management at the Institute of Finance and Economics

Recently, there have been a number reports from the media about the Chinggis bond, which was issued by the government of Mongolia in order to contribute to the country's economic development and to finance its infrastructure development. According to a simple review, there were some 40 publications and news reports on this topic, of which two-thirds were positive and one-third was negative. It seems that these reports were biased and unable to provide balanced information.

Financing from the Chinggis bond has both positive and negative impacts on Mongolia's economic and financial systems. The three main points are: How to create positive impacts, how to prevent negative impacts, and how to take the required measures without wasting time. This summary aims to provide balanced information based on accurate and correct studies.

Are Bonds a Classic Financial Source?

Infrastructural and economic development in any country is mostly dependent on financial sources. In Mongolia, its infrastructure development has been delayed for many years due to a lack of finances. But last year, the government of Mongolia made its own choice to issue the bond, which is a strategy common among governments.

During the 17th century, the government bond

was used by European governments in order to come up with funds to finance their wars. But today the bond is being used as a financial means to fund the spending of countries' governments. History tells us that the main cause of the largest crises was national debt, which comprised some 7 percent in the 19th century, 10 percent in the 20th century and 12 percent in 21st century. As we can see from above, an increase of the national debt is the main catalyst of financial troubles. In the past few years, the impact of the national debt has been progressively growing. For example, Denmark spent lots of money on the Gunboat War (1807-1814) that involved Norway. As a result, Denmark became unable to repay its bond that was issued on international financial markets in 1817. Soon after, the country faced a huge budget deficit. In another classic example, South America experienced a financial crisis due to a loan that was granted to Mexico in 1980. Also, the recent Euro zone crisis has been caused by government debt in 2010 of countries such as Portugal, Ireland, Greece, Spain and Belgium. From here, it can be concluded that the bond is a financial means that risks the collapse of a country's financial system.

Data shows that there are government bonds amounting to USD 85 trillion in the world. There are many countries which are spending their bonds more efficiently and contributing to their economic growth. Thus, Mongolia needs to abstain from repeating »

- ▶ such bad examples and employ more beneficial projects financed from the bond.

What Projects Need to be Financed?

A bond is a type of debt. If there is no action taken to repay the debt and if the bond cannot finance profitable projects, then Mongolia will suffer under the pressure of its foreign debt. As a result, this pressure has the potential to create a financial crisis. Mongolia is expected to repay USD 75 million per year or USD 208,300 per day in interest from the Chinggis bond (see Table 1).

Table 1 Calculation of Chinggis bond's interest

Period	Amount of interest /USD/	Amount of interest / MNT/
Per year	75,000,000	108,000,000,000
Per half year	37,500,000	54,000,000,000
Per month	625,000	9,000,000,000
Per day	208,333	300,000,000
Remark: * USD 1 = MNT 1440.		

Thus, when financing any projects, the main criterion is that the project must be beneficial enough to fully recover the costs of the bond's interest.

Was the Chinggis Bond Issued Successfully?

The government announced that the Chinggis bond was successfully issued on international financial markets. Orders received were as much as ten times the nominal prices. It showed that foreign investors were greatly interested in Mongolia. The main attraction was the bond's interest, which depends on its credit rating. Worldwide, the rating is determined by rating agencies such as S&P, Moody's and Fitch. A high credit rating means lower risk and, therefore, a lower interest rate. If the credit rating goes down, the interest rate goes up. (Table 2 shows a comparison of the Chinggis bond to bonds of other countries.)

According to Table 2, the Chinggis bond, which had a rating of 'BB-', had a lower interest rate than other countries with higher ratings, such as Chile, Russia, and Colombia. The nominal interest rate of the Chinggis bond is thought to be relatively lower, but its actual yield increases as the tugrik weakens against the US dollar. For example, at the time of the bond's issuance, the tugrik-to-dollar exchange rate was MNT 1,395. The bond's initial repayment is soon to be processed, but the tugrik has weakened to an exchange rate of MNT 1,440 for every dollar. As a result, the actual yield of the short-term bond has increased by 7.9 percent and the long-term bond has increased by 8.37 percent. In the future, as long as the dollar strengthens against the tu-

Table 2 Credit rating and government bonds in some countries

№	Name of country	National debt/ GDP(%)	National debt/ GDP(%)	Credit rating by S&P	Interest rate of short-term bond /5 yrs/	Interest rate of long-term bond /10yrs/
		2011	2012			
1	Germany	81.5	78.8	AAA	0.402%	1.373%
2	Hong Kong	33.8	33.1	AAA	0.530%	1.164%
3	Netherlands	66.2	70.1	AAA	0.570%	1.690%
4	Denmark	46.4	51.3	AAA	0.668%	1.477%
5	United Kingdom	82.4	88.374	AAA	0.823%	1.880%
6	Canada	84.9	84.6	AAA	1.350%	1.930%
7	Australia	22.8	24	AAA	2.763%	3.267%
8	Austria	72.2	73.9	AA+	0.060%	1.739%
9	France	86.2	89	AA+	0.731%	1.891%
10	United States	102.9	106.5	AA+	0.837%	1.968%
11	Qatar	31.4	29.5	AA	1.540%	2.870%
12	Japan	229.7	235.8	AA-	0.417%	0.877%
13	China	25.8	22	AA-	3.200%	3.470%
14	Chile	9.9	10	AA/A+	5.030%	5.090%
15	Czech Republic	41.4	43.9	AA/AA-	0.920%	1.580%
16	Malaysia	52.5	53.1	A/A-	3.080%	3.080%
17	Poland	55.3	55.6	A	2.885%	3.332%
18	Mexico	43.8	42.8	A-/BBB	4.240%	4.720%
19	Brazil	66.1	65	A-/BBB	9.390%	9.970%
20	South Africa	38.7	39.9	A-/BBB+	5.630%	6.410%
21	Thailand	41.6	44.3	A-/BBB+	2.840%	3.290%
22	Peru	21.6	20.7	BBB+	2.700%	4.030%
23	Italy	120.1	123.3	BBB+	2.787%	3.921%
24	Spain	68.4	79	BBB+	2.948%	4.196%
25	Russia	9.6	8.3	BBB+/BBB	6.150%	6.650%
26	Colombia	34.6	32.3	BBB+/BBB-	5.610%	6.080%

Source:

http://www.investing.com/rates-bonds/world-government-bonds?maturity_from=130&maturity_to=180

<http://www.nationsonline.org/oneworld/country-government-gross-debt.htm>

grik, the bond's interest rate becomes cheaper.

Asian countries reportedly own some 29 percent of all the bonds in Table 2, European countries own 26 to 32 percent, and the United States owns 40 to 45 percent. For these investors, Mongolia's 'BB-' is a risky credit rating in terms of on-time repayment. But their choices are considered to be a strategic one, in which they will be able properly allocate their investments and increase their return on investments (ROI). The Chinggis bond comprises 1 to 3 percent of these bonds.

Is the Chinggis Bond's Repayment Condition Convenient for Mongolia? ▶▶

► Investors are also interested in the repayment conditions in addition to the bond's interest rate. The conditions for both government and company bonds vary. But they are the same in terms of the repayment of interest annually and the principal repayment the in short- or long-term. But the Chinggis bond is different from the others because of its repayment conditions, as repayment is processed semi-annually. For investors this is more beneficial, but for Mongolia the conditions are not really convenient. This is due to a difference between money values which are repaid annually and semi-annually. Also, the weighted-average life (WAL) of these repayment conditions differ. (see Table 3)

Table 3 Weighted average life (WAL) of bond

Table 3 Weighted average life (WAL) of bond	WAL of short-term bond	WAL of long-term bond
Semi-annual repayment	4.509	7.947
Annual repayment	4.566	8.068

In finance, the WAL of an amortizing loan bond is the weighted average of the times for principal repayments. It means when there is a shorter period between repayments, the principal repayment is processed in a shorter period of time, and the interest is repaid the rest of time.

For instance, when a short-term bond is issued in terms of semi-annual interest repayment, WAL accounts for 4.509 a year. But in terms of annual interest repayment, WAL increases up to 4.566 a year. It means that Mongolia could make a change to use the principal repayment for a little longer. In the future, Mongolia plans to issue USD 3.5 billion in government bonds, and there is still the chance to create a condition which would be more convenient for it (in terms of a longer WAL).

What are the Positive and Negative Impacts on the Financial System?

When a bond's funds comes in, both supplies for local currency and foreign currencies are increased. An increase in money supply could have a positive impact on economic and financial systems including the reduction in interest rates, growth in the employment rate, and weakening of foreign currencies and strengthening of the local currency. Whether or not the bond has these positive impacts will be mostly dependent on state policy, monitoring of efficiency,



and implementation of projects.

When the bond's interest is repaid to its investors on a semi-annual basis, a particular amount of foreign currency will flow outside Mongolia. Then, the supply will be reduced. The principal repayment for the short-term bond should be processed in 2018 and the long-term bond in 2023. During these periods, the supply of foreign currencies will be obviously reduced.

A reduction in the supply of currencies has the risk of weakening local currency. If the local currency rate slumps during repayment, it might cause a financial crisis. For instance, the main cause of the Asian financial crisis in 1997 was, again, the reduction in supply of foreign currencies. When processing repayments, a country needs to maintain its foreign currency supply and the local currency rate by increasing domestic production and exports. This could prevent a subsequent financial crisis.

We hope that the government of Mongolia will follow a policy of spending Chinggis bond funds more efficiently and contributing to the country's economy. Taking this opportunity, I would like to say that accuracy and balance is needed in future news, as well as information regarding the spending of the bond and its benefits. ■

PROJECT

A SUMMARY OF THE PROJECTS TO RECEIVE FINANCING FROM THE 2012 CHINGGIS BOND

Dairy Production (USD 27.7 million):

- Production of milk is expected to reach 50 million litres by 2016.
- Organic milk and dairy products given value-added processing will replace imported products to meet demand from Ulaanbaatar denizens.
- Dairy plants that meet international standards will be established.



Winter Greenhouse project (USD 17.4 billion):

- A 20-hectare greenhouse will be built to produce currently imported produce, such as cucumber, tomato and strawberries, to meet total demand. There will also be production of capsicum to meet 65 percent of demand.
- In 2014 and 2015, an additional 12-hectare greenhouse will be built to meet produce demand from Darkhan and Erdenet and select provincial capitals. Other greenhouses will be used to supply total domestic demand beginning from 2015.
- Vegetables supply will be improved throughout the year.
- Modern technology is expected to be introduced.

Production of Wool Products project (USD 45 million):

- Mongolia will employ all processing of wool products domestically.
- Up to 15,000 new jobs will be created.
- Annual production will grow up to MNT 250 billion worth of products.

Textile Production project (USD 13.5 million):

- Domestic producers will produce 520,000 school uniforms using domestically produced woollen fabric.
- Thirty garment factories will be established in Ulaanbaatar and rural areas that will likely be accompanied by some 50 contractors.
- Domestic production will meet demand for school uniforms and other uniforms.



Development of Cashmere Industry project (USD 68.8 million):

- In 2013, national producers will purchase 50 percent of total cashmere produced for processing and manufacturing.
- In 2016, 3.2 million pieces of knitted goods (of which 80 percent is to be exported) and 978,000 square metres of woollen fabric are planned for manufacturing. ▶

▶ Tavan Tolgoi Power Plant project (USD 50 million):

- The power plant will meet energy demand for Dalanzadgad Soum and the Gobi desert region.
- The coal washing plant will produce mid-tier coal for electricity generation.
- Installations will be made to expand the capacity of the power plant to meet energy demand for the Ukhaa Khudag, Baruun Naran, and Oyu Tolgoi mines.

Streets project (USD 200 million):

Ulaanbaatar

- The current 33 three-lane intersections will be expanded into four-way intersections.

Ger blocks:

- Ger districts will be divided into sectors for development.
- Households located in areas planned for road and infrastructure development will receive compensation.
- Water supply and sewage systems will be installed.

Highway project

- Highways will be built along the Tuul and Selbe Rivers.



New Railway project (USD 200 million)

- Construction will be launched for 267 kilometres of new railway between Tavan Tolgoi and Gashuun Sukhait.
- A technical drawing for the 1,500 kilometers of new rail between Tavan Tolgoi, Sainshand, Baruun Urt, Khuut and Choibalsan, and Khuut-Bichigt will be finalised.

Road Construction to Connect Six Aimags with Ulaanbaatar project (USD 404 million)

- A road network will be built connecting Ulaanbaatar to the provinces of Dornod, Dornogobi, Dundgobi, Umnugobi, Bayankhongor and Khuvsgul.

Ulaanbaatar Housing Infrastructure Development project (USD 141.8 million):

- Water supply and sewerage system will be delivered to the following apartment blocks:
 - Apartments of Bayangol Valley,
 - Buyant Ukhaa,
 - Ireedui Complex,
 - Apartment Block No. 7 and 14 and the apartment block around Mongolian National Broadcasting
 - Berlin Eo,
 - Solongo
 - Yarmag
- Water supply and sewerage system will be delivered to the following ger areas:
 - Denjyn Myanga
 - Gandantegchilen Monastery
- Heat will be delivered to:
 - Ger block Khoroo No. 15, 16 and 17 in the Sukhbaatar district
 - Ger block Khoroo No. 12 in the Bayanzurkh district
 - Ger block Khoroo No. 13 and 15 in the Chingeltei district (near Khailaast)
 - Ger block Khoroo No. 5 and 6 in the Songino Khaikhan district (near Khanyn Material)
 - Ger block Khoroo No. 8 and 16 in the Bayanzurkh district
 - Ger block Khoroo No. 10 in the Songino Khaikhan district
 - Ger block Khoroo No. 7 in the Chingeltei district ■

MANAGEMENT

THE RIGHT ATTITUDE TOWARDS JOBS RATHER THAN SKILLS



BY KH. KHULAN

Gudrun Henne is the founder of Viveka International in Berlin. She is a qualified lawyer with a PhD in International Law, a certified trainer in Neurolinguistic programming, a coach and trained systemic organisational consultant. Before founding Viveka International, Henne worked for over 10 years in executive positions with international teams in Germany and abroad. Her motto is: "Recognise. Understand. Take the right step".

Mongolian Economy met Henne during a training course for management and leadership organised by the German Society for International Cooperation's (GIZ's) Intergrated Mineral Resources Initiatives Programme (IMRI) in Ulaanbaatar.

Which essential factors should a company consider for the development of its human resources?

I think the answer is both simple and challenging. The simple answer is that you need to find the right people who have the right attitude, develop the right skills, and treat them in the right way so that they stay with your company. Human resource is the basic element of a successful organisation. If you do not have well performing, dedicated personnel, then you will not be able to attain your goals as a company.

So, first of all it is very important to do a good assessment of the human resources you need.

The first step is to think carefully before you hire someone. You need to answer questions such as: What type of job does the person have to do? What are the tasks? What are the qualities, attitudes and skills the person needs for the job? If you look at hiring staff, the most important factor may not be the skills but the attitude the person has towards the job and the company. It is more important to find a staff member that is active, responsible, willing to contribute and who has a sense of being an empowered employee, rather than finding someone who has the right skills.

If a person doesn't have the right attitude, it will not lead anywhere. Obviously, you also need good skills. But if you have the choice between the skills and the attitude, I would always go for the attitude because the skills can be learned.

So the first part is to find the right people. But in order to be able to find the right people you have to have clarity in mind. What is the job the person has to do? Which attitudes does it require? And how do you measure the job performance? Because very often we just give people tasks without telling them our expectations. In order to fulfill the task properly, the person just does anything, but it is not clear what is expected. Basically to make it more clear, you should also tell your expectations for the good performance of the given task

One challenge that companies are just now beginning to face here is how to retain good staff? What can a company do to support its staff?

If you have people in the company you want to stay in the company and you don't want them to leave, you have to think thoroughly what makes a person stay. And the fact is it's not only money, but also being treated well, having the feeling of belonging to the company, the feeling of ▶

- ▶ contributing to something which is an important goal, and having success and vision. People are inspired by vision and belonging to something that is important. They love working in a good atmosphere.

If you want to keep your people, it is not just about money, but having the right vision and the right attitude towards those people.

And finally is career development. Do I have the perspective in a company that I can grow and have a career path? Is there an ambitious goal attractive to me that I can achieve in, let's say, three years, or is it the same job which I am doing all over again and where I'm not being treated with respect? Then I will leave this job later for a company with a higher salary or better branding.

Many people in Germany go more for well-known companies. They prefer to work for Adidas, Puma, Mercedes or Volkswagen than to work with the supply company that is unknown to the public. The supplier has the challenge of keeping its staff. Very often management thinks hard about employer branding. What is a good brand for me as an employer to keep my staff?

How many types of in-house communication can be distinguished?

There are many different aspects to how to communicate inside of a company. One aspect is that there needs to be a strong distinction between information and communication. Information is passing on dates, states, figures, facts, and decisions that have to be taken. This is not communication.

Communication has two sides. One part is that I say something. The other part is that I might get an answer. The answer gives me another chance to explain, reply or to change something. And to better understand how my communication is understood. Communication is the key aspect in any organisation so that you have a dialogue and you can take your staff with you.

One instrument of communication is, for example, gathering all the staff and discussing the next challenges. It depends on the size of the company and how you are going to organise it. But it is important that it is not only a cascading way of communication, where the CEO meets with his or her direct subordinates and then communication cascades down along the hierarchy. Important issues should be discussed without the hierarchy chain, involving everyone in the company. You get better feedback and helpful information.

Another instrument of leadership is asking questions. A good manager asks questions of the staff and waits for the answers. Asking and talking to staff might solve challenges that you might not yet have realised.

What should be done to improve the relations between the chief executive and staff?

The first thing you have to do is distinguish between structured and informal communication. Informal communication is meeting for coffee or talking in the corridor. Structured communication is a management decision. For this you have to decide on an in-house communication strategy.

I think this is something that is missing in many companies. For example, you can have a regular meeting once a week that has a definite beginning and—this is important—also a definite end. Don't allow meetings to carry on endlessly. Stick to a given

time table and stick to the agenda you communicated beforehand.

Another aspect of communication is setting the right tone and being open to receiving comments. If you are open you also increase transparency.

In your training you have outlined three elements of good management. What are they?

The question of what is the best management has been asked for over a century. In general, everybody agrees that there are three aspects that are important for good management.

Set targets and objectives that are clear, transparent and have well defined milestones and are achievable and measurable. The second aspect is providing incentives for people who are fulfilling those targets. You have to distinguish between high-performers and low-performers in your company. The high-performers should be awarded and the low-performers should be trained, or, if needed, laid off. There needs to be careful observation of who is the high-performer.

An organisation has staff from different social backgrounds with different behaviors. How can one communicate effectively with all these groups?

It is true that within an organisation there are many different types of people, as different as they are in society. People have different characteristics, from being very extraverted to introverted. Some are analytical, others are spontaneous. Some are slow, while others are very quick.

No matter how people are in their private environments, they will adapt to what is requested from them in a company. The question is what is the company's culture to deal with the differences? How do you communicate with your staff? If you are the CEO, always welcome new ideas and test them. Then even people who don't seem to be outspoken or outperforming will come up with ideas.

What type of human resource policy is adequate for a company with about 20 people?

This depends on the type of work people are doing and the quality they are delivering. Human resource should not be too strict with regard to formalities. What is important is that people deliver results. Nowadays, companies are mostly knowledge-intensive and work with knowledgeable workers; less with conveyor belts in a production line. The important results of a company are based on knowledge.

So one should be more flexible with formal requests and instead impose an atmosphere of creativity. For example, there is a difference between the companies that produce pizzas and excellent software. You will not say to an IT person please produce your software from 9 a.m to 5 p.m. Instead you will say produce the software when it is best for you to be creative and productive, and just write the down time. Of course you have to monitor the results.

As long as the results are fine, I would give the person more freedom. On the other hand, obviously there are things that should be done at certain moments in time. It is important that the person should be responsible for the results. Then you don't need to focus so much on the process and the way the person does it. ■

OPINION

TIME TO STOP CELEBRATING THE POLLUTERS



In connection with Celebration of the World Environment Day, we present a publication written by Chuluun Togtokh, Director General at Department of Green Development Policy and Planning, Ministry of Environment and Green Development of Mongolia. The following feature was prepared for the United Nations Conference on Sustainable Development Rio plus 20 taken place in Brazil in June 2012.

The United Nations Development Programme this month released its annual league table of countries judged according to their state of development. Who leads this ranking? The usual suspects: the United States, Canada and Australia are all among the top six. My own nation, Mongolia, languishes in 110th place.

The UN goes out of its way to promote sustainable development, yet the Human Development Index (HDI) mostly ignores sustainability. Worse still, the index celebrates gas-guzzling developed nations. It is time that this failure—hidden in plain sight—was exposed and corrected.

The HDI has set straightforward benchmarks for countries and international organisations for more than 20 years. Its success and influence owes much to its simplicity. The index brilliantly summarizes development and quality of life in a given country using health, education and income levels. Yet it fails to cover an increasingly crucial question: how responsible is that development? With Earth's human population reaching seven billion in the past month, it is reasonable to question the UN's true commitment to sustainability.

In the current HDI, developed nations and oil-rich countries are placed highly without regard to how much their development paths cost the planet and imperil humanity's future development. There is an assumption that natural resources are unlimited, and little regard is given to the fundamental changes to Earth's biological, physical and chemical processes that result from

development. Either we have unbridled optimism that a miracle will occur, or our scepticism about our ability to overcome this massive challenge is so paralysing that we do not even bother to try.

In 1992, the first UN Earth Summit in Rio de Janeiro, Brazil, defined the three pillars of sustainable development: economic, social and environmental growth. Globally, humanity has had remarkable success with the first two of these. But we have failed to tackle all three dimensions simultaneously, owing to reductionism, fragmentation, division and territoriality. The HDI is emblematic of this fragmented approach.

As the UN prepares to return to Rio de Janeiro for the Earth Summit 2012, it must lead by example. From next year, it should change the way it calculates the HDI. The revised index should include each nation's per capita carbon emissions, and so become a Human Sustainable Development Index (HSDI).

"Progress in the development index has come at the cost of global warming".

Per capita emissions are a simple, available and quantifiable indicator, and this month's report announcing the HDI did include some important analysis of them. Emissions are positively and strongly correlated with income; less so with the HDI; and not at all with health and education. And in general, the faster a country's HDI improves, the faster its carbon dioxide emissions increase. The bottom line is that progress in the HDI has come at the cost of global warming. But these environmen- ➤



tal costs are related only to economic growth, not to broader gains in the HDI, and the relationship is not fixed. Some countries have advanced in both the HDI and environmental sustainability.

How would inclusion of emissions affect the HDI? To find out, I recalculated the index using the UN's published methodology, but taking per capita emissions into account. The resulting HSDI gives some interesting results.

Australia, the United States and Canada fall straight out of the top 10: Australia slides from 2nd place to 26th, the United States drops from fourth to 28th, and Canada falls from 6th to 24th.

Cultures that value moderation do well in this sustainability index: Norway remains in the top position, Sweden rises from 10th to 2nd and Switzerland moves from 11th to 3rd. But anyone who has visited the Nordic countries will recognize that moderation need not compromise a high standard of living. And for the first time, an Asian state appears in the top ten. Hong Kong rises from 13th place to 4th. Japan and South Korea, originally just outside the top ten, move down by only one or two places.

Noticeably, oil-producing countries and those with intensive oil use drop the most. The United Arab Emirates,

The United Nations must include sustainability in its quality-of-life index to encourage countries to develop responsibly, says Chuluun Togtokh.

Brunei Darussalam, Qatar, Luxembourg and Bahrain are no longer listed in the 'Very High Human Development' quartile.

Using the HSDI, Mongolia advances slightly. My country is likely to become one of the fastest growing economies in the world, but the current HDI offers no encouragement for it to grow sustainably. Ulaanbaatar is already one of the worst capital cities in the world for air

pollution. The country's water, forage and forest resources are depleted. Mongolia is at a turning point in environmental, social, economic, political and cultural development. We urgently need international collaborations to preserve our natural and cultural systems and introduce green technologies.

It seems part of human nature at all levels to compete, and this can be harnessed. The HDI has shifted the target of development beyond the almighty dollar; the proposed HSDI would go one step further, and change the role models for development. We need such a change because, if the UN continues to encourage countries such as Mongolia to aspire to the US lifestyle, we will all be in serious trouble. ■

Source: <http://www.nature.com/news/time-to-stop-celebrating-the-polluters-1.9370>

EXPERT SAYS

GREEN MONGOLIA



By Masa Igata, Founder and CEO at Frontier Securities

The RIO+20 2012 forum is set to spread the message of the green economy for sustainable growth. The ideas concerning green economics for sustainable development have spread worldwide, and every country must work together after a long history of sacrificing the environment in exchange for economic growth.

Mongolia's national strategy on green growth began eight months ago after the government established the Ministry of Environment and Green Development in order to fulfill its commitment to achieve sustainable, green development.

According to Dr. S. Oyun, minister of environment and green growth, Mongolia is far from green. In fact, the economy would better be described as brown. For instance, CO2 emissions per USD 2,000

of GDP in Mongolia is 8.5 times higher than the world average, while greenhouse gas (GHG) emissions per capita is 2 times higher.

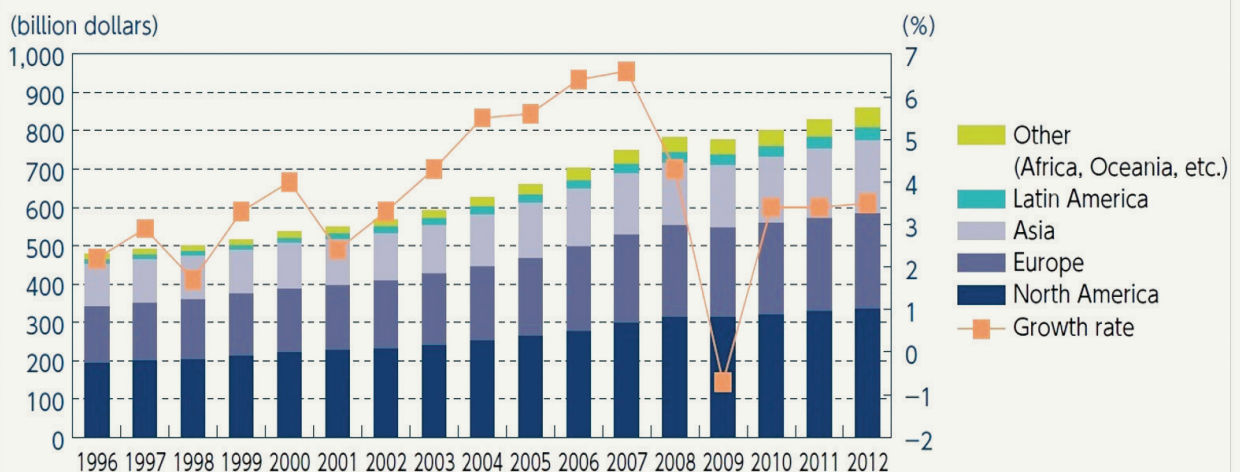
The situation is certain to grow worse, too, in the next five to 10 years if nothing is done to improve conditions as the mining industry ramps up production. This led the State Great Khural to approve new environmental legislation in 2012, which includes the following:

1. Carbon tax
2. Consumer tax
3. Improved management of natural resources

The government has also enacted its 2012-2016 Government Action Plan with the following objective:

1. Develop models for green development, such as the "green city"; ▶▶

World Market of Environmental Businesses by Region



Note: 2011 and 2012 are estimated values

Source: Ministry of the Environment based on Environmental Business International, Inc., San Diego, California

- ▶ 2. Promote environmentally friendly technology, clean production techniques and green consumption;
- 3. Develop a new green financing mechanism that links the financial sector to projects for mining and other industries;
- 4. Apply recycling technology to household and industrial waste; and,
- 5. Apply the "Three Rs" principle (Reduce, Reuse and Recycle)

The commitment of Mongolia in developing a green economy is admirable because it is not easy for developing countries to adopt these policies. China, knowing the impact of air pollution in big cities, has neglected taking action to introduce effective policies to improve the problem until just recently. Unfortunately, now the pollution has reached such a critical level that the economic and social burdens it faces are huge.

Recycling

Japan, Germany and other developed countries have very good systems for recycling. Reusing goods has helped to develop the service, and manufacturing industries have flourished in these countries. Industry can grow

similarly in Mongolia as well.

There are other strategies in addition to recycling that Mongolia can implement as well:

- (1) Introduce green taxes to help reduce global warming and promote the use of environmentally friendly cars;
- (2) Establish a legal framework for a cyclical social system, such as a green purchase law
- (3) Provide green financing to help create environmentally friendly products and services

Lastly, it is needless to say that working towards a green economy in Mongolia is a challenge and opportunity for business in Mongolia. But it is the direction that Mongolia must never turn away from. Companies who follow this direction will win while the rest will lose in the long run.

And, in Mongolia, as stated earlier, the government has just realized the importance of this fact and has started implementing policies for this aim.

This industry should be one of the fastest growing of the fastest growing economies of the world in the next 10 years. Investors should not miss this opportunity. ■

Bringing the Worldwide Coal Community Together

Coal Processing & Mining Technology

www.CoalExpoMongolia.com

Coal Processing & Mining Technology is being held in Ulaanbaatar, Mongolia, June 4 - 5, 2013. With the support of several key Mongolian Ministries, Associations, and Business Organizations this is the event that will allow you to expand your business into the booming Mongolian market, which is poised to become a world leading exporter of coal and other minerals.

Coal Processing & Mining Technology is co-located with the *Transportation & Logistics Expo* and features many of the leading companies in both the mining and the transportation industries. Mongolia has a need for improved and increased infrastructure and transportation systems, a vital need shared by the mining industry.



For more information you can visit our show website at www.CoalExpoMongolia.com, or call Glenn Scott in the U.S. at 203-957-3700, ext 102 (email at gscott@uexpox.com).

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