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# MONGOLIAN ECONOMY

MARCH 2016 №05 (107)

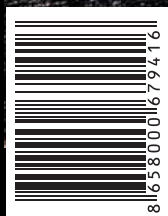
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Hidden domestic product

Videogames, visas and vexation

Through the magnifying glass, and  
what men found there

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## Through the magnifying glass, and what men found there

Shifting roles for a shifting culture. *page 20*



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## Hidden domestic product

The economic transparency law uncovers hidden assets, *page 8*



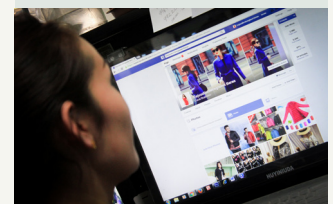
## The lotus of Shonkhor market

Although a cook by profession, she currently works as a meat butcher due to tough life circumstances. It has almost been four years since her 40th birthday. Now she works at the Khuchit Shonkhor market, along with many other women similar to her. *page 16*



## A real housewife

Her name is B.Oyu. Already a mother of three, she will soon give birth to her fourth. While some women may not be overjoyed with staying at home and taking care of the children, there are those who view that as worldly bliss. *page 17*



**Entrepreneur mother,** Modern mothers do not want to just sit at home and look after the children. A mother of twin two-year-old daughters, E.Bayartsetseg is one of such mothers. *page 18*

## International Women's Day



"Nothing can dim the light which shines from within." - Maya Angelou

## MONGOLIA

### Energy



The Ministry of Energy announced on the first of this month the selection of Marubeni Corporation as the investor of the Tavan Tolgoi power plant project. In order to select the foreign investor, proposals were sent to 25 world-renowned independent power producers, with ten of them expressing interest in participating in the project. Technical and commercial work tasks were sent to four companies out of these ten companies. During the selection phase, the international audit company Deloitte Onch conducted independent monitoring.

Marubeni has a strong presence in the global power market with 33 power plant projects in 22 countries, with a gross generation capacity of 29,428 MW and net generation capacity of 8,680 MW.

### Competition



The Director of Information Technology, Post and Telecommunication Authority of Mongolia (ITPTA), Ts.Jadambaa, ordered that appropriate measures be taken to ensure information rights of local communities by necessitating similar pricing for similar internet services. The task has been assigned to the Director of Information and Communication Network LLC, P.Margad-Erdene. Implementation must begin within the 15th of this month.

The prime minister noted that it is an opportunity to bring rural development closer to that of the city. The benefit for rural residents is that agricultural exchanges will start to operate, and they will have the opportunity to seek out market information such as the prices of wool, cashmere and meat.

While households and entities operating in Ulaanbaatar pay MNT 13 thousand for internet with a speed of 1mbps, rural households pay MNT 55 thousand and rural businesses pay MNT 75 thousand for the same speed. Rural residents are using internet that is 4-5 times slower and paying prices 4-5 times higher. About 84 percent of internet users are concentrated in Ulaanbaatar.

### Debt



Mongolian PM Ch.Saikhanbileg received the Ambassador Extraordinary and Plenipotentiary of the Russian Federation to Mongolia, Iskander Kubarovich Azizov, on 29th of February and handed over the document of the repaid debt owed to Russia.

“It is a historic day in the relations of our two countries,” stated the prime minister. “I am confident that this debt settlement opens up many economic opportunities for the two countries.” Under an obligation to pay the outstanding debt within February, the Ministry of Finance and the Bank of Mongolia transferred USD 3.8 million to Russia.

“Mongolia’s financial obligations stemming from times of the former Soviet Union and the current Russian Federation have been completed,” stated Ambassador Azizov. “Thus, a new opportunity to improve

financial cooperation between the two countries has been presented.” He also noted that Mongolia gets an opportunity to enter international financial markets.

### MMC



One share of Mongolian Mining Corporation’s stock was traded for HKD 0.05 (USD 0.01) on the Hong Kong Stock Exchange on March 3. The price has been stable since February 22, and it is a small recovery after falling to HKD 0.03 on January 28. Five years ago, shares of the company’s stock were traded for HKD 6.92, but they had dropped to HKD 0.35 by January of last year.

Today, the company’s market capitalisation is approximately HKD 435 million (USD 56 million), and annual return is at negative 87 percent.

### Foreign relations

During the 31st session of the UN Human Rights Council held in Geneva, the Minister of Foreign Affairs of Poland, Witold Waszczykowski, officially informed the Minister of Foreign Affairs of Mongolia, L.Purevsuren, about the Polish government’s decision to open an embassy in Ulaanbaatar. Minister Purevsuren met with Minister Witold Waszczykowski on second of this month at the United Nations headquarters in Geneva.

During the meeting, the ministers discussed bilateral relations, cooperation and international and regional issues of mutual interest. Also during the meeting, it was announced that a delegation headed by the prime minister of Poland will participate in the 11th ASEM summit to be held in Ulaan-

baatar this year.

Mongolia and Poland established diplomatic relation on April 14, 1950. Poland had opened an embassy in Ulaanbaatar in 1960, but closed it down in 2009. Currently, the Embassy of Poland in Beijing is simultaneously responsible for handling China as well as Mongolia.

### 1000 journalists



The Ulaanbaatar Governor’s Office and Confederation of Mongolian Journalists cooperated to organise the 1000-journalist forum “Transparent and Open Ulaanbaatar” on the 4th of this month. During the forum, a question-and-answer session with Ulaanbaatar city officials was held. In addition, the head of the City Citizens’ Representative Council D.Bat-tulga and deputy mayors of the city reported the work done in the past. Over the past four-year period, a total of 263 kilometres of roads were upgraded and built. In addition, bridges totalling 323 metres were completed.

In order to promote SMEs, MNT 15 billion was allocated and loans worth MNT 13 billion were provided by establishing a cooperative with funds of MNT 100 million in each khoroo of the city. The loan repayments are at 95-100 percent. Twenty-four residential complexes are being built under the ger district redevelopment plan, and works to build Selbe and Bayankhoshuu sub-centres in collaboration with the ADB have begun. Furthermore, a USD 47 million financial issue related to the government debt ceiling was discussed. The implementation of the city mayor’s agenda is at 84 percent. ▶

## WORLD

### North Korea



Just hours after the UN Security Council voted for additional sanctions against North Korea, its military fired short-range missiles into the Sea of Japan. North Korea recently conducted a fourth nuclear test as well as a long-range rocket launch, which are the basis of the new sanctions. After seven weeks of discussions between the United States and China, the new sanctions entail that all cargo going in and out of the country will be inspected. In addition, 16 people and 12 organisations have been blacklisted. The South Korean Yonhap news agency reported on March 4 that Kim Jong-un ordered the country's nuclear weapons be made ready for use at a moment's notice and that its military posture be revised so it can be capable of carrying out pre-emptive strikes.

### World Food Prices



The Food Price Index published by the UN Food and Agriculture Organisation showed that global food prices fell to a near seven-year low at the beginning of the year, in part due to the falling prices of commodities. The index averaged 150.4 points in January, down 16 percent from the same period of the previous year and its lowest level since April 2009. The index tracks international market prices of five key commodity groups:

cereals, vegetable oils, dairy, meat and sugar. Sugar showed the most dramatic decline, having fallen 4.1 percent from December. The FAO explained the drop was due to improved crop conditions in Brazil, the world's largest producer and exporter of sugar. The second largest decline was in the dairy category, precipitated by increased supply in the EU and New Zealand and decreased global import demand. The FAO cited "the generally ample agricultural supply conditions, a slowing global economy, and the strengthening of the US dollar" as key factors contributing to the decline in global food prices.

### US Presidential Primaries



Known as "Super Tuesday" in the United States, several states held party primary elections on March 1. Hillary Clinton is still the favourite for the Democratic Party, winning seven states to her opponent Bernie Sanders' four and securing 1,052 delegates to Sanders' 427. A total of 2,383 delegates are needed to secure the Democratic Party's nomination for the presidential race. In the Republican Party primaries, Donald Trump won by plurality in seven of the eleven states holding their voting on Super Tuesday, securing 319 delegates in total. Currently in second place is the Texan Senator Ted Cruz, who won three states on Super Tuesday and climbed to 226 delegates. Marco Rubio, the Senator from Florida, won only one state on Super Tuesday, bringing his total delegates figure to 110. A total of 1,237 delegates are needed to

secure the Republican Party's nomination for the presidential race. Since 1988, the candidate that won the most states on Super Tuesday has gone on to become their party's candidate for the presidential election.

### Massive Lay-offs in China



Chinese officials announced plans to lay off approximately 1.8 million workers in the coal and steel industry in the coming years. Around RMB 150 billion will be spent to cover just these lay-offs. The move comes as a broader initiative to restructure the moderating economy. Over-investment in heavy industry led to a supply glut, with plants cutting prices and inventories mounting up. Certain "zombie" state firms are operating at a loss and are propped up through state subsidies, as the government worries about bankruptcies and unemployment. In total, China intends to lay off 5-6 million state employees over the next 2-3 years.

### Indian Military



India announced that women may now engage in combat roles in its army, navy and air force. It is a significant move for a traditionally patriarchal society and brings the nation into a handful of nations that permit women to serve in fighting roles. Although India's military began recruiting women into certain position

in 1992, only 2.5 percent of its more than one million personnel are currently women, with most of them in non-combat roles such as administrators, intelligence or medical roles. Women's rights activists hailed the move, but also noted that gender equality in the military and in society still has a long way to go and will be a slow process. ■



### Shadow Economy

## Hidden domestic product

BY TS.ELBEGSAIKHAN

Minister of Finance B.Bolor announced to the public that hidden assets worth five times more than the state budget have been uncovered. As a result of the implementation of the economic transparency law, from August 2015 to this past February, concealed revenues of entities amounting to MNT 34.7 trillion were reported.

Out of that amount, an estimated MNT 8.3 trillion would have been absorbed into the state budget through taxes and spent as investment in schools, kindergartens, wages and pensions. If the state brandished a stern face and accounted for these assets by forcefully going after the owners' wallets (though not fully possible), they could have created Mongolia's annual state budget without much trouble. The

money would have been enough for seven years of pension payments. At the very least, there would have been nothing to be worried about in repaying the debts of the Chinggis and Samurai bonds. When you think about it, these tax-dodgers and those who funnel money into their personal accounts from state funds are no different.

However, it is true that these huge sums of hidden assets would not have been discovered had the law not been approved. The longer term consequences would have been even more dire had these revelations not come to light.

In 2004, Friedrich Schneider conducted a study on the shadow economy, and at that time, Mongolia's shadow economy was equivalent to 23 percent of GDP according to the study. However in 2012, this number had

increased to about 35 percent according to studies conducted by the central bank. For this reason, the issue of disclosing hidden assets was raised. Based on the above-mentioned estimate, the economic transparency law was implemented, and it was expected that about MNT 8 trillion in incomes would be revealed. However, the hidden assets turned out equivalent to 150 percent of Mongolia's GDP. As the shadow economy grows, official statistics become less reflective of reality. Key statistical figures on unemployment, the labour force, income and consumption on which we rely have become at best misleading. It is one explanation as to why there is the constant criticism that state policies and regulations are ineffective. As the shadow economy grows, it makes the formal economy seem as though it is unproductive and stagnating. The shadow economy is more competitive and profitable compared to the official economy, so more business started to be carried out in the shadows, and the labour force became more interested in working in the shadows. This means people receiving a variety of welfare from the state by being counted as unemployed and poor are actually engaged in labour without any registration and not paying social insurance, health insurance and other taxes. However, the revenues earned from the shadow economy are becoming a real support for their livelihood. Two-thirds of the income coming from the shadow economy is spent in the formal economy and supports economic growth. Between 1960 and 1984, revenues from the shadow economy sharply boosted the UK's consumer spending – purchases of durable goods in particular. From this perspective, there are some good aspects, but it should be limited to an appropriate level.

As we know, the shadow economy is not taxed, so tax revenues are lower than they should be. The government could take counter-measures by increasing tax rates if the tax base is insubstantial, but this will increase the incentive to conceal income even more, again taking away from tax revenues. A vicious circle will come to play, and the shadow economy will become even bigger. In addition, the shadow is a cash economy. Hence, demand for cash increases as the shadow economy grows.

However, the main factor leading to the shadow economy is tax burdens and

► regulations. The size of shadow economies is fairly low in countries where tax rates are relatively low and have fewer formal regulations and laws. The government can issue laws and regulations to control the shadow economy. There are studies proving that some countries with high tax rates and a small shadow economy were able to reduce their tax rates as a result of strictly adherence to laws and regulations. Factors such as few regulations, strict adherence and low levels of corruption are all influential.

The economic transparency law was approved in time, and Mongolians now know how much wealth is floating around in reality. As a result, an opportunity to invest these hidden assets in developmental

endeavours in the coming years has been presented. However, only a portion of hidden assets were revealed, and there are still assets tucked away, not wanting to be uncovered. For example, the electronic disclosure website was inoperational from 5 pm to midnight on February 20th, when the initiative was ended. Many companies and citizens who were not able to submit declarations during this time sent complaints to the website of the General Department of Taxation. The server could not handle all the requests made by many companies.

Still, the state did gain something. MNT 15.6 billion in uncovered social insurance fees related to payrolls headed to the budget, as the legal amnesty did not exempt social insurance fees and stamp duties. ■

you cannot. If not, the deadline for this tax reimbursement is nearing, and on top of that, our centre is a bit short-staffed right now to send someone for your documents.” I headed out to resolve the issue myself, cursing the government’s garbage for service.

This issue came up after I decided to take advantage of the tax exemption in January. I started to collect the necessary materials and documents for this tax incentive for purchasing an apartment after asking how from a co-worker. Since most of the materials were taken from the bank that provided me with a housing loan, everything seemed to be going smoothly. In addition, I gathered a bunch of materials both useful and useless, because I had heard of people being bounced around place to place because they needed one thing or another (actually there was no need for these materials at all). Finally, I was about to go to the Khan-Uul district tax office after gathering all the required materials, but at the last moment decided to go to the integrated service centre at the Dunjingarav shopping centre after hearing about the place.

After entering through a big glass door, a large space with orderly tables and a variety of service providers in open rooms lining the walls welcomed me. Information officers kindly asked “What service do you seek?” right after I entered through the door. So I waited for my turn after getting my queue number from the machine. People were buzzing around in there, since it was the weekend. I found out that starting this year, people had to fill application forms instead of submitting hand written statements, so I got to it. According to a woman who came to submit her own documents, things have become more convenient this year since many state services are centralised here. While waiting for my turn, I observed my surroundings. There were government service e-machines, self-service photo machines, a notary, copying services and banking services in sight. Even a children’s playground and coffee shop were there. Information officers who were walking around the hall spotted the people looking confused to help them. However, I noticed that a few of the service windows had much longer queues than the others. I asked out of curiosity about what service these people are queuing for, and found out that they were lining up to pay vehicle taxes.

Soon the inspector at counter number 34 called my number and asked me whether I had my documents checked by the material checkers. I told her “Yes, I did” (I didn’t). ►

## Reportage

# The one-stop hub for state services

BY B.ENKHTSETSEG

**I**t was Saturday morning, a week after the Tsagaan Sar festivities, and I was sound asleep when my phone rang. The call was from Bayangol district tax authority, asking “Is this Enkhtsetseg Boldbaatar?” As a new homeowner and a resident of Khan-Uul district, I was eligible for a tax exemption, so I collected the necessary documents and submitted them. However, I jumped out of bed and got dressed when the Bayangol district tax officer told me that I had submitted the documents to the Bayangol district tax authority instead of the one for Khan-Uul district. I was not too happy about that.

Since I submitted the materials to the integrated state services hub at the Dunjingarav shopping centre, which serves regardless of district, I called their call centre and furiously explained my issue. Soon the tax inspector who served me, Kh.Norjmaa, called back to ask what happened. So, I demanded that the inspector clear up the issue, saying I would lodge a complaint if I cannot receive my tax discount due to this mix-up, before hanging up my phone. A second call came in; it was her again. She said: “Could you please bring your documents from the Bayangol district tax authority to our centre? You can arrange for someone else to deliver the documents if



▶ After sitting with the inspector for about 20 minutes, she said “everything is ok,” and I left the service centre satisfied.

Yet, about three weeks later, I found out that the tax reimbursement documents I submitted were mistakenly taken to a different district, forcing me to come back. Since it was a weekend, I hurried to make it there before the place closes. When I took my documents from the tax authority of Bayangol district, I found out that I addressed my documents to the Bayangol district office with my own hands. Thus, the issues were clearly all because of me. I headed to Dunjingarav thinking that I would have to wait until next year if I cannot receive the reimbursement this year due to this. I met with inspector Kh.Norjmaa at counter number 34, worrying that I would be scolded – civil servants are known for being grumpy. I tried to deflect the blame, saying that the document checking officer should have noticed the incorrect address, although I never went to any material checker. I said sternly: “Well, I guess it is my fault. I made a mistake on the address.” The inspector said “Oh really, I was wondering what went wrong and was worried that I would be held responsible.” A smile appeared on her face conveying her relief, and she took a deep breath. Thus, this time she took my documents after checking for mistakes, and this bout of state service finally came to an end. I shoved the door of this centre angrily when I entered, but shut it gently when leaving.

It was step forward in mending the reputation of public services, which is said to be slow and bureaucratic. The responses and arrangements were prompt, even though things got delayed due to my error. An individual who is seeking out a service should definitely check whether there are any mistakes before blaming the service provider. It also demonstrates that the help of the information officer and examination of materials are necessary. Currently, the Ulaanbaatar integrated service centre provides 245 types of services of 27 organisations. Of those services provided, more than 80 services are being resolved directly on the spot, while other services take a day or more. They are planning to increase the services offered to 500 in the future.

Since the inception of the integrated service centre, 27 complaints have been filed by citizens. During the meeting of the Ulaanbaatar Management Committee held last month, a complaint submitted

by N.Dulamjav, a resident of Bayanzurkh district, was discussed. Dulamjav sought the services of the General Authority for State Registration on February 4, 2016, and the worker handling the issue communicated with Dulamjav with signs and nods instead of answering the questions asked. She also wrote in her complaint that the person at the service counter was putting on make-up and was unresponsive when the citizen asked her to speed things up. Dulamjav attended the meeting in person. On the website of the capital city’s administration, she posted: “Although I received the service, it was very difficult for me to communicate. The person who was beside me was offended as well.” It is not that common for civil servant officials to openly disclose such complaints.

The majority of complaints submitted by citizens concerned the communication skills of the employees handling service requests and their knowledge of the job. Although few complaints were filed and the ones that were received were discussed during the meeting, the mayor of Ulaanbaatar said that not a single citizen must be dissatisfied by the quality of service.

Citizens seem to go make vehicle tax payments and seek tax reimbursement services more than the others offered. In addition, they increased staff, as these

popular services had long queues and those in line had to be turned away when it was closing time. Another frustration expressed by people about the centre was the fact it had branches of only three banks: Ulaanbaatar Bank, Capital Bank and Capitron Bank. People are also unsatisfied with the social insurance services at the centre, because it has been turning citizens away, saying they would only provide services to the residents of Khan-Uul district.

Since the New Year, about 70 thousand people have sought services at the centre. About 60 percent of these people were able to get their issues solved on the spot. O.Munkh-Orgil, head of the capital city integrated service centre said: “In the future, we will establish such service centres at Misheel Expo and Dragon centre.” By doing so, government services will get closer to people on the outskirts of the city.

The motto of this centre is “Fast, Even and Open.” I, a city resident who sought the services of this centre, will give it a grade of 85 percent. There is still room for improvement. Next year, I will go back. At that time, whether my evaluation improves or not will depend on the efforts of the staff. ■

## New Bond

# Will the “junk” help or hurt the economy?

BY TS.BUYAN

**Perhaps the “Mazaalai” is the budget’s salvation. The only concern is how the results will pan out.**

**T**he government has finalised the decision to issue bonds, and although there is no official information on what it is to be called, the press and media are unanimously calling it the “Mazaalai,” the Mongolian word for the Gobi bear. After three years, Mongolia has decided to work on just one international bond market. The issue came to the centre of attention when on January 18, Financial Times reporter Joel Lewin wrote: “The landlocked mining-focused

economy has got a number of Western banks on board to arrange investor meetings next week.”

While representatives who went to Davos were advertising the “Mazaalai” bond, a motion of no confidence on the prime minister was raised in parliament, making the advertising efforts useless, according to the press. Minister of Finance B.Bolor agreed and said that works are in a state of stagnation. He also stated that the bond’s yield, which initially was ▶

► discussed as being around 8 percent, has become 13 percent due to the motion of no confidence. The government wants keep the yield in the single digits.

Compared to the previous four years, the situation has turned around today. In 2012 when the Chinggis bond was issued successfully, the credit rating of the government was BB- by Standard & Poor's ratings (Moody's B1, Fitch B+). The economy showed a high rate

economies of developing countries were expanding.

This is no longer the case. The economic growth of developing countries is slowing, and investment is flowing back to high-income and developed countries. Until 2014, developing countries contributed more to global real GDP growth; however, developed economies began to dominate last year. From the second half of last year, financial and business news publishers

and researchers have been saying that the party is over for junk bond investors.

Is there a need to issue bonds again in such times? Is it appropriate to take on more debt when the repayment of yesterday's bonds is becoming a headache? Is the government going to violate the debt management law? On the other hand, an increase in debt can also be a positive indicator meaning that money and investment is coming in. However, Dr. B. Munkhaya warned that this adds pressure rather than helps if

impact if it exceeds 79 percent. The IMF estimated that the economy run normally, if the government's external debt does not exceed 40 percent of GDP and 150 percent of net exports. A 2002 study (Catherine Pattillo, Luca Ricci and Helene Poirson) estimated that the government debt of developing countries should be equivalent to 35-40 percent of GDP. However, some other experts (Benedict, R. Bhattacharyya, T. K. Nguyen) say this number should be even lower, around 30-37 percent, in accordance with a study conducted in 2003.

Dr. Munkhaya made her own conclusions on this study by the Bank of Mongolia and said: "To issue a bond in order to re-finance debt is wrong. It will entail the risk of a debt crisis." Budget revenues are not sufficient to repay bond obligations next year. Therefore, the government needs to figure this out before issuing new bonds. In addition, other symptoms of a debt crisis are already in place for Mongolia. The flow of inbound foreign currency is very low for Mongolia, making it difficult to pay back debts. Most of the prior bond money was spent on social investments whose returns do not come in the form of money. Fiscal policy and monetary policy are inconsistent. The current account shows a high deficit, as foreign direct investment has declined. Debt crises occur when the legal environment is weak, and it has been only a year since debt management law was enacted in Mongolia. The country has also fallen in the Corruption Perception Index. The huge structure of civil services is becoming one of the reasons for high budget expenditures. In order to repay debts, budget revenues must be increased and expenditures decreased. Even the falling prices of mining commodities could bring us closer to a debt crisis.

In order to prevent this, the state should avoid taking on debts by tightening its belt, ensuring budget discipline, improving the regulatory environment, clarifying the accountability system, privatising and increasing foreign exchange reserves. Cuts were made to this year's budget. Dr. Munkhaya believes that more cuts are needed.

Even the conclusions of the study by the Bank of Mongolia stated: "The current level of debt is at levels to support economic growth, and if sovereign and total foreign debt increases further, it carries with it a higher risk of impeding economic growth alongside the added debt pressures." ■



of growth, and the internal and external environment looked bright at the time. Today, Mongolia's sovereign credit rating has fallen to B, and it likely to slide further down. As for the external environment, the prices of copper and coal are continuously falling with no clear sign of when they will bottom out. GDP growth, which was in the double digits for several years, slowed to 2.4 percent in 2015.

In such circumstances, the Mazaalai bond will not be received positively. Bonds with ratings lower than BB- carry high risk, are not investment-grade and are called junk bonds. In general, brave investors looking to take on high risks in order to gain high profits purchase junk bonds. During the time when the Chinggis bond was being issued, the government was just one B shy of becoming a reliable borrower. Furthermore, investors had better opportunities to gain profits from junk bonds, as it was a time when the

it exceeds the sustainable capacity. "The issue of raising bonds can be considered if the budget deficit shrinks, commodity prices on the global market rise, the exchange rate stabilises, investments come in and the legal environment stabilises," she said. "Otherwise, there is no need to issue more bonds."

Mongolia's debt is not that high compared to developed countries. For example, the government of Japan has foreign debt equivalent to 230 percent of its GDP. For Mongolia, it is 58 percent of GDP. However, the proper ratio is different depending on the level of economic development. According to a study titled "Policy guidance on the foreign debt burden and possible risks to the economy" conducted by the Bank of Mongolia last year, foreign debt equivalent to 40 percent of GDP will have a positive impact on the economic growth of a developing country, while it will have a negative

## eSports

# Videogames, visas and vexation

BY O.TUVSHIN

## Videogames

For most people, videogames are a hobby, but for the elite few, it is a professional endeavour: a job. By the end of the decade, global eSports revenues will surpass USD two billion. Professional teams now have sponsors, fans, advertising deals with computer and tech companies and compete in international tournaments with millions of dollars at stake. In recent days, in Mongolia and the global eSports community, the Mongolian Counter-Strike: Global Offensive (CSGO) team that goes by the name “The MongolZ” became the centre of attention.

Counter-Strike is one of the most popular videogame franchises. It is a first-person shooter game where the terrorist

team’s objective is to eliminate the counter-terrorists or successfully destroy a site by planting a bomb, and the counter-terrorist’s objective is to prevent that. Even if someone does not play the game, they certainly know about it. As for Mongolia, virtually every boy with access to a computer is deeply familiar with this game.

The MongolZ seemed to come out of nowhere; they were not well-known by the gaming world nor by Mongolian gamers. All that changed when they won the first place prize at a major tournament held in Taipei in January, the Intel Extreme Masters Taipei. This tournament was essentially the Asian championship, and by winning, The MongolZ received USD 30,000 and, more importantly, qualified for bigger tournaments in the US and the world championship to be held in Poland

in February and March, respectively – the only Asian team to achieve this in 2016. Overnight, the team became a sensation, gaining countless fans around the world. For this particular game, it is rare for Asian teams to qualify for world championships, so gamers were quick to root for the underdog. It was a refreshing change of pace for the US- and EU-dominated contests.

## Visas

The team ran into a problem, however. They could not get visas to go the US and compete in the world championship held in Columbus, Ohio. After the team notified tournament organiser Major League Gaming of their troubles in getting visas, people scrambled to help. MLG booked flights and accommodations and provided documentation to show the legitimacy of the team’s need to travel to the US. A US Congressman representing the district where the tournament is held supplied a letter to the team. However, it is the applicant alone who must establish eligibility for a visa. Consular officers may not issue visas based solely on the assurances of third parties. Unfortunately, time ran out and the team could not go, with the reason being that ▶



From left to right: Otgonjargal “Otgoo” Ganzorig, Enkhtaivan “Machinegun” Lkhagva, Tsog “Tsogoo” Mashbat, Bold “Ncl” Batsukh, Temuulen “Zilkenberg” Battulga

- ▶ there was insufficient evidence that they would come back to Mongolia. This is the story claimed by The MongolZ, and the US Embassy in Ulaanbaatar cannot comment, because US privacy laws prohibit the discussion of an applicant's case details with anyone except the applicant.

Suddenly, US immigration law came to the forefront of the eSports world. It may seem like something rather insignificant to someone who is not particularly interested in videogames. However, the event has far-reaching consequences in the eSports world. Within hours of the news, the top post on the CSGO sub-forum on the site reddit stated: "If the US is not ready to issue visas to participating teams, then the US is not ready to host major international eSports events." This was the first major international tournament for this game hosted within the US, and such a stain on the event did not bode well. CSGO fans around the world were understandably upset and were quick to blame MLG and the US government. However, such anger is misdirected as it is misinformed.

### Vexation

People travelling to the US to participate in competitions generally apply for either

the B-1 or P-1 non-immigrant visa. A non-immigrant visa means that the person applying does not intend to settle in the US, has an un-abandoned foreign residence and is only going to the US temporarily. Proving one's intentions can be difficult, especially for competitors in the field of eSports. Several factors influence the decision to grant a visa, including family ties, assets owned in the home country, employment commitments and marital status. Professional eSports players tend to be young, male and unmarried. Furthermore, they generally do not own noteworthy assets, and "professional videogamer" is not seen as a legitimate career by most.

In the United States, illegal immigration is a major, controversial issue, especially now that it is a presidential election year. In 2014, there were 11.3 million unauthorised immigrants in the US. Although the majority are from Mexico and Latin America, there are over one million Asians living in the US illegally. There are over 18,000 Mongolians living in the US currently. In a 2005 study, when only about 9,000 Mongolians resided in the US, the majority were residing there illegally. The smart money says the majority over there right now are there illegally. It is not difficult to see why there is the need to

be strict when granting visas from the US's point of view.

### Conclusion

This was not the first time and it will not be the last time immigration law has been an impediment to eSports. Forward planning is the best policy, in case visas are denied, so that applicants have time to collect more supporting documentation of their intent. In the case of The MongolZ, they won the Taipei tournament on February 2, securing their spot in the US tournament held on February 26. They were in a race against time, which they lost. Consular officers are entrusted to exercise discretion when making decisions on visa applicants. In the future, it is likely that consular officers will be trained on the unique nature visa applications by "professional videogamers." In the meantime, The MongolZ scrambled to get their visas in time for the Intel Extreme Masters Season X World Championship held in Katowice, Poland on March 2-5. They did successfully obtain their Schengen visas, and were told that giving them the visas in under three hours was an "extraordinary decision" by the Embassy of Poland. ■



Team leader Enkhtaiwan "Machinegun" Lkhagva getting hyped after a big play



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International Women's Day



*"Eternal light"*  
by Bolortuvshin Jargalsaikhan

"Nothing can dim the light which shines from within."  
- Maya Angelou

## Reportage

# How's life, ladies?

BY G.ORKHON

*In commemoration of International Women's Day, this reportage is about the lives of mothers. The following is a glimpse into the life and work of women in Mongolia.*

## The lotus of Shonkhor market

Although a cook by profession, she currently works as a butcher due to tough life circumstances. It has almost been four years since her 40th birthday. Now she works at the Khuchit Shonkhor market, along with many other women similar to her.

Lyankhuatsetseg (Mongolian for "lotus flower") stayed at home for three years after giving birth to her youngest child. Nowadays, she rushes here at six in

the morning to sell meat. When she first began working as a butcher, there were times when she would get nauseous or get a headache, but today she can lug 30 kilos of meat on her back to a buyer's car. She says life has not given her a chance to get discouraged.

A native of Arkhangai province, Lyankhuatsetseg came to the city 15 years ago, having been unable to find employment in the countryside. Now she lives in khoroo-11 of Chingeltei district with her husband and three children. Her husband is also engaged in the wholesale meat business at the Khuchit Shonkhor market. Although her eldest daughter graduated from university last year, finding a job has been difficult, so she does all the chores when her mother is absent. Her other two children now study at school no. 57, located near her house.

"It is not uncommon for a woman to slice a finger while cutting meat," said Lyankhuatsetseg. "I've already become accustomed to it, doing this day in and day out." It can be seen from her eyes that she is fighting for life. The day we went to meet her, her sales were not doing too good, and

she said: "It's hard during times like this. I'm feeling the downturn even more this year. Sales have dropped sharply compared to last year." According to the butchers next to her, the price of meat went down due to an increase in the supply of meat this year.

Her daily profit is MNT 40 thousand. She pays MNT 300 thousand per month for rent, and said that she can at least save a bit of money for the time being, as her husband also works. The days of Lyankhuatsetseg and the other women working at the market begin at six in the morning and end at six in the evening every day. It is rare for most of the women working here to make homemade meals for their families. The women who work at this market do not rest on weekends, but that does not stop Lyankhuatsetseg from caring for her looks. When we took pictures, her face seemed radiant even though she barely has time to put on make-up. She said that she goes to the hair-dresser near the market once a week, since she does not have the time to frequent beauty salons. She is definitely one of the many Mongolian women who manage maintain her elegance while doing a harsh and heavy job. ▶





### ► A real housewife

Her name is B.Oyu. Already a mother of three, she will soon give birth to her fourth. While some women may not be overjoyed with staying at home and taking care of the children, there are those who view that as worldly bliss.

Compared to the time when Oyu was rather nervous after giving birth to her first child three years ago, she is now an experienced stay-at-home mother. When we visited her, her home was meticulous – impressive for a woman taking care of her children on top of being pregnant. “I simplify the chores, so before I know it, everything is already done,” she said. Oyu prepares the food to be cooked a day ahead so that she can spend more time with her children.

She feeds the kids and lets them play in the morning. When the kids take their afternoon naps, she takes care of the household chores. After chores comes dinner time. Such has been her routine for the past four years or so. Although she studied to be an accountant, she has not worked in her field yet. Before having a child, she was as a manager at a hotel. Even now she sometimes goes to her previous



job when needed and gets paid accordingly.

Stay-at-home mothers tend to be financially dependent on their husbands. Oyu could not remember the last time she bought a pair of socks for herself, because this household’s monthly income is her husband’s salary of MNT 900 thousand, with most of it going to food and diapers. She said that she and her husband are content

as long as the children are healthy and eating well. However, she cannot consume extra vitamins while being pregnant, as she does not have the financial capacity to buy everything she wants after sitting home for three years. Still, she compensates for the lack of vitamin and mineral consumption by using milk and dairy products.

Recently, she had a wardrobe made by ►

▶ saving up her children's benefit money. She said that she is trying not to waste time and has been involved in competitions and contests with her children. This year, she won contests for diapers, flour and rice, so there was no need to worry about these products for a while. Although unemployed, this woman carries all the burdens of the home on her back to support her husband. She has thought of working in the future, but has also thought about having another child.

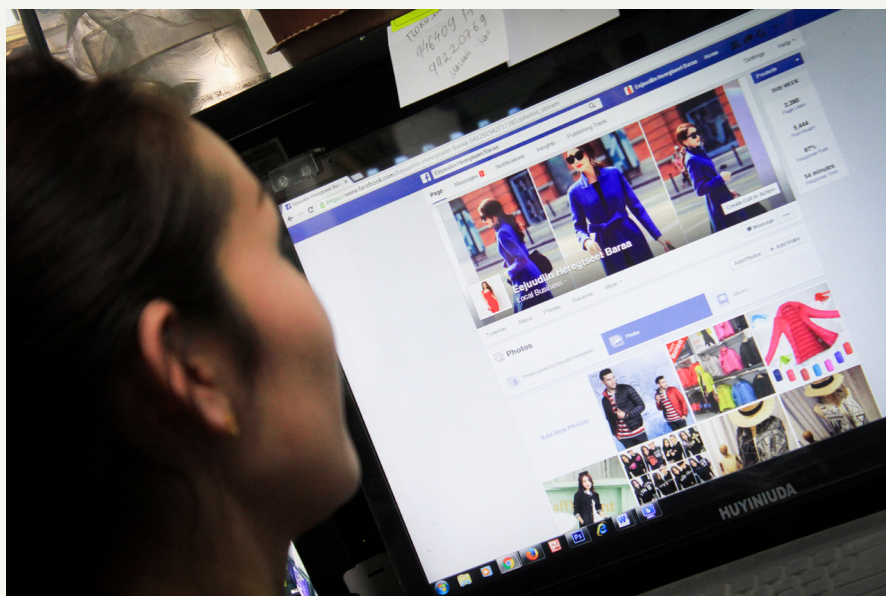
Sometimes Oyu gets spiffed up and gets together with her friends. It is not a frequent occurrence, perhaps once every few months. She does, however, meet with other mothers whom she found from a Facebook group. Some of them even look after her kids now and then. She is quite active on Facebook.

Her life has changed significantly after having children. As she gave birth to more children, she has become more family-oriented. "The best thing for me is when the father of my children comes home and starts cuddling and playing with the children," she said. "Having a family and children is the greatest joy in the world." She advised young mothers to be patient, as family life depends heavily on the character of the housewife.



### Entrepreneur mother

Modern mothers do not want to just sit at home and look after the children. A mother of twin two-year-old daughters, E.Bayartsetseg is one of such mothers.



She gave birth to the twins the year she graduated from university and got engaged in an online business when her kids were six months old.

Today, more and more online shops that attract the interests of women have been opening up. Bayartsetseg runs a Facebook page whose name translates to "Useful goods for mothers." It has been two years since she started this business after deciding to open an online shop, as she was not able to go far from her home to sell things.

At the time when she made this decision, her twin daughters were becoming quite energetic, reaching for electrical outlets and other things. This was what sparked the idea to sell useful products for mothers, such as electrical outlet covers. Aside from this Facebook page, she runs four other Facebook pages. She orders most of her goods from taobao.com. She takes a minimum of 40 orders per day, and the orders can reach 200 during the busy days.

Bayartsetseg lives in the Golden Park residential complex of Bayangol district with her husband, twin daughters and mother. When she is not home, her mother does the house chores. As for her husband, he also heads up a small business near his home.

She conducts her online business and tends to the shop while the twins are away at kindergarten. It has been a year since this family started operating a mini market in their residential complex. Although they pay MNT 3 million for rent per month, they were able to save enough money to get a loan from a commercial bank.

Now that the family shop can stand on its own two feet, she is thinking about expanding the business. She manages her household's finances and their monthly income varies depending on the season.

According to her, online trading is more profitable than working a stall in a shopping centre, because the number of people going out to buy things has declined. Having started up her online business, the current priority of this young mother is to get a business venue to call her own. Further down the line, she wants to continue on with her work and enjoy life.

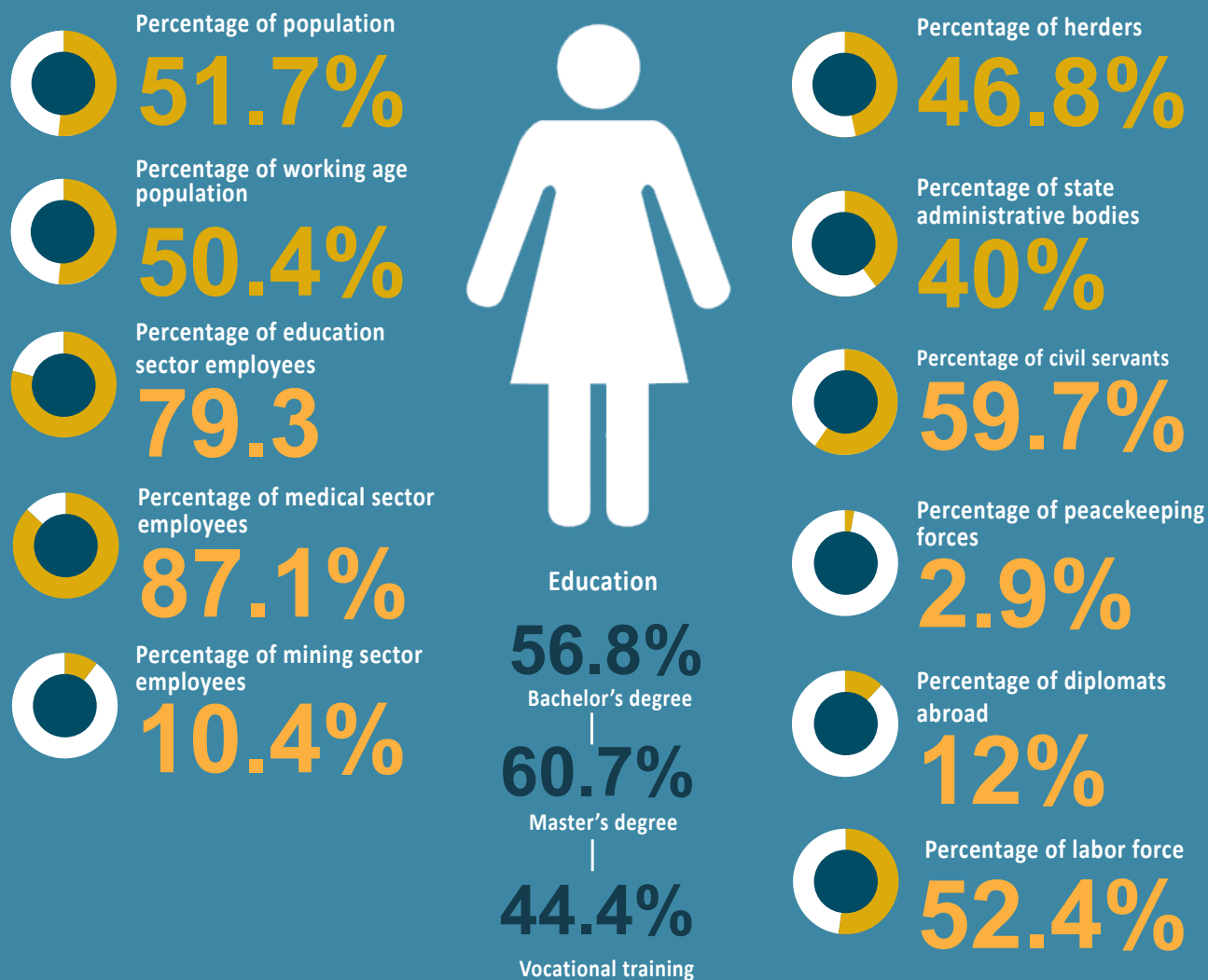
### Wrinkles that gift life

Such is the life and work of women. Housewives are fighting no less than men to fulfil their obligations to their family and children.

S.Gerelmaa is another one. She is a native of Durvuljin soum of Zavkhan province and works in sampling at the grinding mill of the Bayan Airag mine. Gerelmaa has lived for half a century and is currently working a thousand kilometres away from her daughter, who is a junior at the "Ach" medical university. The reason why she is working so far away is to pay for her daughter's tuition, as she can earn higher salary working at the grinding mill. It was difficult for her to find a job in the city.

Much like Gerelmaa, many mothers who are missing their family and braving the cold are doing so for their sake. As a result, life has gifted them a number of wrinkles. They have no time to worry about the wrinkles, though. ■

## The current situation of Mongolia's women



## Women at the decision-making level



Government

15.7%

Local administration

22.7%

Parliament

14.5%

Citizens' Council representatives

16.5%

Probl

# Through the magnifying glass, and what men found there

BY G.ORKHON

Nowadays, Mongolian women are working like camels with heavy loads on their backs. Readers must have heard plenty about this. However, the situation has been so for a long time by now. However, the question is: what will happen tomorrow?

Over the last three years, the number of registered employed women has dropped – official unemployment among women is increasing, but they are working more than men in reality. Women are mostly engaged in businesses such as family-owned enterprises, retail and e-business, yet the government has not officially registered these businesses as employment. Thus, the figure for women's employment is underreported. Given that more than half of those of working age are women, their role and participation cannot be ignored.

Head of the Mongolian Women's Federation B.Erdenechimeg claimed that women currently account for 90 percent of those working in informal sectors: they are not registered, do not pay taxes and are not evaluated by the government. She added that a state policy which will formalise this shadow sector and create favourable conditions for those engaged is required.

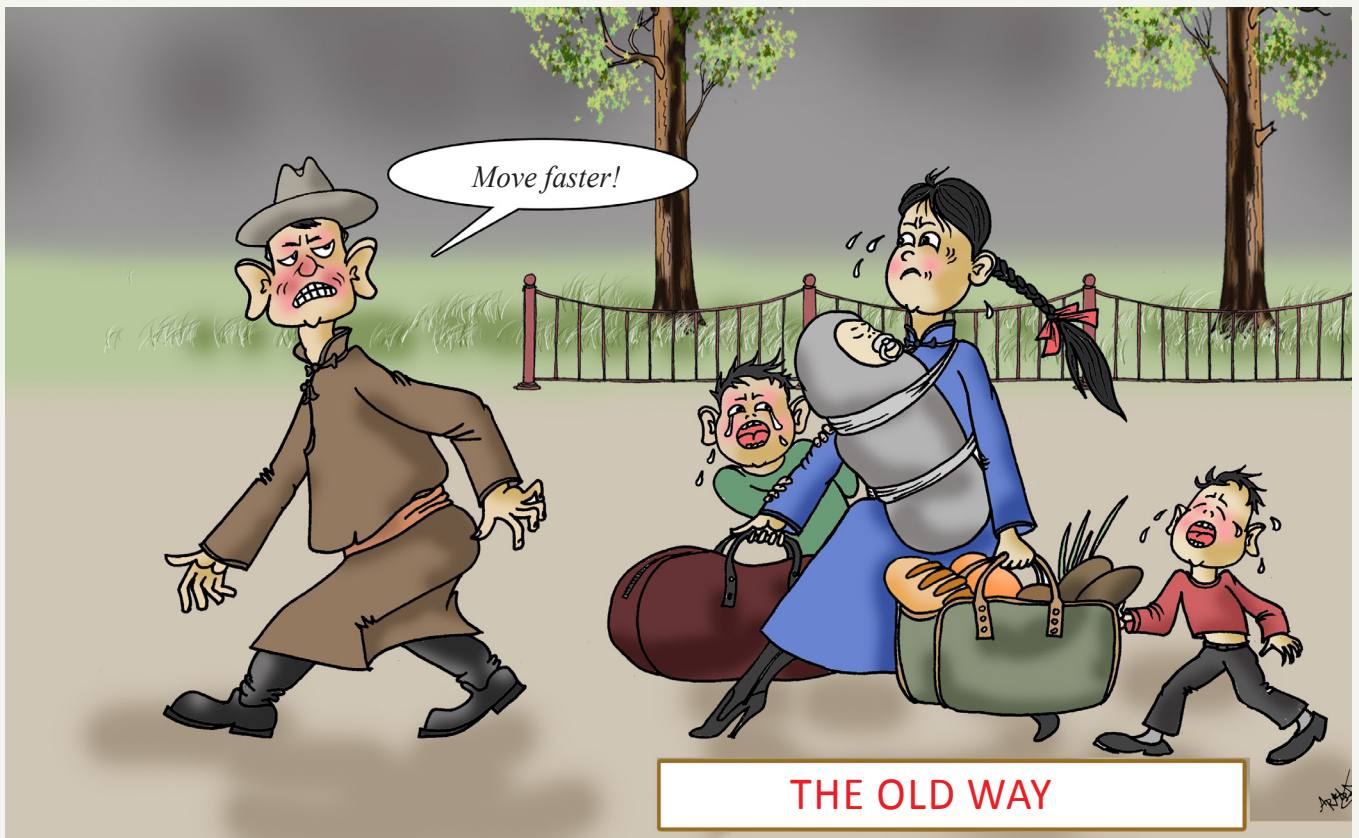
Sectors officially registered in statistics include health, education, trade and services. Not surprisingly, 88 percent of people working in the health sector are women.

In general, women have always been working as if they have more than two hands. They have multiple duties on top of their formal employment: housekeeping, baby-sitting and taking care of the elderly. In addition, they take on more responsibilities

if they serve for an elected office. Some countries, however, do measure the above-mentioned duties in their statistics. Since household production and consumption are important indicators for a country, countries such as Japan and Sweden issue expanded production estimates.

It is not that Mongolia has never attempted to do this. In late 90s through the turn of the millennium, the National Statistical Office, with support from international organisations, conducted a study to estimate the overtime burden on women. The results of the study showed that women work 3-6 hours more per day than men when cooking and other household tasks are considered.

As a people with a nomadic culture, sometimes we ignore the double burden on women. Kh.Baavgai, department head at the Ministry of Population Development and Social Protection, stressed that as a settled society, we must take what we need from the past and leave the rest. In modern times, men and women should have equal rights and duties. Frankly speaking, we cannot hold on to this attitude that women are solely responsible for household chores. The burden on women will be eased if not only the men, but the whole of society embraces this change in attitude. ▶



► Husbands have begun to understand the double burden on their wives. One American blogger assessed his wife's "uncounted" work. According to his estimates, the annual labour cost of his wife was USD 3,960. Similarly, one Mongolian man, N.Khatanbaatar, estimated his wife's labour costs and the result was around MNT three million. The two young men used the average rate of wages for their estimations, and both mentioned they would not be able to pay the amounts to their wives.

*Below is N.Khatanbaatar's calculation on his wife's annual labour costs.*

- Average salary of a babysitter: MNT 250,000 per month and MNT 3 million per year
- House cleaning service: MNT 5-10,000 per occasion and MNT 60-120 thousand per month if three times per week
- Cook: MNT 200 thousand per week and MNT 800 thousand per month
- Associate financial officer - MNT 10,000 per hour, MNT 200 thousand if done 5 hours per week
- Laundry: MNT 20-25,000 per week and MNT 80-100 thousand per month

• Other: MNT 5,000 per hour, MNT 50 thousand for 10 hours and MNT 1.5 million per month  
Total - MNT 3.07 million

"I need to always keep in mind that housework is three times more valuable than my own work," stated N.Khatanbaatar. "Sometimes my wife buys something for herself and acts as if she has sinned. When she does that, I pity her and feel like hating myself. I'm the one who should be ashamed."

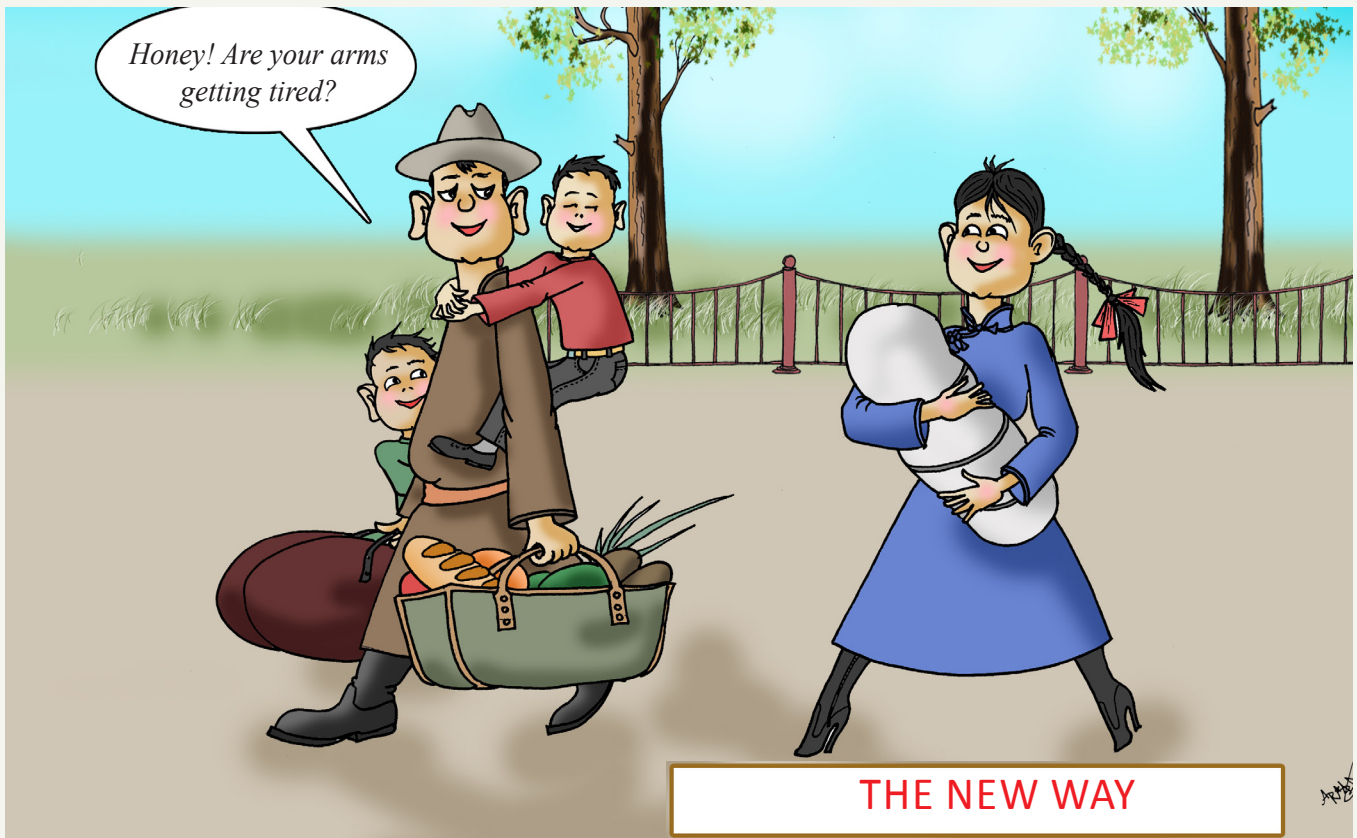
If men start to observe their wives' labour through a magnifying glass, misunderstandings among family members and domestic violence will fall. As a result, women's participation in society can increase.

Countries with slowing economic growth have started to institute policies to boost the economy with by incentivising the participation of women, one of which is Japan. Japan is one of the more unfavourable countries when it comes to women in leadership positions and business. In particular, gender discrimination in this country is a problem, as the professional career of a woman ends after they take

maternity leave. Therefore, the Japanese government announced that it will focus on creating better conditions for women to return to work after maternity leave. It is claimed that the Japanese labour force will increase by 4.5 million if women come back to work after giving birth.

However, most of the things done by women are still underappreciated. In order to assess this, a law on child-care services is the first issue being tackled by the Mongolian government. It is a policy step to better valuing women's labour. In addition, the number of women working in key sectors is higher than that of men, but value of their labour is still estimated to be lower than men. An expert from the Ministry of Population Development and Social Protection stated that men are predominantly working jobs with higher salaries. Currently, the average salary of women is less than men by MNT 100 thousand.

Furthermore, women's participation on the decision-making level is poor. Women account for 14 percent of seats in parliament and just 22 percent of local administration. As such, officials say that increased quotas are needed in order to increase the opportunity for women to get elected and support their participation on the decision-making level. ■



## Policy

# Balancing burdens

BY G.TUSHEE

**W**omen account for almost 52 percent of the total population and are playing a greater role in society than their male counterparts. Eighty-eight percent of the people working in the health sector and about 80 percent of those in the education sector are women. Even in the male-dominated mining sector, the participation of women has increased and accounts for over 10 percent of total employees. In particular, it has become an ordinary thing for women to drive heavy machinery.



In Mongolia, women are the vanguards of society, as they are taking on responsibility not only for the household, but also work. As of 2014, the number of single-mother households reached 80 thousand, and the majority of them are raising three or four children. However, the average salary of women is 9.8 percent lower than the national average today, according to the department head of the Ministry of Population Development and Social Protection, Kh.Baavgai.

The Ministry of Population Development and Social Protection's first priority at the moment is legal reform. They had the law on child protection approved and are working to get approval for the National Programme on Family Development and Child Protection.

Unfortunately, domestic violence has not declined alongside other improvements. Women and children are the most susceptible to domestic violence, which increased four-fold in

2015 compared to the previous year. On the one hand, victims of domestic violence coming forward has increased, but in reality, domestic violence is still a major problem that needs to be better addressed. The Ministry of Population Development and Social Protection decided that addressing the issue through family education is a good place to start. In this context, the revised family law was submitted to parliament. The bad news is that the draft was not discussed by the fall session and was moved to the spring session. The draft law contains a provision

which states that family education must be provided throughout life.

The ministry got the law on child care approved within the framework of the policy to evaluate the undervalued labour of women. In addition, a joint pension law to support elderly women was approved. In the framework of this law, elderly women can claim the pension of their deceased spouse on top of their own. The law will enter into force starting on the first day of 2017.

The Ministry of Labour has reflected several new provisions in relevant laws within the framework of the policy to support women's employment. For instance, the revised draft law on labour is to be discussed

by the cabinet. Article six of this draft law contains a non-discrimination clause in determining the minimum wage.

According to a study conducted in 2015 by the National Statistical Office, the average monthly salary of working people increased every year, and the average salary of men was 16.7 percent higher than that of women. By looking at the total salary structure of entities and organisations included in the salary structure study conducted by the Labour Research Institute in 2013 and 2015, it is evident that the gender pay gap exists both in management and administrative positions. As a result, the draft law on labour includes the contents of ILO Equal Remuneration Convention (No. 100).

There is a definite need to balance both genders' participation in society and taking-on of burdens. Studies on inequality demand such. Getting closer to gender parity means balancing the burdens. ■



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## Opinion

# The actual megaprojects



BY L.KHANGAI

In recent years, Mongolian politicians and economists have been speaking and writing quite a bit about megaprojects. For example, the power plant based on the Tavan Tolgoi coal mine and Power Plant V to be built in Ulaanbaatar are being labelled as megaprojects. These projects are certainly large scale projects for Mongolia, but it should be noted these are megaprojects only for Mongolia. According to internationally established practice, a megaproject is a project that requires billions of dollars and would have a significant impact on the development of a region and country.

For Mongolia, infrastructure projects related to our two neighbours, Russia and China, are the real megaprojects. Infrastructure projects have high costs, require lots of time to be completed and can have a significant impact on the livelihood of the country and region for decades, or even for centuries. In particular, it has geostrategic attributes. The railway connecting Saint Petersburg and Moscow was built completed in 1851 after eight years, and the construction of the 9,300km-long Trans-Siberian railway began in 1891 and carried on for 12 years, until 1903. These railways have been utilised ever since, and there is no doubt that they will remain in use for a long time. One cannot imagine Russia without these railways. A bright example of modern megaprojects is the oil and gas pipeline connecting Russia and China. New, complex megaprojects such as the "New Silk Road", "Economic Corridor" and "Steppe Road" are being mentioned in recent years.

Thus, let's look at the potential megaprojects related to Mongolia.

- Railways: projects to build a new railway connecting the two neighbours and upgrade of Ulaanbaatar railway

(double-track railway and electrification) should be mentioned first (I believe that railways from Tavan Tolgoi and Nariin Sukhait stretching to the border would not be mentioned here, as these projects are related to the use of deposits).

The most important thing to consider before building and upgrading a railway is to determine whether there is freight to transport and its flow. For example, a double-track railway is needed to be built if the carried freight reaches 30-40 million tonnes per year, and the issue of electrification should be raised if it reaches 100 million tonnes per year. Therefore, when to build a double-track and electrify the railway depends on the amount of freight transported. This railway is profitable because it is a transit between Russia and China. In order to improve this transit, shipping and border crossing times need to be reduced and the state must focus on more flexible and competitive tariffs. Doing so would be in the interests of both the receivers and senders of shipment. It is said that the turnover of goods between Russia and China will reach USD 200 billion by 2020. Mainly natural gas and crude oil will be supplied from Russia, but besides those, bulky supplies such as wood and fertilisers are also supplied, so they are surely going to be transported by rail. Russia and European countries mostly transport containers with industrial and food products from China. As for Mongolia, it is important to increase the number of products going through the country. I believe that Russia is interested in transporting goods heading to Europe from China through Mongolia, because the utilisation of Trans-Siberian railway will increase if goods are transported through Mongolia. In addition, the Ulaanbaatar Railway is a joint Russian-Mongolian company.

In addition to upgrades to Ulaanbaatar Railways, projects to connect the two neighbours by building railways in the eastern and western parts of Mongolia are being discussed. The Tuva Republic of Russia bordering North-Western Mongolia has high quality coal deposits. Russia is actively raising the question of exporting coal from these deposits to China. A feasibility study for building 1,800 kilometres of railway from Kyzyl, the capital of Tuva, passing through Ulaangom, Khovd, Bulgan in Mongolia and going on to Urumqi in China has been developed. A little less than half of that length of railway will be built on the territory of Mongolia. Furthermore, there is talk of building a railway from Kyzyl to Erdenet. Currently, Northern Railways received permission to build 547 kilometres of railway from Erdenet to Ovoot and is preparing to begin laying tracks this year. If this railway is built, it would be 230 kilometres to Artssuuri border port of Mongolia and Russia and 300 kilometres to Kyzyl. If the Kyzyl-Erdenet railway is built, the Ulaanbaatar railway's load will significantly increase. However, it is not clear how much and what types of freight would be transported through the eastern railways.

- Roads: The Chinggis International Group of Mongolia has developed a project to pave a road from Albanbulag to Zamyn-Uud. In other words, it is a project to build a road linking Russia and China through Mongolia. The total cost of this road with a length of a thousand kilometres would be around USD 10-12 billion. It would surely become a megaproject if it were implemented. It should be noted that roads are mainly used for transporting passengers and industrial and food products rather than mining commodities.

- Gas and oil pipelines: Russia is a ▶

► country rich in oil and natural gas resources. It gets the majority of its budget revenues from natural gas and crude oil sales. Russia supplies Europe with gas and oil through a vast pipeline network and has been working actively to supply Asian countries in recent years.

In 2014, Russia's Gazprom made a gas supply agreement with China's CNPC. They are planning to supply gas through the western and eastern areas and have started building the pipelines of the eastern area, calling it the "Power of Siberia." As for the pipelines in the western part, the final routes have not been determined

company which has four giant hydropower plants in Irkutsk, Bratsk, Ust-Ilimsk and Boguchan and about 10 thermal power plants larger than Mongolia's TPP-IV – has been talking about supplying its excess energy to China through Mongolia for many years. However, Mongolia is interested in building power plants based on its coal mines and supply energy to China. At first glance, it would seem like the interests of Russia and Mongolia are overlapping, but experts say that the planned Mongolian power plant will become part of an integrated North-East Asian energy system that connects the three countries

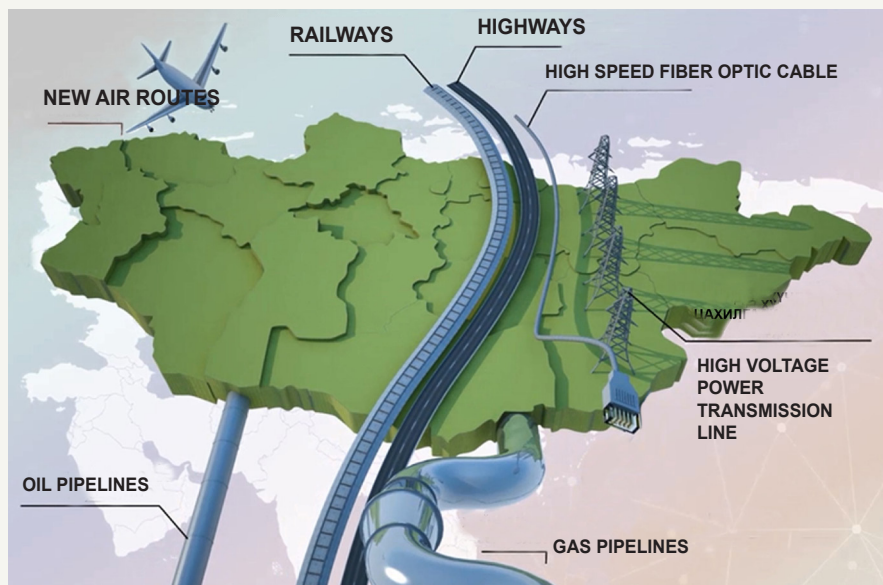
centre during the meeting of the leaders of the three countries held in Ufa, Russia. Since our president proposed the idea, I hope that the Ministry of Foreign Affairs is developing the draft documents and preparing for the signing ceremony at the next meeting. In addition, it should be noted that our foreign affairs minister heads the economy, science and technology inter-governmental commissions between the three countries.

As the projects are related to various sectors, banking and financial institutions or state-owned enterprises engaged in multilateral operations would be more suitable take charge of the projects rather than ministries and agencies (state institutions should be thought of as another stage of procedure). For example, the Development bank of Mongolia or Erdenes Mongol can represent Mongolia while similar organisations also represent China and Russia. If a project with precise estimates and research gets developed and a project executor is found, approaching banking and financial institutions such as the Asian Development Bank (equity fund of USD 55 billion), newly established Asian Infrastructure Development Bank (equity fund of USD 100 billion, and Silk Road Fund (equity of USD 40 billion) would become possible.

Infrastructure projects passing through Mongolia must have involvement and investment from Russia and China. By doing so, the projects would be more efficient. In other words, if there is a consignor and consignee or seller and buyer, they will naturally seek to be as effective as possible.

As implementing these infrastructure megaprojects would have a significant socio-economic impact on Mongolia, political parties competing in the election and the new government to be established afterwards should reflect the measures to take on these matters in their campaigns and platforms.

In the end, Mongolia's relationship with Russia and China is vital for the development and security of Mongolia, so it must be studied by thinking broadly and long-term (10, 20 maybe 50 years). I am writing so because I don't know whether there are people or institutions that conduct such studies. If there are no such institutions, the National Security Council, Ministry of Foreign Affairs and Mongolian Academy of Science must make it a systematic undertaking. ■



at the moment. Mongolia is actively trying to convince Russia that the costs and time to build the pipelines would be much less if it went through the territory of Mongolia. When the Mongolian side met with China's National Development and Reform Commission last year in Beijing, they said that they have no objection to the construction of pipelines through the territory of Mongolia if the Russian side agrees to it.

As for the oil pipelines, pipelines starting from Russia's Skovorodino to China's Daqing was put into operation in 2011. Thus, the issue of building oil pipelines through Mongolia is not likely to be raised in the near future. However, there is interest in supplying oil by rail. Rosneft has given orders to transport three million tonnes of crude oil to China via the Ulaanbaatar railway.

- Power lines: East Siberia has an abundance of energy. Irkutskenergo – a

and will be mutually beneficial for the each country. In general, more detailed research is needed.

- Other projects: Projects to establish communication lines and a new air traffic routes through Mongolia have been talked about for a while, but I believe these projects would not have enough significance and investment to be considered as megaprojects. However, that is just my personal opinion.

Since these infrastructure projects involving Mongolia, Russia and China require the involvement of the three countries, a joint international project and investment research centre that will carry our duties such as researching, determining duration, agreeing on appropriate funding sources and selecting project proponents and contractors needs to be established.

Last year, President Ts. Elbegdorj proposed the idea of establishing such a