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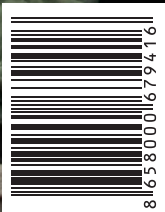
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SOCIAL DEVELOPMENT
A Different Ulaanbaatar

MINING
Interview with the Development Deputy of Erdenet
Mining Corporation

BUSINESS
Entrepreneurs Set Up Study Tours of Businesses

The Starting Point for Development





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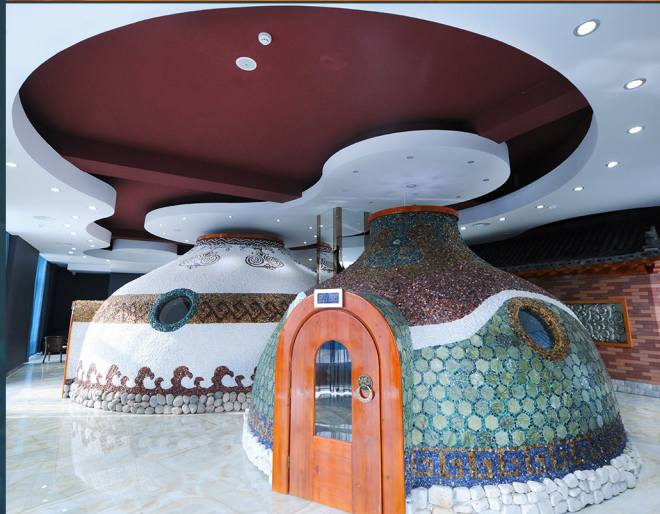
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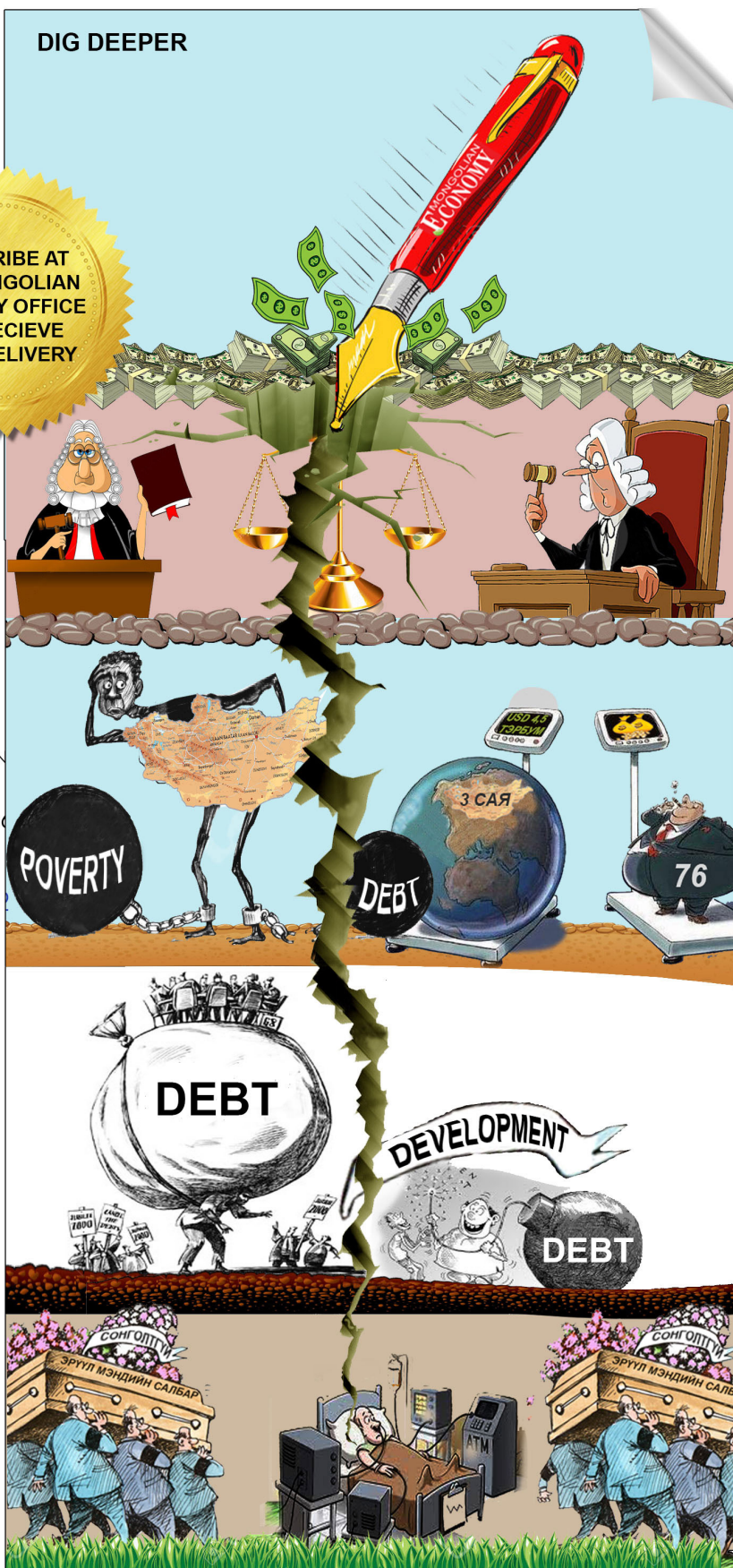
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We rest for one day per week, but it's mandatory to work 16 hours from morning until evening before the rest day to give time for the others to rest.



Though most of the trips start and end in Ulaanbaatar, it is doubtful that people tell their friends the capital grasped their awe, unlike the picturesque countryside.



In order to decelerate and stabilize the current ever-intensifying global climate change process, it is important to curb the coal consumption, promote energy efficiency practices, broad utilization of renewable energy sources and modernize the production technology.

COMMODITY PRICES ON WORLD MARKETS



As of May 29, the price of gold on the world market reached USD 1,190.60 per ounce, which is a 4.7 percent decrease from the same period of the previous year and a 0.5 percent increase from the previous month. In addition, the prices of high grade iron ore reached USD 60 per tonne and refined copper reached USD 6000 per tonne. The price of copper fell by 5.6 percent from the previous month, while iron ore rose by 1.7 percent. Compared to last year, copper prices decreased by 13.2 percent and iron ore decreased by 34.6 percent. The decreased importation of food products such as sugar, cocoa, chocolate, alcoholic and non-alcoholic beverages, milk and dairy products serve as the main cause of the decline in imports of high-turnover products. The decline in investment products in imports are mainly affected by the 48 percent or USD 251 million import declines in machinery and mechanical equipment and parts. In addition, imports of construction materials decreased by USD 80 million.



PRODUCTION

Industry sources said that demand for concrete may increase 1.5-2.5 times and reach 5.9-9.6 million cubic metres by 2020. The government has proposed the goal of providing 60 percent of the

country's total population with modern housing by 2030. The project will take into account the supply of housing, infrastructure projects, and demand for public buildings. There are 108 enterprises licenced to produce concrete in Mongolia, and 72 of them are actively operating in Ulaanbaatar. However, most of the plants are established under construction companies and do not provide the products directly to the market. As of 2013, Premium Concrete LLC was leading concrete production, while the MSE-listed Remicon JSC came in second. Last year, Merex JSC began offering its stock to the public on the secondary market for the first time in order to implement a project to establish a plant with the capacity to produce 150 cubic metres of concrete per hour. MAK LLC put a new euro-standard plant into operation this month through a USD 155 million investment. This plant has the capacity to produce 270 thousand cubic metres of concrete, enough to satisfy one-third of the national consumption. The key feature of this plant is that it is fully automated.



ENERGY

The Ministry of Energy reported that Mongolia consumed 405.3 million kilowatt-hours (kWh) of electricity in May. Domestic power plants produced 94.4 percent of the total, while 22.5 million kWh of electricity were imported. Over this period, energy consumption was lower than estimated. Thermal Power Plant IV alone provided 68.8 percent of the domestic energy production, while the Salkhit wind farm produced 4.1 percent. Also, industry officials say the sector needs a consolidated policy for special licencing related to the

construction of energy sources. As the construction works started, the Minister of Energy said the consumers are having issues connecting to the grid because of private property lines and ungoverned substation relations.



URANIUM MINING RIGHTS GRANTED

The government was not granting uranium mining licences to any domestic or foreign companies as many people were in opposition. However, the Mongolian state-owned company Mon-Atom LLC and the Czech private company Uranium Industry have come to a decision to establish the joint venture MonCzech Uranium on May 19 during a special session of parliament. The Mongolian side will own 51 percent of the joint venture under the agreement, and the companies will cooperate in the radioactive minerals exploration industry. In addition, a uranium mining licence was granted to French-invested CogeGobi LLC. The company has received a licence to mine and use radioactive minerals from the Dulaan-Uul and Zuuvch Ovoo deposits in Ulaanbadrakh soum of Dornogovi province. The Mineral Resource Authority decided to grant the request for the licence as the Nuclear Energy Agency was dissolved. Minister of Mining R. Jigjid said preparations to establish the "Areva Mines" joint venture company that consists of Mongolia's Mon-Atom LLC, the French Areva and Japanese Mitsubishi are taking place.

MORTGAGES

The government has assigned the board of directors of the Development Bank the task of issuing MNT 200 billion in loan guarantees to commercial banks on a contractual basis associated with the government guarantees of up to 20 percent of mortgage loan

down payments. In addition, relevant ministers have been obliged to identify target groups, to develop the loan guarantee coverage criteria and get things approved. Thus, the government-subsidised mortgage loan issue can be resolved within July. In doing so, they believe that target groups' access to mortgage loans will increase and the financial risks to the construction sector will be reduced. This may also serve to bring the supply and demand of the housing market to equilibrium. Prime Minister Ch.Saikhanbileg noted that the state faces an urgent need to support the construction sector in these times of difficulty. Under this programme, banks will take on less risk as the government guarantees up to 20 percent of the mortgage payments, while residents have the possibility to pay 10 percent upon signing and pay the remaining 20 percent of the down payment in the long term.

WORLD NEWS

GREECE



Google Trends shows that searches of term "Grexit" (Greek exit) has skyrocketed in the past month. It has been talked about for a long time now, and each day it is becoming more likely, although nothing is certain. In order to avoid default, Greece's international creditors had offered an extension of the bailout by six months and EUR 18 billion in funds, but they had to wait on President Tsipras and his anti-austerity party to submit revised fiscal targets, pension cuts and tax hikes. Billions of euros have been withdrawn from Greek banks in past few weeks. On the week the EUR 1.5 billion payment to the IMF was due, Greek banks were closed to prevent bank runs, and on Tuesday, June 30, Greece became the first EU country to

default on its creditors.

SANCTIONS AND RUSSIA



The German daily Die Welt reported that EU sanctions on Russia in response to its involvement in Ukraine as well as Russia's retaliatory countermeasures could endanger two million jobs and cost Europe EUR 100 billion. Citing a report by the Austrian Institute of Economic Research, the newspaper stated the fall in exports is being felt by EU economies. In Germany, 500,000 jobs are at risk, and its economy will lose EUR 27 billion, contracting by one percent in the coming years. For Italy, it is 200,000 jobs and 0.9 percent of GDP, and for France, 150,000 jobs and 0.5 percent of GDP. The German paper also accused the European Commission of not releasing the numbers to prevent the public and the Russians from seeing them. The Kremlin's counter-sanctions include a one-year ban on food and agricultural imports from the nations that placed sanctions on Moscow.

LUFTHANSA TROUBLES

There is a threat of strikes that may shut down numerous Lufthansa flights in the summer as disputes over the pension system between Lufthansa Group and its union of cabin crew members. The union represents more than 13,000 cabin crew at the Lufthansa Group companies Euro Wings, German Wings, Lufthansa and Lufthansa CityLine. In 2014, repeated strikes cost Lufthansa an estimated EUR 232 million. The key issue is that at the moment, pilots and flight attendants can retire at age 55 and receive 60 percent of their salary until age 65, when the national social insurance programme would take over, but Lufthansa says due to lower interest rates in the capital

markets, this is no longer affordable.



BANK OF CHINA AND ITALY

Italian prosecutors are getting ready to indict 297 people and the Bank of China after a massive money-laundering scheme was uncovered by The Associated Press earlier in June. The suspects are mostly Chinese migrants, including four senior managers at the Bank of China's branch in Milan. Prosecutors say more than EUR 4.5 billion from counterfeiting, prostitution, labour exploitation and tax evasion were sent to China over a four-year span from 2007 to 2010. Nearly half of that sum was funnelled through the Bank of China, which earned EUR 758,000 in commissions. Italian officials say Beijing, which seeks cooperation with Western law enforcement in tracking its own financial fugitives, did not cooperate with the investigation. China's state-run Global Times newspaper published a rebuttal to the AP's report, calling it "strange." The ruling Communist Party has made tackling corruption a priority and has punished over 100,000 officials for corruption.

CPI UP IN US

The Consumer Price Index in the United States rose by 0.4 percent in May, the largest increase since February 2013. A 10.4 percent increase in gasoline prices in May largely accounted for the rise in CPI. There is virtually a zero percent change since May 2014, and new applications for unemployment benefits fell to a 15-year low. The Philadelphia Federal Reserve Bank also noted an increase in factory activities in the region. Manufacturers reported higher costs of inputs, but in turn also raised prices on their goods, indicating that inflation should go up in the coming months. Several reports by banking institutions as well as government institutions in recent months reflect an optimistic outlook on the US economy. ■

Ts.Enkhtsengel: People Need to Reach a Higher Level of Social Development in Terms of Education, Culture, Health and Social Communication



By B.Uuriintuya

We talked with the Deputy Mayor in charge of Social Development Issues at the Governor's Office, Ts.Enkhtsengel, about development and social challenges the city is facing. He is responsible for five major sectors – city health, education, culture, sport and tourism. He stressed the importance of each citizen's participation in the development of the capital city.

- The word development has many meanings. What does development of the capital city mean?

- Of course, urban social development is a very broad concept. Developing the capital means developing the country. Half of the population is living and working in Ulaanbaatar. Many households' savings, business activities and future goals are concentrated in the capital.

The Ulaanbaatar general development plan until 2020 has been issued, and parliament has also approved the development trend until 2030. Objectives have been set, and they contain goals such as establishing eight sub-centres in Ulaanbaatar which have trade and social services for people, as well as social and engineering infrastructure. Urban development includes the social institutions and infrastructure

that allows people to work and live, such as maternal hospitals and health and education organisations. Furthermore, cultural, physical culture and sports activities are included. There are many measurements that seek to quantify levels of development that developed nations use.

- On what level are the development of the health and education sectors if measured by these indicators?

- Development is measured in many ways. The core educational programme is being implemented in the education sector. This programme has made progress in the quality of education, and is aiming to improve access to education. It can also be seen from studies that Asian countries have started to move up in rankings of education level. Among them, our country is trailing behind somewhat, but it should not be said we have fallen completely behind, because there is a high correlation with socioeconomic factors. As for education standards, academic curricula are determined in accordance with the direction of the State Administrative Central Organisation and the government, so they do not deviate from international standards and norms.

Everyone knows what level the health sector is at today.

Accessibility is poor. Ninety percent of the city-wide public health organisation constructions are not specifically purposed or have become inadequate. Plenty of things are falling below expectation. A lot of people are going abroad for treatment. Everyone spouts different statistics. Some say we lose out on an average of USD 100 million from people seeking treatment abroad. We're paying special attention to these issues.

- **How is the burden on private hospitals?**

- There are some private hospitals with good investments. However, there are also hospitals with substantial investment that are operating sub-optimally because their imported pieces of equipment are not being used. A person should be developing on the job, but they are unable to because they're paying all their attention to things like administrative taxes, specialised inspections or marketing. The need to cooperate with private sector entities is growing. To do so, some organising needs to take place, otherwise things will not advance much further

- **How are the relevant agencies receiving your pledged goals and objectives to be implemented? Conflicts often arise due to poor correspondence between top organisations and agencies.**

- Of course there is correspondence. Central government agencies and local authorities cooperate in accordance with the law. Our participation and role is mostly in human resources, administration and governance activities. However, there can always be room for improvement when it comes to correspondence.

- **What possibilities are there for cooperation with the city administration in the arts and culture sector?**

- We are focused on developing the social, cultural and arts sector, and especially on economic relationships. For example, the "Friendly Ulaanbaatar" programme was approved by the City Council, and five percent of the city budget will be spent on the arts and culture sector and community events to attract tourism. The programme is going to directly and indirectly benefit other sectors. The arts and culture sector is people's artistic and cultural meeting point because it livens social relationships, relieves stress as well as becomes the expression of people's emotions. When people's basic needs of life are met, they start to focus on a higher level needs – culture. Most of the people interested in travel and tourism are people who have ensured their basic needs and are seeking the next level of needs. Mongolia is a country that can showcase its unique tradition and culture to meet such demands. Aside from cultural and artistic performances, we intend to support creative arts such as newspapers and magazines. We should be able to generate economic exchanges, but that means people need to reach a higher level of social development in terms of education, culture, health and social communication.

- **One of your responsibilities is the physical culture and sports sector. Aside from the Ulaanbaatar Marathon, what other things are you doing to promote sports?**

- Promotional activities are very important, but we focus on making sporting activities a way of life from an early age. Our priority is to develop team sports, because it improves the social relations and has positive impacts on

society.

We emphasise public participation when organising UB Marathon. The marathon has been held for the second consecutive year, and the people are receiving it positively, more so as public event rather than a competition. You can be seen the people's positive impressions on social media. Last year, people were dropping out in the middle of the marathon, whereas this year the number of people crossing the finish line has significantly increased, which is a good development for the sporting indicators. We're trying to increase the number of people engaged in sports activities, as well as regularly organising physical education and sports events.

- **What made you start implementing these objectives?**

- A plan to build a cultural and sports complex in city districts was issued. It will start being put into operation starting next year. We are also discussing organising and establishing public events such as a public sports festival. People are aware that small swimming pools were put into operation in each district as well.

- **The year is halfway through. Would you summarise the works done during this period, and what works you have in store for the second half of the year?**

- This year is the first year of implementation of the Friendly Ulaanbaatar programme. The plan is to connect future events with previously established events. It has been going pretty well because we have set objectives to reach given the programme funding. In other words, the quality of the events to be organised next year is going to improve significantly. Travel companies and tour operators are becoming able to make better tour routes and advertise them. The works planned in the first six months of the year are being implemented successfully. If we ride the momentum of the successes of the first half of the year, we will be in good shape for the second half. That would translate into a more coherent and effective start to next year's works too.

- **Foreign tourists plan out their where, when, what and how almost a year ahead. Are there plans that take this kind of foresight into account?**

- Generally, things are ready. This year, we decided to improve the previously established events after discussing them with professional organisations that participated in the discussions of Friendly Ulaanbaatar programme and issued a scheduled operation plan. The quality of works should only improve down the road.

- **Anything else you would like to talk about or mention?**

- The on-going investment in Ulaanbaatar, especially the in the establishment of infrastructure, engineering infrastructure and roads, will improve the quality of people's lives. Along with quality of life, health and sanitation will improve. The majority of the investments are focused on the above-mentioned things, so that is where most of the attention is directed. However, there are areas that should not just be forgotten, such as social infrastructure or improvements in education, health and culture. Everybody wants a good life. To make that easier, we should focus on social development issues. For this, everyone should work together. ■

ONE DAY



To Protect and to Serve

By Ts.Saikhanaa

E.Unubuld works at the traffic police department of Bayangol district. He decided to become a police officer when he was in high school and started entered the police force after serving in the military. At that time, police officers were initially trained in the military. He is 27 years old.

11:00 am – Work begins

Today, E.Unubuld's workday started at 11:00. Police officers perform their work in shifts – the day shift goes from 07:00 until 15:00, the evening from 15:00 until 22:00, and the overnight shift goes from 22:00 until 07:00. Our interviewee does his day-to-day work according to this schedule. He was originally scheduled to start working at 15:00 today. However, he was assigned to an important non-daily task today. He was assigned to road traffic protection of President of Myanmar Thein Sein's visit to Mongolia.

According to the schedule, the President of Myanmar was to visit Gandantegchinlen Monastery, known simply as Gandan, at 14:00. The Bayangol district traffic police department was assigned to regulate traffic around the area in order to allow the guests and representatives to travel freely.

15:00 pm - Kindness

Each street, road and intersection that heads toward Gandan was monitored by an assigned police officer. The guests were late according to the scheduled itinerary on this

hot summer day. During this time, a young family was coming toward us. The young man was holding his son in his arms, while his wife was pushing the baby stroller. The young couple gave a small bottle of water that was in their baby stroller to the police officers. The officers sincerely thanked the young couple for giving them water during such intense heat.

The guests who were running behind schedule headed to their next planned destination, Khui Doloon Khudag, around 16:15. The Gandan assignment ended by clearing the guests' path and seeing them off to their next destination. We then also headed to our next destination.

16:30 pm – Conversations along the road

From here, the police officers assigned to the next security task headed towards Yarmag, E.Unubuld included. The path of the guests who watched a mini-festival at Khui Doloon Khudag must be unimpeded. I talked with E.Unubuld along the road about his job.

- What do you do on a normal day?

- According to the schedule, I head directly to the intersections. Traffic must be conducted if and when the traffic lights go out during peak hours in the morning and evening. Of course, drivers violating road rules will be penalised.

- Which road violation occurs most frequently? Approximately how many violations occur per day? Do drivers give you a

lot of attitude?

- The most common violations are not wearing seat belts, talking on the phone while driving and traffic light violations. The number of violations varies with an average of about 30-40 per day. Drivers caught breaking the rules say, "Come on, what's the big deal, can't you please just give me a warning and let me go?" However, there is no such thing as a warning according to the law. There is no way other than revoking licences or handing down a fine. Only military disciplinary rules have things such as warnings.

-How regularly are you assigned to such security duties?

-We get assigned traffic security during any kind of state visit as well as during Naadam festival, Lunar New Year and other public holidays. For example, the Naadam festival horse races begin on July 10th at Khui Doloon Khudag. However, all the police officers get assigned security duty for prolonged hours due to the lack of manpower. During Lunar New Year, people hurry to greet their elders as early as possible, so we also hurry to our locations before everyone bounces around from place to place.

- The police must have been quite busy when driving restrictions based on licence plates were introduced?

- When it was first implemented, all the traffic police officers worked for 16 hours a day for three months.

17:00 pm – An opportunity to rest

We reached our destination. The guests who were at Khui Doloon Khudag were yet to leave, so E.Unubold found some time to eat, having had no such luxury since the morning. Our guests who were lagging behind schedule arrived at the Ikh Tenger pass earlier than expected at 18:30, and so ended the day's assignment of the Bayangol district traffic police. But E.Unubold's work has yet to end. His regular shift started at 15:00, so he has to work until 22:00. Thus, he went to the intersection that he must monitor.

19:00 pm – Going home

Before heading towards the intersection, he waited for the chief's instructions. The president of Myanmar will depart the next day in the morning at 07:00, and it was decided that E.Unubold would be rested just a bit because he was assigned to tomorrow's protection duty. Tomorrow he will again work



- Do you get compensated for working during the holidays? In general, how is the workload? How much vacation do you get?

- The workload is edging on too much. According to standards, an officer should be responsible for watching 250 vehicles. However, 1000-1500 vehicles are stacked on each one of us. We rest for one day per week, but it's mandatory to work 16 hours from morning until evening before the rest day to give time for the others to rest. The holiday hours are compensated later. But it's not possible to allow all the police officers rest. Some would have to work for prolonged hours while the others are resting.

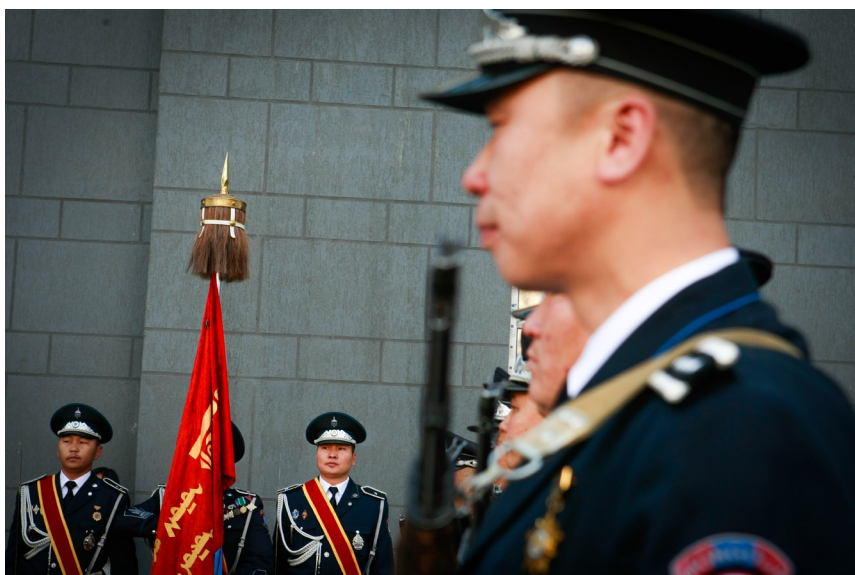
again for extended hours from morning until evening. Now he is heading home in a hurry to see his wife and kids.

- What is the best part about your job?

- We are people that work for the good of the people. It's good to know that I'm doing something that helps the people. Punishing and fining drivers is for their own good. Even if a driver gets fined because of not wearing his seat belt, he gets protected from other risks. Maybe that person will always buckle up from that day forth. Punishing intoxicated drivers is for the safety of other drivers, pedestrians and for the security of the city. If drivers start to understand this, our relationship will have a lot less friction. ■

For Peace

By Ts.Buyan



Around 3,200 police officers work in Ulaanbaatar city. Norms for the force were adopted in 2011 by government resolution number 131. To comply with this norm, 1,600 officers must be added to the existing personnel. An intense workload makes it hard for citizens to access police services, and on the other hand, risks for police officers are increasing.

The reason why the resolution is not actualising has to do with the government. Even if they want to hire additional personnel, they cannot due to a lack of funds. The budget for police organisations is funded from the portfolio of the Ministry of Justice. But one of its advantages is their status of "city," as the city mayor's office becomes a source of funding. The mayor's office assists with creating an environment to work, improving the living standards of the officers and providing protective equipment. This year, they invested MNT 4.5 billion. From that amount, a MNT 1.9 billion tender to construct the building of Bayanzurkh district's police department number three near ger districts was announced. In addition, the issue of patrol officers' protective equipment has been taken care of, and they will be provided to the officers before the Naadam festivities.

"However, there is not enough in the budget to resolve every issue.

There is a need to increase it," said Ch.Boldbaatar, Chief of the Metropolitan Police Department. Currently, all the protective tools of police officers are being funded by the city mayor's office.

The social situation of the police officers leaves much to be desired. Only police officers know how hard it is to stand on the roads during the unbearable heat of summer and biting cold of winter. They say many police officers develop kidney diseases as a result. However, the popular opinion among the general public is that police officers are corrupt. But police officers do not have any supplies other than handcuffs and batons. The uniform that must last for three years gets worn out easily in harsh weather. Officers have to go to a tailor to order new uniforms and pay for it out of pocket. The provided rain coat cannot even protect you from a slight drizzle. They work almost without any breaks, but they do not get salary bonuses or food and transportation allowances. They also do not get paid for working overtime. Even the base salary is not that good.

"We will focus on the officers' health and life assurance issues. For example, officers can take advantage of the eight percent mortgage loans as the City Council has approved a 'procedure on supporting mortgage payments of civil servants' said Ch.Boldbaatar. However,

not many people can take advantage of this programme due to financial issues.

There have been some improvements. Even though there are numerous issues, the police officers are successfully continuing their work using their own resources. Recently, people got to learn what a "good neighbours' relationship" means. The work event organised as a campaign has expanded to be implemented as a programme.

Cameras have been installed on most of the major streets nowadays. They are currently working on installing cameras in dark places, which carry the highest probability of attacks on citizens. A good relationship between neighbours that care for each other's safety has become essential as police manpower is limited.

Today, police communications and responsibilities have also changed, and people are receiving this change very positively. The Metropolitan Police Department is following a policy to compose their staff from more educated officers, because people mostly criticise the police of three main downfalls: manners in communication, training and experience, and knowledge and education. Training events are being held regularly, and officers are required to earn a certain amount credit hours per year. ■

THREE QUESTIONS

Police Work Starting to Be Valued



By Ts.Elbegsaikhan

Half of the population living in the capital makes the work of the police overloaded. We have invited the head of the Metropolitan Police Department, Ch.Boldbaatar to our magazine three question panel.

- What is something noteworthy about the Metropolitan Police Department? What pressing issues are you facing?

- The most pressing issue is the shortage of manpower. The Metropolitan Police has 17 departments in nine districts. We have a territorial structure determined by the law on the police force. Our department serves everyone from the centre of the city to the outskirts. Second and third level police stations with work areas and protection equipment are established in districts in the outskirts. Departments are internally divided into subsections. Subsections go the by sub-district zoning, and local police officers and inspectors are appointed to work. Currently, 152 sub-districts are working with the same number of inspectors. Population densities in the sub-districts vary. It is usually approximately 6,000-10,000. With so many people, one inspector for each district sub-district is far from enough to serve all the residents. Expanding our structure and adding more positions would make our work more effective. Sub-district inspectors are the ones who work closest to the people.

- What kinds of works does the police department have planned?

-The thing people demand from the police is a safe living environment. The most recently planned work is a "neighbourhood association programme." Major cities such as Seoul and London have such programmes. We have started the preparatory works to implement this practice. Currently, we're working to develop the programme and submit it to the City Council for approval. A working group headed by the deputy mayor has worked on this matter, and the Mayor's Council approved the programme in a meeting. If the City Council approves it, the programme will enter the implementation stage. The purpose of the programme is to ensure safer living environments with the cooperation of citizens and the police department.

The citizen's role is to provide information about the surrounding environment to the police department, establish relationships with their neighbours and mutually monitor their safety. Fifty percent of the total crime in Ulaanbaatar is theft, with thieves being intoxicated in 60 percent of the instances. Our goal in starting this programme to reduce figures such as these.

-How is the reputation of the city's police officers today? How are the people evaluating them? Are you seeing results from the things you implement?

- People mostly criticise the police department for how long we take to respond to complaint letters, how it

was followed up and for not telling of any outcomes or actions taken. We are setting up a response system to address this issue, so that every person submitting a complaint is followed up with and receives feedback. The old method of talking and meeting with every citizen has been abolished. Now we first check the calls and complaints list, then residents may evaluate officers on the work performed. We inform the people about the measures taken according to the inspection and how it was decided by using more modern means such as the internet, mobile phones and text messages. The initial results have been positive. Last year, 540,000 calls to the 102 emergency police line were responded to with officers getting to the scene. This is an increase of 3.4 percent from the previous year. Now mobile patrol can reach destinations within 5-15 minutes of the call. By updating our equipment and the 102 police line, we can better monitor our activities.

A research centre at the General Police Department of Mongolia conducts research on risk reduction and other areas relevant topics. In general, the enforcement of the law on the police force and communication are criticised. Recently, the Crime Prevention Council of Police looked into what exactly the people want from the police. According to the study, although there may be heavy criticism, the people are starting to view police work positively and valuing what we do. ■

Decisions

By G.Orkhon

Mongolia's health sector is at a crossroads today. Should we go along the same old road we have been on thus far, or should we follow the path of development with the rest of the world? The government must make a decision, as sector officials say that they lack state support. In other words, plenty of folks are doubtful of whether the state even cares about the people's health.

Developed countries spend 10-15 percent of their GDP on the health sector, providing equal, high quality and accessible medical services to citizens. However, it is difficult to talk about quality and accessible medical care when Mongolia spends only 2 percent of its GDP on health.

The population of Ulaanbaatar reached 1.5 million this year – one out of every two citizens lives in the nation's capital. However, the city's district hospitals and maternity clinics are still operating according to the previously estimated capacity for a population of 500,000 people. The Head of the City Health Department said not a single new district hospital or maternity clinic was built using state funds in the last 25 years in a city whose population has tripled since the ancient calculation. A person has to wait at the district hospital for almost a week to get a check-up. This is the most common issue for the city's current medical organisations.

"Several years ago, no one knew what to do with the budget. Hospitals weren't built not just because of a lack of money. It has to be said that the fault lies in the policies," said Sh.Enkhbat, Head of the City Health Department. Despite this, three new children's hospitals are to be built from the state budget. For 2015, the City Health Department plans to build a hospital in Songinokhairkhan district with the help of the Asian Development Bank. Several developments such as diagnostic clinics and dental centres are planned, and in Nalaikh, a district hospital is going to be built under a concession agreement.

Sh.Enkhbat added, "Nowadays, it is as though the Ministry of Finance decides health care issues. They have slashed the city's health care organisations' budgets for pharmaceuticals by 30 percent this year." The country's population has reached three million, and out of the 81,700 new births, 41,000 were in the capital city. To reduce the budget from the previous year while the city population has increased by 41,000 is a major problem. As a result, most hospitals are sliding into debt. The Health Department's resolution for this issue is to use the fourth quarter's budget in May, June and July.

Not too long ago, the health sector was considered a sector that does not influence the economy. Researchers now say that this sector has an indirect effect on the economy. If a population is not healthy, there would be no notion of strengthening and growing the economy. How can the economy expand, if the citizens and labour force are unhealthy and unable to work?

That is why past and present doctors working in the health sector are urging the state to formulate a coordinated policy to support the sector. This policy must be apolitical and consistent, without the possibility of alterations when the government, ministers and heads change, being the general source of development. "This year, the Ministry of Health supported our department's motto 'Improving access to primary health care organisations' and reached a common understanding, so we're moving in that direction," said Sh.Enkhbat.

The policy is aimed at reducing the occupancy and easing the burdens of second and third level hospitals by improving access to primary care practices for families. To do this, family health practices are going to receive additional funding to improve services. The Head of the City Health Department said that family doctors are going to be provided with open access to insurance funds for home and primary health care services.

Not every person needs to get hospitalised in a second or third level hospital – in fact, according to research, 30 percent of the hospitalisations are unnecessary. People will get check-ups in clinics near their home and would not have to wait for an entire week if the 142 family medical practices in Ulaanbaatar can stand on their own two feet.

Private hospitals these days are not developing in this country. Ulaanbaatar has a total of 1,200 private hospitals and medical institutions, and more than 60 percent of them are traditional, internal and women's hospitals. It would be great if some more traumatology and maternity hospitals were built to ameliorate the currently overcrowded ones. However, private firms are reluctant to entangle themselves in high-risk hospitals that decide human life. Sh.Enkhbat said that the state must reform its policies and create a better legal framework.

Experts in the health sector are warning that the health of the capital's residents is deteriorating. Sh.Enkhbat said that it is clearly the result of a failed policy. The deterioration of citizens' health will reverse, and the sector will develop if the state invests more in health and develops long-term policies. Healthcare spending per capita in the United States is around USD 8,500. We are spending a hundred times less than this – around USD 82. Most of this amount is spent on non-medical costs such as electricity. It is believed that 10-20 percent of personal health issues depend on health care organisations. The rest depends on the individual and the state. However, sector officials say this sector should be excluded from politics.

As Sh.Enkhbat said, there is no need to trail-blaze a brand new path. We just need to go the path other countries have taken. A decision to do this will bring about appropriate policies that will be implemented in the long term. ■

THREE QUESTIONS



Sh.Enkhbat: The Health Sector Has Always Been Funded from Leftovers

By G.Orkhon

We invited the Head of the Ulaanbaatar City Health Department, Sh.Enkhbat, to our magazine's three-question panel.

-Illnesses of the lungs and diabetes are overwhelming city residents. The overall health of the city is deteriorating. What do you think the reason is?

-It clearly shows that a bad policy can only bring about bad outcomes. There is the phrase "You get what you pay for." Demanding services of Japanese quality while spending money like a country in Africa makes no sense. Today, the United States is spending USD 8,500 per citizen. We are spending a hundred times less than that – around USD 82. Most of this amount is spent on non-medical things such as electricity. Population health indicators will not improve unless the state spends money. We can't just go with the flow of the market.

- Half of Mongolia's total population live in the capital. How is access to medical care?

- The population of Ulaanbaatar reached 1.5 million this year. However, the city's district hospitals and maternity clinics are still operating according to the previously estimated capacity for a population of 500,000 people. Not a single new district hospital or maternity clinic was built from the state budget

in the last 25 years. Nevertheless, the city population has increased three-fold since the previous estimate. Several years ago, no one knew what to do with the budget. Hospitals weren't built not just because of a lack of money. It has to be said that the fault lies in the policies. There is not a single specific district hospital in this big city. All of them operate in buildings that were not specifically built for medical activities. Generally, this sector has always been funded from leftovers.

Nowadays, it is as though the Ministry of Finance decides health care issues. They have slashed the city's health care organisations' budgets for pharmaceuticals by 30 percent this year. The state population has reached three million, and out of the 81,700 new births, 41,000 were in the capital city. On top of this, many people are coming from rural areas. As a result, most hospitals are sliding into debt. Mongolian mothers want to give birth in a modern, affordable hospital without waiting. The state must be responsible for this and must create the necessary conditions for this to happen. Today, the state is doing reckless work. There is no policy. Three new children's hospitals are to be built from the state budget this year. These hospitals are for those aged 18 and under. Today, we don't have children's hospitals that treat children older than 10. The current children's hospitals are for young children or infants.

- What other works are planned from your department?

- The fact that no new hospitals have been built in Ulaanbaatar from the state budget is most definitely a policy crisis. Doctors can't build hospitals by themselves. The health sector itself should have a long-term policy, and that policy must strictly be adhered to. It is believed that 10-20 percent of personal health issues depend on health care organisations. The rest depends on the state and operations of organisations. If the state does not handle food and drug safety and the air pollution issue, individuals most certainly will not. Therefore, the attention and support of the state is critical. Everyone must understand that the health sector is a sector that is the most distant from politics. The full independence of hospitals must be ensured. There is no need to trail-blaze a brand new path. We just need to go the path other countries have taken. This year, the Ministry of Health supported our department's motto "Improving access to primary health care organisations" and reached a common understanding, so we're moving in that direction. If we imagine Mongolia as a building being constructed, it is being built from the roof down, when everything should start from the foundation. We're trying to start from the foundation, which is the family medical practice. ■



We asked three questions about the development of the sports sector from J. Ganbold, Head of the City Physical Culture and Sports Department. It has been 40 years since he entered the sports industry and has been head of the department for 10 years. J. Ganbold is a doctor of education and was a sambo and judo wrestler.

-Practicing sports is one aspect of a healthy lifestyle. How does the sports sector engage city residents in sports and make them health conscious?

-The City Physical Culture and Sports Department has 50 years of history. From its inception until today, the department has been working to prevent the physical inactivity of city residents. We have been emphasising making the residents of the capital city understand the importance of physical activities and how to bring athletics closer to them. In recent years, the city administration, city council and the city Mayor's Office have been initiating and organising many events to provide healthy, active options to the people. In addition, we are actively developing a plan to create a healthier environment. Within this framework, construction works of sporting complexes have started in each district. Comfortable exercise environments such as community green areas, artificial grass outside public schools, football fields and other such things are being developed. In recent years, we have been emphasising organising marathons and hiking events and are also working towards the goal of getting each district its own sporting complex by 2021. This will give each district's residents an opportunity to enjoy exercising closer to home. Also,

A Healthy Environment for Citizens Will Be Provided

By A. Burenjargal

many mass sports events have been organised. A marathon was held for the second consecutive year. It has been decided that it will be held annually in the first week of June by the initiative of the city mayor. International standard marathons like the Tokyo marathon and the London marathon have begun to be imitated in Mongolia. Last year, around 16,000 citizens participated in the marathon; this year, the number of participants had increased to 17,300. Last year, people became fatigued and stopped running in the middle of the marathon. As for this year's marathon, everyone who participated in the five-kilometre marathon crossed the finish line. People's participation in the 10, 21 and 42 kilometre marathons has also increased. Even the people who did not run expressed their satisfaction with the event.

Within the framework of the "Friendly Ulaanbaatar" programme, eight types of activities were planned to be organised. Most importantly, the City Physical Culture and Sports Department is working to strengthen youth through team sports. For example, there is a grade school basketball league. Every secondary school can participate in it, continuing until the city's championship tournament. Also, a well-known public competition named "Sensation 2020" is held every year. People are starting to understand the importance of physical activity and they are starting to participate more by bringing along friends. We can see the positive outcomes of the work we have been doing.

-As more people get involved in athletics, the government faces an obligation to create areas for it. Other than occasions such as marathons, we face issues regarding infrastructure for jogging and cycling tracks. What is being

done about this?

-There is no comfortable environment to do sporting activities in Ulaanbaatar. From the very beginning, the city and its infrastructure were built without any consideration of jogging and cycling tracks. Some jogging and cycling tracks have only been built recently. In addition, bicycle landing slopes at road crossings are being built. The establishment of environments for daily physical activity is being delayed due to the difficult economic situation. There was good progress prior to the economic downturn. The economy will improve further on. It is not something that can be accomplished overnight, but is entirely possible.

-Most of the city's playgrounds for children seem hazardous. Sporting environments to develop children are also poor. What measures have been taken to change or improve this?

-We are using specific rubber panels to build children's playgrounds. We used to use concrete previously. We have obliged the construction companies to use rubber panels for children's playground at newly constructed residential apartments. Furthermore, the establishment of water sports centres in each district is almost complete. Chingeltei district and Sukhbaatar district plan to consolidate the pools with their sports complex, so it has been postponed at the moment for them. Residents will have more opportunities to let their children get involved in aquatic sports. Water sports centres are being established through the financing of local governments. Not everything is going to be done at the same time. Even though the country's economic situation is difficult, we have been rapidly growing in recent years. We will work further to address the many issues in a timely manner. ■

People's Enthusiasm in the Sports Sector



By A.Burenjargal

We have been taught since childhood that the foundation for a healthy lifestyle is practicing sports. However, due to limited public facilities for sport and exercise, people have been disregarding this old lesson up to now. But today, people are realising the need to pay attention to their health, making moves to combat obesity and to exercise. In accordance with this, measures to create healthier living conditions for city residents are being organised frequently. For example, 17,000 people from nearly 20 countries, including Mongolia, Austria, Japan, the US and China, participated in the "UB Marathon 2015," which was organised for the second time. The organisers noted that this event is a measure to develop a marathon race in Mongolia, showcase the capital city to other countries, increase the number of people interested in running and help teenagers and the younger generation to crack their potential and become strong-willed. It has been decided that the Ulaanbaatar marathon will be held in the first week of every June in order to instil ideals of physical and mental fitness in people. Infrastructure works to support and incentivise athletic activities are also accelerating. Private firms have started to notice the importance of exercise culture. "It doesn't matter if we don't need a sports complex right now, because no matter what it's going needed and demanded in the future," said J.Ganbaatar, Head of the City Physical Culture and Sports Department. The growing number of fitness clubs being established in recent years is a clear showing of business entities reacting to the demand. Relevant officials said that the state should approve and sign the relevant documents for private companies if they are planning to build sports facilities.

People have started engaging in hiking, running and cycling in order to offset the modern sedentary lifestyle. However,

as public enthusiasm increases, so does the demand for facilities and sporting environments. According to statistics, 98 green areas for exercise and physical fitness were built in the last three years by the initiatives of the city, districts, enterprises and the citizens. Currently, a total of 702 exercise and fitness locations are operating in the capital city. The international relations and cooperative activities of the City Physical Culture and Sports Department have been growing year by year as cooperation agreements have been signed with physical education and sports organisations in Russia, China, South Korea, Japan, Italy, France and other countries. In recent years, about 20 friendly meetings and competitions were held in Ulaanbaatar. Experience sharing and study visits to foreign countries have been actively organised. In addition, the works to build swimming pools in each district to develop water sports, a relatively new field of sports for our people, is on-going. In doing so, sector officials are aiming to organise tournaments in Ulaanbaatar in the future. Their most ambitious goal is to organise the 2040 Olympic Games in Mongolia.

However, the financing of the sector is still insufficient. The state allocates about MNT 200 million for physical culture and sports activities. Ten organisations – nine districts and the city sports department – split this amount. The Ministry of Finance denies funding for aspects of budgets when these ten organisations submit reports. They are carrying out low-cost operations based on the allocated budget and public donations due to the economic downturn. A lot of development works have been started in the past two years at the initiative of the people. The initiative of the people will be the catalyst for this sector to reach the next level. ■

The Non-economic Sector

By Ts.Elbeg



Amounts equivalent to 0.3-0.5 percent of Mongolia's GDP are spent on the development of the cultural sector each year. In the US, this figure is 4.3 percent. The amount spent in our country is not enough for organisations' buildings, enriching of repertoires and exhibits and developing the capacity of the staff. In the US, 4.7 million people work in the cultural sector and produce USD 698.7 billion of wealth per year. This amount is close to the GDP of Illinois, Pennsylvania or Florida according to research from 2012. There is no such thing as cultural products in the whole of Mongolia's industrial production. The reality is that the revenues earned by organisations are not enough to cover expenses.

Comparing this situation to that of the US is perhaps a bit unfounded. However, the sector's workers say that this discrepancy is due to a bad approach. In other words, Mongolians do not see arts and culture as business, because arts and culture were considered non-business social contributions for more than 70 years, and this concept still remains in the people's mind-set. Hence, looking at the cultural sector as a market is the key prerequisite for attracting investment.

The cultural sector's manufacturers feel a responsibility to serve society, making them hesitant to put their products out onto the market. In 2011, the sector's productivity fell by 11.6 percent while economic growth was 17.3 percent, further verifying the view artists hold. However, the state has started focusing on bringing the cultural sector into the economy by implementing the national programme "Cultural industries." Extensive measures

are being taken to implement this policy. Minister of Education and Science L.Gantumur said a law on films is about to be approved. This policy is closely linked to the "Friendly Ulaanbaatar" project. The programme supports creative, cultural industries and focuses on creating a market and economy for the sector. As a result, the number of tourists should reach two million per year within five years. They would be the viewers and patrons of Ulaanbaatar museums, theatres, exhibitions, concerts and performances of bands. By that time, the city streets and entertainment venues have to have reached a completely different level, and artists should shape into real, creative manufacturers.

The current policy implemented by the Ulaanbaatar Arts and Culture Department aims to give an opportunity to the sector to develop by itself, create an economic environment, introduce a creative manufacturing sector and implement public-private partnerships.

Partnerships between the public and private organisations are the most optimal path to reaching this goal. The sides are talking about the right way to cooperate. M.Munkhsaikhan, an art department head at the City Arts and Cultural Department, said public-private partnerships play an important role in establishing a creative industry and making it part of the economy. For example, the New Year's celebration at Genghis Khan square is orchestrated annually by budgeting billions of tugriks. It is possible to scale down this amount if private enterprises get involved. He said that the city administration can handle the area and spacing matters

while private enterprises take care of event programming and that they can offset their expenses through placement of advertising.

Our country lacks the money to bring the cultural industries into economic circulation. This problem can also be solved through the principle of partnership. Even the biggest industry in show business, Hollywood, operates according to this principle. Hollywood companies have started refusing to buy technical equipment since technology is advancing so rapidly, making new technology obsolete very quickly. Thus, leasing instead of buying is much more economical. Accordingly, companies that provide requested services have been established. Ts.Oyundari, CEO of the Mongolian National Broadcaster, said this model can be implemented in Mongolia. She proposed a plan to establish a cultural district in order to bring partners closer together and intensify the development of the sector.

The development of cultural industries have positive impacts, boosting the country's competitiveness, providing sustainable development, improving the living standards of the population and improving the effectiveness of investment. The world has started to recognise the cultural sector as an important contributor to a country's employment, wages and to a city's or country's economy, no different from hotels, restaurants, tourism and banking. Accordingly, countries are aiming their policies towards developing national cultural industry programmes, plans and investments. ■

PHOTO NEWS



Viennese Evening

Under the “Hospitable UB” programme, a “Viennese evening” event, one of the major events of cultural cooperation between Ulaanbaatar and Vienna, was held at Chinggis Square on June 5. During the ceremony, about 100 pairs danced under the classical waltz music of Johann Strauss in addition to Mongolian classics such as “Art swastika,” “Love waltz” and “My Ulaanbaatar.”

Austrian conductor Matthias Fletzberger worked as the lead conductor with famous Mongolian conductors consisting of N. Butenbayar, N. Tuulaikhuu, D. Nyamdash and Ch. Tumurbat. They conducted a symphony orchestra consisting of 120 musicians. The director of the Ulaanbaatar Ensemble, R. Munkhsaikhan, worked as the producer of the ceremony, while Austrian choreographer Heinz Heidenreich taught the basic moves of the waltz to people who came as pairs and led 100 pairs to dance.

Representatives of the Vienna city administration, conductors, choreographers, musicians and symphony orchestra of the State Academic Theater of Opera and Ballet, the Mongolian State Philharmonic, “Khangarid” national orchestra of the Ulaanbaatar Ensemble, the marching band of the Youth Education and Training Complex and dancers from the Ulaanbaatar Dance Sports Federation and Mongolian Social Dance Association participated in the event. ■





TOURISM

A Different Ulaanbaatar

By B.Enkhtsetseg

Despite their lack of interest in coming to the capital city, visitors are forced to come to Ulaanbaatar (UB) in order to travel to popular destinations in Mongolia given that it is has the only major international airport and the Trans-Siberian railway line. Though most of the trips start and end in Ulaanbaatar, it is doubtful that people tell their friends the capital grasped their awe, unlike the picturesque countryside.

According to a survey conducted in 2013 by the City Tourism Department and the Mongolian National Tourism Center, most tourists who travelled to Mongolia underlined the pristine countryside and nomadic culture among their most impressive and unforgettable memories of the country. In contrast, one factor that gave them a bad impression was heavy road traffic. Back in 2005, they complained about domestic transportation services and the underdevelopment of roads. By and large, the most positive memories stay in the countryside, and the negative ones stay inside of UB.

Global tourist cities such as Venice, Paris and Sydney represent and stand for their city as much as their country. People travel to take in the particular city, sometimes not the whole country. Famous international events play a big

role in showcasing and broadcasting the image of a city or a country to the world. The Carnival in Rio de Janeiro, the Running of the Bulls in Pamplona and Oktoberfest in Germany are just a few that come to mind.

Lonely Planet, a popular website among global travellers, describes Mongolia: "If Mongolia's yin is its pristine countryside, then Ulaanbaatar (UB) conforms nicely to its yang. An enormous city of pulsating commerce, wild traffic, sinful nightlife and bohemian counter-culture, the Mongolian capital elicits as much shock as it does excitement. The contrasts within the city can be exasperating too; Armani-suited businessmen rub shoulders with mohawked punks and del-clad nomads fresh off the steppes. One minute you're dodging the path of a Hummer H2 and the next you're mystified by groaning Buddhist monks at Gandan Khiid."

"Ulaanbaatar cannot represent Mongolia," says N.Baataryam, Adventure Travel Manager at Nomadic Expeditions. He also said that issues such as traffic congestion and urban unfriendliness reduce the number of stays in city. Wanted or not, as long as all international flights are destined here, city tourism needs to be developed.

The mining boom in recent years

resulted in broad coverage of Mongolia by a number of international media outlets showing almost everything from the city, the countryside and the people to the international communities. Before the turn of the decade, it was common for international media to show Mongolia from the more nomadic way of life angle. Now, people know that Mongolia is in a period of rapid transitions.

Ulaanbaatar has been transforming rapidly into a western-looking city since the days of socialism, spurred by high economic growth. This wave of change shows foreigners how Mongolia is developing and how Ulaanbaatar city is expanding. The tourism sector's benefits from such developments would be in the capacities of accommodations and restaurants.

"Besides increasing capacity, quality and customer satisfaction need to be taken into consideration. In order to do that, standards should be higher than now," says S.Munkhbat, President of the Mongolian Hotel Association.

At the Mongolian Economic Forum this March, representatives of the tourism sector highlighted that UB has now become able to host around 10,000 visitors a day.

"Situations such as an insufficiency in accommodations and drops service

quality brought on by the influx pressure during Naadam Festival have improved," says N. Baataryam.

He also said that some of the more problematic issues in UB including pick-pocketing and street children have been lessening day by day. By and large, he believes that factors showing UB in a negative light have been steadily decreasing.

What is there to offer?

There are basically Gandantegchilen Monastery, Central Square, the Zaisan Memorial and the National History Museum in the city tour of UB. More recently, colourful art galleries have started to contribute a small but enjoyable part to tours.

Data from the Ulaanbaatar City Tourism Department says a tourist in a group spends on average USD 190, and individual tourists spend USD 120 per day. This is no small amount. In the meantime, tourist spending in London is GBP 72, or MNT 210,000. It shows that there is a need to improve quality instead of prices to make visitors stay in the city for more days. For example, second-time visitors need more options in terms of city highlights and activities.

There has been not much change in attractions for the past few years, but there have been ambitious attempts to organise big events for locals and foreigners, say tour operators.

It is been just half a year since the "Hospitable Ulaanbaatar" campaign

was kicked off. The campaign has the green light to spend five percent of the total city budget. Some of the biggest measures the campaign takes are plans for organising 32 events and festivals to keep Central Square quite busy this year. These events have not been officially included in the travel itineraries and events by companies. They serve only as additional spectacles.

In order to make them tourist attractions and part of the travel packages of companies, events need to be scheduled two to three years in advance. Travellers and sojourners around the world usually plan their vacations and reserve trips at least one year ahead. So, if the events are scheduled after the year is already set in motion, these events are never going to officially be part any trips.

There is only one unchangeable, specifically scheduled event in Mongolia – the Naadam Festival in UB. Thus, 70-80 percent of tourists who travel to Mongolia happen to come in July.

"There should be events that are competitive enough to smooth out the Naadam-orientated month," said B. Barsbold, General Director of the Discover Mongolia Travel Company. He said that for example, the horse festival last year was quite successful and needs to happen again.

"Event-orientated travelling has a huge impact in defining a country's image in the eyes of the world," says E. Battulga

at the City Tourism Department.

According to him, the "Hospitable Ulaanbaatar" campaign events are designed to make Ulaanbaatar an interesting place with a cultural atmosphere and not give people any time to feel boredom.

Mongolians, nomadic by nature, could have much more to offer beyond what is now up for offer in this city.

The number of tourists coming to Mongolia has been decreasing for the past few years, even showing a negative growth rate for the past two years. There was a time when mining, tourism and all other sectors were growing with or without state assistance. But it seems that the good old days are over as commodity prices have flattened and are not expected to pick up significantly. Experts say that Mongolia has gone out of fashion and that it is experiencing a downturn cycle of tourism. The natural growth cycle will not be seen in the near future. But that does not mean there is nothing you can do about it. Where there is a will, there is a way.

Mongolia showcased its splendours on the world stage of the "International Tourism Berlin 2015," which is international scale marketing. On the other hand, Mongolia is trying to bring more tourists from its neighbouring countries that we have paid little attention to as of late. Perhaps they can be the new market the sector has been trying to pull. ■

THREE QUESTIONS

Taxes Paid by Tourists Will Be Used to Finance Future Projects

By B. Enkhsetseg

The Head of the Ulaanbaatar City Tourism Department, E. Battulga has been working in the tourism industry since 2002. He has studied at and graduated from

schools Mongolia, Australia and Japan. He has a masters degree in business administration with a concentration on international travel and geography.



- **The number of tourists coming to our country has been declining year by year. What is your expert opinion as to why this is happening?**

- In recent years, the key indicators of the tourism sector have been declining. It can be explained by the Butler model of tourism. Travel destinations are opened by adventure seekers and backpackers, and organised travellers take tourism development to its peak. This process may continue for only few years at some places, while at others it may carry on for decades. It grows sustainably and develops if the right policy and management are implemented. The ones who sit around doing nothing lose all their tourists. There is no need to search for external factors; it just means Mongolia is lagging behind on trends.

We must reach the level of "comparative advantages" – roads and transportation, infrastructure development, social services and security – of countries where tourism is well-developed. On the other hand, we must also pay attention to "competitive advantages" such as entertainment services offered to tourists and the country's image.

- **Then we hope that the City Tourism Department has not been doing nothing. Have you defined the market that can halt the decline and increase the number of tourists?**

- To implement the "Hospitable UB" programme, the city administration is utilising two basic methods in accordance with the standards of countries and cities that succeeded in halting their tourism decline. The first is to emerge on the traditional markets of Western Europe, North America and Japan with a new image. One-fourth of the current market is tourists on vacation, so it would be rare for them to show interest in Mongolia's urban culture and lifestyle. The only reason they come to Ulaanbaatar is because the city is the air and rail transportation hub. Even though it is not easy to change, we are focusing on incentivising the tourists on holiday to stay in the city as long as possible by creating entertainment and services meeting their demands so that they spend more. We are emphasising developing the previously mentioned comparable advantages. In the past, tour

operators wanted to take their tourists out of the city as quickly as possible due to pick-pocketing, poor services, inhospitality, and lack of entertainment. But now dozens of works under the theme "Hospitable" are being materialised. We hope we will see some results soon.

The second method is to focus on new markets. We are aiming to create a flow of travellers coming from our neighbours. Some may ponder why they would travel here. People start to travel to urban areas at low costs when it becomes financially feasible. It is known as the four cycles of Butler. They will go through Altanbulag and Zamyn-Uud to travel to Ulaanbaatar, which is

In the end, 70-80 percent of tourists come from our two neighbours, and this will not change that much.

comparable to traveling to Hong Kong or Singapore by going through Erenhot and Beijing. This process will continue for at least 10 years. For tourists from neighbouring countries, we will focus on ethnic Mongol natives. Nomadic culture and wildlife is not much of an attraction for them compared to tourists from other countries. Nearly everyone would agree that Ulaanbaatar is the ideal travel destination for those people. In the end, 70-80 percent of tourists come from our two neighbours, and this will

not change that much. The majority of the tourists who travel to England are people from countries geographically near the UK and people from countries connected to them by culture and history such as the US, Canada, Australia and New Zealand.

- **The City Council approved spending of five percent of the city budget on the "Hospitable Ulaanbaatar" programme. On top of this, there is a plan to receive two million tourists by 2020. The budget seems high, and the plan seems rather ambitious.**

- If our programme is read carefully, the source of the budget and the method of implementation are pointed out very clearly. For example, it indicates that funds for tourism are going to come from tourist service organisations' incomes in accordance with international standards. A tourist service tax was approved into the city tax law. The activities next set of activities to attract tourists will be financed from taxes paid by non-citizen tourists. As for number of tourists, countries count by the number of foreign citizens entering the border, while a city counts by the number of days spent. Cities can boost the number of tourists through hotel taxes. We have changed to a system where the City Tourism Council, comprising of representatives from private enterprises and professional associations, discusses the plan and financing of the works to be implemented within the "Hospitable UB" programme. The most important tasks of the sector are being resolved and implemented. As a result, issues large and small are getting inadvertently resolved also – things such as tourist vehicles' plate number restrictions, parking lots, service schedules, tourist information centres and networks and police units for tourists. In 2015, 32 public events, festivals, public campaigns and international promotional activities are being financed from the programme budget. About 10 types of research such as research on the tourism sector's direct and indirect impact on the city economy, society and culture, the environment, tourist satisfaction surveys, key market research and research on tourist behaviour is being conducted in order to calculate the real impact of these undertakings. ■

EDUCATION

The Children Are the Future

By Ts.Saikhan



In the past, teaching children mathematics and reading was emphasised. But now the old way of coercing young learners to enter various competitions alongside their study is becoming obsolete. Not everyone can be a mathematician, so people have started to emphasise developing a child's cultural education to make them a proper Mongolian person. In other words, preparing well-civilised students who know and respect culture and tradition has become more important.

In order to teach people how to be a proper and civilised Mongolian citizen, teachers need the right teaching methods; therefore, the City Education Department is focusing on teacher training. Methodology is not a thing that can be reformed overnight. The staple of the newer teaching method emphasises developing each child. The main flaw in the old system was that it did not give consideration to differences in the learning styles of children. However, the new policy will allow children to open themselves up and hone their own methods of studying during primary school instead of trying to learn academic studies. In order to instil the methodology of countries experienced in child development in our teachers, regular training sessions are being organised. A total of 52 instances of consultancy services were provided in the report. Teachers have also started to proactively assemble to discuss and solve the issues they face in developing each child.

Researchers believe that results of changes to an education sector are seen in the long term; however, some positive effects are already being felt.

"Most importantly, our teachers are starting to enjoy their jobs and becoming more attentive. Even the parents are happy to see their children developing," said Ts.Otgonbagana, Head of the City Education Department.

The name of the programme aimed towards developing children is "Proper Mongolian Children." Under the programme, sub-programmes such as "Talents" and "Books" were implemented. Within the "Talent" programme, 13,825 types of works were organised with 691,442 students, 424,773 parents and 93,191 teachers participating. Within the "Books" programme, 153,252 children learned reading and journal writing skills.

Skilled educators are necessary to prepare the skilled personnel of the future. A personnel policy to develop such teachers is essential. In particular, special requirements will be demanded from teachers who have the responsibility of educating proper Mongolian children. As such, the thresholds to enter the University of Education have been raised. Starting two years ago, 100 percent of tuition fees have been waived for students majoring in education with high scores on their general entrance exam. Today, around 2,000 students studying in teacher training colleges are benefiting from this waiver. When they graduate and enter the work force, great progress in the education sector will be expected. That is not to say current educators are doing a bad job or anything.

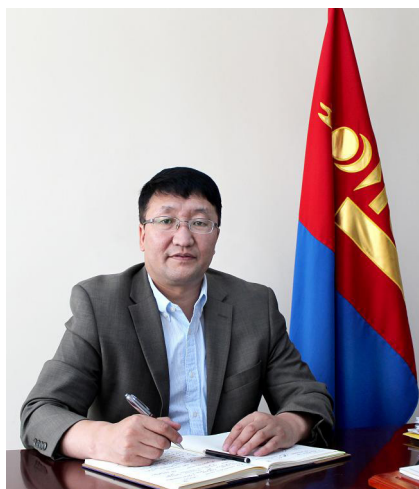
The changes are just part of on-going work within the policy reforms. Currently, the supply of qualified teachers in the capital is 99.7 percent. The point of the policy reforms is to develop each child

while increasing the efficacy of each teacher.

In the end, it is quite remarkable that all these works are being carried out without requiring any money. Ninety percent of the money allocated to education is spent on operational expenses such as building maintenance, heating and electricity, wages and social insurance taxes. Only the remaining 10 percent is spent on training and research. About MNT 50 million is allocated for the City Education Department's planned expenditures, which is not enough for a year. However, the above-mentioned measures are being successfully implemented through schools' own initiatives, donations and cooperation of domestic and foreign organisations. For example, an investment of MNT 284.4 million was pooled from UNICEF, World Vision, the Luvsanvandan fund in support of parents and school budgets for the "Talent" program.

Today in the capital, national programmes such as "Mongolian writing," "English," "Education," "Teacher Development" and "Proper Mongolian Children" and sub-programmes such as "Talents" and "Books" are being implemented. The highlight of this work is the implementation of the "Core curriculum of primary education" programme, which consolidates all of the above-mentioned programmes. The successful implementation of the programme across the country has had good results. In the next academic year, the "Core curriculum of basic education" programme will start to be implemented, and a year after that, it will cover secondary education to encompass all grades. ■

THREE QUESTIONS



We invited the head of Ulaanbaatar City Education Department, Ts. Otgonbagana, to our three-question panel.

- What reforms are being implemented to the city's education sector? What issues and challenges need to be addressed to implement the education policy?

- The Education Department is implementing policies under the names "Proper Mongolian Children" and "Developing every child." We organised the implementation of the core curriculum in primary schools in the previous academic year. At the end of the year, we organised district, city and nationwide conferences in order to evaluate the progress and implementation of the core educational programme and concluded that it has been successful. We will implement the core educational programme for basic education grades six through nine in the coming academic year. Essentially, we are working to upgrade the curriculum step by step.

The difficulties we are facing in implementing core educational programmes are that a lot of tools are needed. Funding is also limited. Fixed costs such as teachers' salaries, social insurance and other premium fees account for 90-95 percent of the state budget's spending on the education sector, and the remainder goes to educational activities. In addition, another pressing issue in the city is access to schools and kindergartens. Relatively large investments were made in the last

The Future of Mongolia Lies in the Hands of the Educated

By Ts. Saikhan

three years. For example, more than 170 school buildings are being constructed this year, but the investments are unable to catch up to the rate of population growth and rural migrants.

- Access to kindergartens is the most pressing issue. In your opinion, how can this be resolved? In recent years, there has been talk of public-private partnerships. How can such partnerships be applied to the education sector?

- I don't see the state addressing the kindergarten issue alone. To resolve the issue, kindergartens must be established under enterprises and organisations. The kindergarten issue affects other social issues. For the past two years, large enterprises have been actively establishing kindergartens. As a result, they are able to address their employees' needs to a certain degree. One out of every four children in the city is unable to attend kindergarten. However, the children who do attend face another issue. Everyone is aware of how hard it is to take children to kindergarten in the morning and pick them up in the evening. Therefore, employee productivity will be boosted if more kindergartens were established by the private sector.

In the last two years, the private sector established kindergartens at twice the rate of the past seven or eight years. The reason is that in the past, kindergarten licences were issued only once a year, whereas now they are issued three times a year. Currently, MNT one billion is required to build a kindergarten with 100 beds. In other words, the private sector is alleviating MNT one billion in financial burden from the state with each kindergarten they build. It's more efficient if the private sector and the state bear the burden together. In addition, private kindergartens are allowed to receive subsidies from the state to offset costs.

In all likelihood, if this amount and the cost of food are addressed, it would be more effective and meaningful than building one kindergarten with 100 beds.

- The education sector is seeing a lot of reforms. Some schools have begun experimenting with the Cambridge system. However, some people say that a national education system should be established, while some are talking about introducing a wholly different standard. What direction are state policies heading in this matter?

- There is a certain misconception. The education sector is just utilising the consulting services of Cambridge. Programming and planning is adhering to the national programme. Only three international schools are studying an international programme alongside the national one. The Cambridge programme is not being used to educate Mongolian children. Incorrect terminology was used from the beginning, causing this misconception.

As for me, I don't think mining is the future of Mongolia, but rather the intelligent and educated people of Mongolia. In the past, primary school education evaluated children by how quickly they can read and memorise words and created competition between students. Now we are focusing more on teaching children learning methods as well as the culture and customs of Mongolia. We are reforming the policy such that more academic knowledge is taught throughout basic education and more children will have an opportunity to study fields they are more interested in during secondary school. Furthermore, we are trying to create connections between high schools and universities. Therefore, I believe the future of Mongolia lies in the hands of the educated. ■



We interviewed the Development Deputy of the Erdenet Mining Corporation (EMC), B. Namkhainyambuu.

- You said that the EMC factory has entered the third stage of development. Would you clarify what this means?

- The factory's initial business concept was first developed and implemented in 1994. The first stage of development was from 1994 to 2004, and the second was from 2004 to 2014. Now the third stage is beginning. The policy document which serves as the foundation of the company is crucial. The two previous concepts reflected only four main aspects: transportation, a processing plant, the open pit mine and factory maintenance. This time, it's specific because the "development closure management" or "sustainable development of the mine-closure management" aspects are reflected.

- What about the expansion?

- Our mine's copper ore content is decreasing. In 2010, copper content was 0.54 percent, 0.51 percent in 2013 and 0.48 percent in the last year. Thus, additional capacity is needed to increase the copper content. Exports of concentrate will decline if measures are not taken. In other words, this expansion is happening in order to maintain the amount of copper in the concentrate. In addition, heavy-duty BelAZ vehicles are used for transportation in the mine. If the cross distance of this BelAZ exceeds five kilometres, it becomes economically

B. Namkhainyambuu: An Investment of USD One Billion Is Required for the Copper Smelting and Zinc Plant

By D. Bekhbayar

inefficient; hence, we need to build belt conveyors. On top of this, we are working to solve the energy problem. According to the plan, the capacity of the existing power plant capacity will be increased by 48 kW.

- You also mentioned that a copper smelting plant is to be built in Bor-Undur?

- We are aiming to participate in the construction of the copper smelting plant. But it's not about building it all alone. Mongolia needs a copper smelting plant. We have the goal of realising the dream of many engineers based on our 37 years of experience and the knowledge of our staff. Experts have different opinions about the location of the copper smelting plant. Some say it should be built in Erdenet, while others say it should be in Darkhan, Sainshand or Choir. We conducted a study and decided it would be best to build it in Bor-Undur. We have also decided to support the exports of the fluoride factory. Sulphuric acids from the copper concentrates will be used in the fluoride factory. We can obtain cryolite products from this and sell it on the Russian and Chinese markets. We have further plans to establish a chemical and metallurgical industrial complex in Bor-Undur. We have to take into account factory relations when establishing the plants. Another crucial issue is water. If the water issue is resolved, then with infrastructure and labour already resolved, Bor-Undur will be fully ready. The town has many advantages, such as being close to the

Chinese market and having suitable environmental conditions. We see it as a settlement that has the possibility to expand like the cities of Erdenet and Darkhan.

- The Erdenet Mining Corporation is still the biggest tax payer to the state budget. How much in taxes were paid last year?

- In 2013, it was MNT 520 billion, and MNT 462 billion was paid to state and local budgets this year.

- Are you feeling the effects of the economic downturn?

- We are also tightening our belts. We have transitioned to an austerity-like policy. For example, we are trying to procure and process our own ore. Of course, copper prices depend on foreign markets, so financial issues arise. However, we see the economic difficulties as being only temporary. We must overcome the situation by improving management and governance.

- Oyu Tolgoi and EMC have decided to cooperate. How exactly will the companies cooperate?

- Both are foreign-invested companies. The cooperation of these two major companies is giving an attractive signal to foreign investors. We're cooperating with OT on labour safety, and OT mine workers are studying in our technical institute. Our maintenance factory is producing things able to be manufactured in Mongolia on OT's order. Further cooperation will involve working together in the market. Hopefully,

the Erdenet, OT and Tsagaan Suvraga projects and companies join together to work on foreign markets. I think it would be fully in the interests of Mongolia.

- Talks moving getting the megaprojects moving are on-going, but they are still not moving forward. Perhaps EMC was in a similar situation 35 years ago. What is your take on the happenings surrounding the megaprojects?

- Moving forward with the megaprojects has a lot of significance. Obviously, disputes over agreements will arise. Such political issues were being raised even at the beginning of the Erdenet mining project. So it seems like issues such as positions of a few people changing, politicisation and other such things are common when trying to get a megaproject moving. The core principle should be to hold the interests of the people above those of individuals. One clear example is Erdenet. Over the past two years, we have seen the results of the policies we instituted to support domestic industries. A molybdenum plant that was shut down for six years was put back to work, and many other factories and plants have opened. The factories will shut down again if EMC does not support them. Large factories have far reaching effects on other organisations.

We signed an agreement to cooperate with Orkhon province up until 2016. The scope of the agreement entails working to boost employment and develop small- and medium-sized enterprises. For example, we are currently talking about establishing an airport between Bulgan and Orkhon provinces. Precious time is lost due to poor roads and infrastructure between Ulaanbaatar and Erdenet. Export-oriented industries such as iron ore companies, the Eg river hydropower plant, and the Beren metallurgy, factory Aчит-Екht and Shim factories are being put into operation in these two provinces. Factory workers and executives have to frequently travel to the capital. As for us, we are not looking to become a stock holder in a company, but rather its customer. The aim of a socially responsible company should be to support and initiate developmental works.

- How many employees does EMC currently have? How are you focusing on your employees social issues?

- We have 6,000 employees. Of them, 300 are Russians, and together with their family, constitute over a thousand people. As for our employees' social support, we are building two residential complexes, the Eco-400 and Youth-600. Our employees are eligible for bank loans. Also, we have planned to build the Moscow-300 residential complex dedicated to our Russian employees. We should pay attention to the safety of foreign employees. We are working on establishing a one-stop service centre in order to create a comfortable, peaceful environment for our Russian experts.

- What plans do you have to attract investment into the copper factory?

- We are discussing this matter with the Ministry of Industry. The factory cannot make investments. It would be ideal to attract foreign investment so as not to apply pressure on the factory and the budget. A copper smelting and zinc plant will require approximately USD one billion. EMC will give its concentrates to the plant and they will be processed into value-added products for export. The establishment of the plant will have significant residual effects as it will create jobs. Employees will learn to handle newer technology, and many other factories will be created.

- The Erdmin factory is producing final products. How are their operations going?

- EMC holds a 30 percent stake in Erdmin LLC. They have held their heads up high for starting to produce 99.99 percent copper. The use of lower quality electric cables bought from private and small industries of our southern neighbour on construction works was becoming a major cause of accidents and fires. We are glad to see the copper wires produced by Erdmin have become a useful product that meets quality standards.

- Where is the global copper market heading?

- Looking at the big picture, China is the leading economy of the 21st century. We used "SKS" technology to develop the copper smelting plant's feasibility study. Six plants in China and one plant in Vietnam used this technology to put their plants into operation. Sixteen plants are to be commissioned in the next two

to three years. This technology is tried and true and requires low investment, low operating costs and can boast the same level of technology as that of Finland, Japan and Australia. China gets criticised for imitating and copying, but you can see they can create things too. Now, China has started to lead in copper production. Chile and Peru are obtaining raw materials from Mongolia.

EMC has been the big dog for many years. We were the subject of criticism when there were no competitors. Now, OT is bearing this burden. OT is criticised for not building a city like Erdenet. The current city of Erdenet is the result of 37 years of progression. It can be seen from the photographs of Czech geologists in 1966 that this place had only a few tents and gers. Rome wasn't built in a day. Megaprojects need to get moving. However, improvements must be made constantly. Just as every human makes mistakes, so does every workplace or organisation. The key is determining how to fix them.

- How many suppliers cooperate with EMC?

- Many large and small Mongolian companies cooperate with us. For example, we have made acquisition agreements worth MNT 25 billion with 124 companies in Erdenet. It's one way of supporting local businesses.

- How do you see the future of the factory?

- The future of the factory is directly related to its resources. Currently, the mine has 1.5 billion tonnes of iron ore, which should last 37-42 years. In the future, exploration to increase the resource base must be carried out. To do this work, capital is required. Right now, it's not possible to invest in exploration while we're occupied with day-to-day operations. There are several places with traces of resources on our licenced fields starting from the Oyut deposit. According to past ministers and executives, there is 100 years of probable reserves if the areas are fully explored. Today, we're only using the open pit mine. We still haven't determined the amount of resources underneath the ground. Hence, there will be a need to spend money on geological operations in order to determine how to proceed. ■



Coal Consumption Tie Up at the International Level

By S.Oyun MP and D.Dagvadorj

2015 has become a significant year in terms of lifting up of activities aimed at protecting of the world climate and this is related to the High Level UN Climate Change Conference to be held in Paris at the end of November to discuss and approve a new Protocol that would legitimize the member states' roles, responsibilities and accountability framework as a result of recent years dialogue around the global climate change related matters. This document will facilitate enacting of new policy strategy and related new requirements towards economic sectoral activities that would be started from 2021 in order to decelerate climate change effects at the international level.

In order to decelerate and stabilize the current ever-intensifying global climate change process, it is important to curb the coal consumption, promote energy efficiency practices, broad utilization of renewable energy sources and modernize the production technology. Therefore, every country has been planning and taking concrete measures towards formulating and implementing of their adequate national development policy strategy and further consumption patterns. Countries like Mongolia which provide their energy consumption completely relying on the coal-burning thermo-power stations are at the threshold of taking concrete and bold measures that would move their socio-economic development perspectives in line with new requirements and international development principles.

This internationally recognized new

development concept and principles are coherent with common need of states in significantly decreasing greenhouse gas in atmosphere in the nearest future that would further stabilize climate change effects. The UN Conference held in Copenhagen in 2009 called for a goal not to allow the global warming temperature exceed by two degrees Celsius. In case it's not pursued duly, it might entail with huge nature-ecological and socio-economic risks and crisis, the scholars and policy makers warn us. Therefore, it's of utmost importance that the current level of greenhouse gas in our planet needs to be decreased by 50-80% by 2050. It's not an easy task and therefore every nation, particularly those countries producing large amount of greenhouse gas and with high energy consumption are required to make big efforts and concrete measures in minimizing sources of greenhouse gas. Coal-burning power stations and other energy and heat producing industries contribute significantly to the greenhouse gas using the environment-unfriendly production.

Coal-burning power stations produce 41% of the world electricity production according to sources of the international energy agency. This indicator is 45% in the USA, 41% in Germany, 79% in China, 68% in India and 95% in Mongolia. In line with the ever-increasing production and consumption worldwide, the energy consumption will be significantly increased next 20-30 years. Therefore, in line with the new climate policies the coal consumption needs to be curbed

and concrete and meaningful measures need to be taken towards increasing the usage of renewable and other sources of energy. The international energy agency is calling for not exceeding the annual coal consumption by 0.5% for the period of 2012-2040 as against average annual 2.5% over the last 30 years.

The coal consumption growth might continue for the next decade and will steadily decrease then. The coal consumption in the most industrialized countries will be decreased by one third for the period of 2012-2040. China's coal consumption will be topped during 2030 and then will be decreased. However, India will steadily increase its coal consumption and bypass America before 2020 making her the 2nd largest coal consumer. According to market estimates, China, India, Indonesia and Australia will mine over 70% of the global coal consumption by 2040 and some Asian countries will become important players in defining of coal trade and price. In further implementation of the new policy objectives to be approved in Paris, global coal consumption giants such as China, USA, India and European nations need to exert their efforts and meaningful partnership towards decreasing greenhouse gas emissions. Some of these countries have been taking bold measures and defining their partnership goals before the Paris gathering.

Last November, two large greenhouse gas producers – the United States and China announced their partnership agreement in minimizing the greenhouse

gas emission and climate change effects. The USA will double the speed of decreasing greenhouse gas emissions by 26-28% in 2025 as against the status in 2005 and China will take actions to decrease its greenhouse gas emissions starting from 2030. Recently, China and India have made a joint statement in decreasing their CO₂ emission plan before the Paris Conference. Only five years ago at the Copenhagen Conference, it was unimaginable that the US, China and India would make such joint statements in decreasing greenhouse gas emission and the current global climate change processes and evidence-based scientific results made it possible to happen.

In reality, these three countries together with the European Union nations will make up the bulk of the global energy production and consumption. According to findings of some non-for-profit climate change research groups, the USA and European countries produced 45% of the global greenhouse gas emissions in atmosphere during the period of 1850-2012. China and the USA together produced 18% of it. In line with the current estimates, by 2020 China only will produce 24% of the global greenhouse gas emission, India – 7%, the USA – 13%, European nations – 8% making over 50% of the global level. Therefore, the efforts of these countries

will directly impact on decelerating of the global climate change processes.

It might be complicated to take measures towards decelerating the greenhouse gas emission while the countries still have priority objectives to improve their socio-economic development options, alleviate poverty which might negatively impact on their economic growth rate. However, taking into account the climate change related risks and impacts; there is no other way to act differently. India might face flooding challenges due to melting of the Himalaya ice-rivers and a modest increase in the world temperature might impact on 38% decrease of agricultural production in India. According to the Chinese weather forecast institution, the climate change process might negatively impact on its economy through reduced crop farming, nature ecology imbalance and shrinking of rivers. The 2011 Government report warned that the crop production might decrease by 5-20% by 2050 due to climate change processes.

Other countries have also faced some negative challenges in their economic development due to their specificities and climate change processes. Mongolia will face water scarcity, melting of permafrost soil, ice-rivers of high mountains, soil erosion, expansion of desertification, drought, dzud, increasing frequency of natural disasters, strong storm, decrease in

crop production and livestock-breeding. Therefore, the efforts of countries aimed at decelerating climate change processes and greenhouse gas emission need to be adjusted or combined with the socio-economic development strategy and decreasing the risks of the above challenges.

China has recently adopted a resolution to curb the coal consumption and provide supply only in processed coal in their export and domestic consumption/production. The Norwegian Foundation, one of the world's top investors has announced that they will not support any project and program that is related to the coal production and industry. The recent High Level G-7 meeting held in Germany made a decision to take serious measures in curbing of fossil fuel consumption, encouraging the utilization of renewable energy sources, improving the efficiency of energy and natural raw material resources towards slowing the climate change processes. All this necessitates the countries, regions and the world community to review their development paths, plans and sustainable development principles with their coal sector policy and perspectives that serve the main source of energy production and the bulk of export potential. ■





The Business Council of Mongolia (BCM) was founded in the fall of 2007 to promote increased trade and investment in Mongolia. The BCM represents all investors in Mongolia, domestic and foreign, on business climate issues.

Entrepreneurs Set Up Study Tours of Businesses

By G.Tushee

Last month, a group consisting of more than 20 representatives of the Business Council of Mongolia (BCM) visited Sopoko LLC, which produces solar panels in Mongolia.

The Business Council of Mongolia's energy and environment working group initiated this study tour and plans to organise one every month in the future. "There is a fair amount of wind and hydroelectric plant construction going on in Mongolia. It's only being mentioned during meetings, which is not enough when we're trying to show this to our members and let their creative juices flow. This event is being organised to do just that," said the group's leader, Senior Programme Officer in the Green Growth Planning and Implementation Division of the Global Green Growth Institute, Ts. Bulganmurun.

The factory resides in the same building as its parent company Shilen Khiits LLC, which produces glass and glass

products. Sopoko LLC is manufacturing solar panels and a variety of solar-powered electrical equipment for the fourth year. They manufacture 250-260 watt solar panels for construction works and power stations and 150 watt solar panels for herders. In addition, they are producing 73 watt solar screens dedicated only to power lights and televisions in Mongolia. Price wise, they are a little higher than imported solar screens because the raw materials are purchased from China. For example, the 150 watt solar panels are being sold for MNT 400 thousand.

Their target market is herders' camps. They take orders for electrical appliances such as 12 volt refrigerators, televisions and kumis pistons, and the "Camp Ger" national brand was established. "Mongolia's energy sector is moving toward green energy. New technologies should be introduced rapidly," said T. Chinges, Deputy Director of Sopoko

LLC. The company has introduced Japanese and German technologies. The parent company Shilen Khiits LLC's factory produces 1,320 tonnes of glass per year to supply the domestic market and provides 40-50 percent of the country's consumption of glass.

Domestic companies will have the opportunity to expand their operations and market by organising these types of study tours. On the other hand, the organisers said that it must serve the purpose of making the Mongolian market easier to access from abroad and attract investments.

Thus, the first ever study tour by the members of the BCM came to an end. The participants told the working group of the council that these kinds of study tours should be organised again, and many participating members have requested to host the next one. The council also ensured that this study tour will continuously be organised. ■