

## Mongolia-Czech meeting focuses on trade and economics

*Czech Republic seeks mutually beneficial opportunities with Mongolia*

On April 24-25, the 4th regular meeting of the Mongolia-Czech intergovernmental Joint Committee was held at Mongolia's Ministry of Foreign Affairs and Trade.

The Mongolia-Czech intergovernmental Joint Committee was co-chaired by Ts. Dashdorj, Mongolia's Minister of Road, Transportation, Construction and Urban Development, and by Milan Hovorka, Deputy Minister of Industry and Trade of the Czech Republic. More than 40 business representatives arrived in Mongolia, accompanying Mr. Hovorka.

At the meeting, Minister Ts. Dashdorj and Deputy Minister Milan Hovorka made reports on the present socio-economic situations of the countries. Also, S. Javkhlanbaatar, Deputy Head of the Department of Foreign Trade and Economic Cooperation in the Ministry of Foreign Affairs and Trade of Mongolia, delivered information on Mongolia's present situation of trade and economy.

A project to modernize the State Central Clinic was introduced. Also, the sides shared views on trade and investment, energy and natural resource, infrastructure, urban development, road and transportation, food and agriculture and environmental protection.

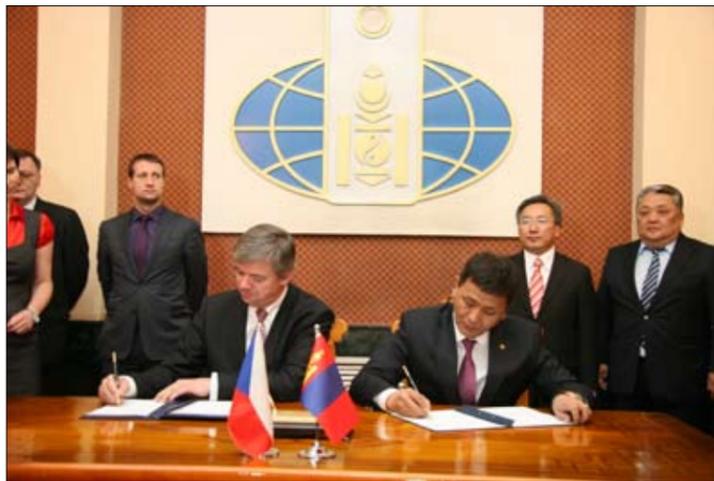
Czech's deputy Minister of Environment gave a report on cooperation in the natural protection sphere and some Czech companies gave brief introductions. At the end of the meeting, the sides signed the Protocol of the 4th regular meeting of the Mongolia-Czech intergovernmental joint commission.

Afterwards, Mr. Hovorka talked with the Mongol Messenger.

**MM: Please tell us about your visit to Mongolia, your expectations and what was accomplished as a result of the meetings?**

-You know primarily, this kind of event is about match-making, about helping companies getting together and to help Czechs better understand what is going on in Mongolia. It's helpful to understand the priorities of authorities and to what extent those priorities match Czech businesses.

I believe that both countries can gain a lot if we join forces, invest time, and work in a more result-oriented manner. We need to keep our minds focused on



Ministers of the two countries signing the protocol

a couple of sectors that we believe are particularly promising from the point of view of strengthening and deepening bilateral relations between the Czech Republic and Mongolia. From this perspective, it has been a major success. During our visit, we held a series of talks with a number of members of Mongolia's government such as the Minister of Natural Resources and Energy, Minister of Road and Construction, and the Minister of Environment. We will be leaving Mongolia tomorrow, reassured that here in Mongolia, the Czech Republic ranks among the high-priority options.

We are very assured by companies of the two states managing to sign a number of very specific documents for expansion, rehabilitation, and modernization of your energy sector. Knowledgeable Czech companies not only have expertise in energy, but also in heat generation. They can construct apartments here and provide all the engineering services.

We also talked about infrastructure projects and were told that new railways will be constructed and new roads will be laid down. One of the results of the visit is that companies can reach find

real opportunities to clarify how they can work together. As a result of those discussions, a couple of documents were signed.

Financing is always a consideration. We were approached by Czech Export Bank (CEB) established by Czech authorities to provide financing. This bank is ready to stand behind and financially sustain those projects developed by Czech companies working here in Mongolia. So, this is not just about official developmental assistance, we want to strengthen the connection between our businesses. If we are more united, it will be a good partnership and provide good results for the people in Mongolia and opportunities to create jobs in the Czech Republic.

Our objective is not just about having a presence in Mongolia; we are a wide open country with one of the most open economies in Europe. So for us, it is important to have Mongolia's presence in the Czech Republic.

One of the messages I tried to get across was that we stand ready to welcome your companies and that your companies can be more active in the Czech market.

## Mongolia-Czech Business Forum held

*Cooperation in business grows*

On April 24, a Mongolia-Czech Business Forum was run at the Kempinski Khan Palace Hotel, Ulaanbaatar within the visit of Milan Hovorka, Czech Deputy Minister of Industry and Trade. Co-organized by the FIFTA Mongolia and the Czech Chamber of Commerce, the business forum aimed at expanding bilateral cooperation in trade and investment, publicizing Mongolia's investment and legal environment to Czech businessmen and investors and help businessmen of the two countries to find partners and create business connections.

The business forum was opened by J. Bat-Erdene, State Secretary of the Ministry of Road, Transport, Construction and Urban Development. Also, Mr. Milan Hovorka, Deputy Minister of Industry and Trade of the Czech Republic delivered a speech. He said, he was very happy to visit Mongolia. He said that arrived in Mongolia conscious of the fact that the Czech Republic and Mongolia, in spite of the geographical distance, are very close. "Our cooperation has a foundation that has been built for many years", he said. To a considerable extent, Czech geologists have contributed to uncovering the mineral wealth of Mongolia, and Czech companies supplied facilities and machinery for industrial plants as well as hospitals in Mongolia. In addition, thousands of Mongolians have learned to speak Czech during their studies or technical internships in the Czech Republic.

Mr. Hovorka was accompanied to Mongolia by a large, fifty-person business mission who were interested in discussing how to expand future cooperation with specific projects in the commercial, industrial as well as investment sectors with Mongolian companies. This issue was the focal point of bilateral discussions with Mongolian representatives as well as the focal point of the Fourth Meeting of the Czech-Mongolian Joint Committee for Economic Cooperation which takes place during their trip. Additionally, the Czech-Mongolian business forum aimed to strengthen existing contacts while creating new business linkages between the two countries' companies and organizations.



Mongolia-Czech business forum at the Kempinski Hotel

As far as specific dimensions of cooperation are concerned, a number of opportunities were discussed covering many fields; especially: geology, mining, industrial machinery, energy (thermal and water power plants, co-generation sources of energy), technology for protection of the environment (water sources, waste management), construction, transport infrastructure, deliveries for agriculture, the food industry and for modernization of the processing industry.

Mr. Hovorka stressed that Czech relations with Mongolia not only focus on economic issues, but developing cooperation in other sectors as well. Examples of these other sectors are development cooperation, exchange of technical know-how and last but not least, tourism. He also offered to share Czech's experience with the adoption of European norms and standards in various fields in order to contribute to the growth of Mongolia's economy and standard of living for Mongolian people.

The Czech Deputy Minister said he was confident that their visit to Mongolia will bring a number of new impulses for future cooperation. He wished Czech and Mongolian companies much luck and success in the discussions and to

also expressed belief that the results of their meetings will be an important step towards the deepening of business and economic cooperation between the countries.

After Mr. Hovorka's speech, reports were given by officials of the two countries, an introduction of Czech companies, and questions and answers.

From the Czech side, representatives of companies of spheres in industrial machines and equipment, coal, metallurgy, mining, road, transport, infrastructure, energy, external and internal trade, food industry, light industry, business consultancy, investment and finance attended the Business Forum. A total of over 50 representatives of Czech companies and organizations and more than 130 representatives of Mongolian companies and organization participated in the Forum.

At the end of forum, memorandums of cooperation were signed between Orkhon Aimag's Governor Office and Hanzl and Avers of Czech Republic, between Mongolia's GanKhiits Company and Czech's 'Ecobokra', between Mongolia's 'Shine Tengis' Company and Czech's 'Agromont Vimperk' Company, and between Euroline Company and Czech's 'Richter+Frenzel' Company.

## CABINET MEETING



At its regular meeting on April 25, the Cabinet discussed the following issues:

### Next year's economic growth predicted to be 15.2 percent

At the cabinet meeting, it was reported that the economic growth of Mongolia is predicted to be at 15.2 percent by next year due to increases in the mining sector and its influence on other sectors, new vacancies, and favorable conditions for foreign investment and even animal husbandry.

The government considers that the mining sector's growth may show an increase of 24.8 percent while non-mining sectors will have a 3.3 percent of increase by 2013.

As the economic growth is expected to increase in the next years, inflation is forecasted to reach 13.1 percent.

Moreover, the Mongolian Togrog's rate may appreciate next year due to continuation of foreign investments in the mining sector and capital flow connected with implementation of the biggest projects and programs, as well as the demand for and price of gold and copper in the world market, according to the forecast.

The cabinet discussed the budget framework for the 2013 master budget, a Bill on budget assumption for 2014-2015, and related bills, and decided to submit them to parliament.

### Government activity for last month

Ch. Khurelbaatar, Head of the Cabinet Office of Government, introduced government's performance for March, 2012. In March, the government worked hard and made influential resolutions for the socio-economy of the country. The Government resolved to end disbursements of Tgs21,000 to citizens in June. It was also decided to give Tgs1 million to men aged 60 and above and women aged 55 and above as well as disabled citizens within the second quarter of this year.

Moreover, a list of apartments to be constructed within frames of housing program 'Apartments for 100,000 families' was approved. With a purpose to intensify implementation of 'State Policy on railway transportation', the government discussed issues on signing a loan agreement for the 'First Project of Investment Program to develop vertical axis road in the western region' and 'Some Actions for the Railway Sector'.

In March, the Cabinet held its meeting 6 times, discussed 55 issues and heard 16 issues.

### Draft loan agreement supported

The cabinet supported a Bill on ratifying a loan agreement for the 2nd phase of the 'Supporting social sector' program established between Mongolia's government and the Japan International Cooperation Agency (JICA).

The program's 2nd phase ensures Mongolia to receive JPY 1 billion, 550 million (about USD 20 million). The money is to be spent for implementing a program on stabilizing the macro economy, improving results of social welfare to reform care for low-income people, expanding the scope of discounted medicines, financing health insurance deductions, sponsoring textbooks for pupils, and for preventing children's nutritional deficiency.

In addition, the money will be spent on comprehensive activities, including establishing a system of supplying necessary vaccines and medicine in case of a wide shortage, and developing ger areas.

The Bill on the loan agreement will be submitted to parliament.

### A progress of 'National Program for Air Transportation Facilitation' introduced

Ts. Dashdorj, Minister of Road, Transportation, Construction and

Urban Development, reported the progress of the national program. In connection with the introduction, relevant ministers were obliged to establish coordination and take organizational measures to perform border control in case of an emergency landing of aircraft at an airport that does not have international border check-points. Moreover, it was instructed to improve the software of unified identity control network of General Authority for State Registration, General Authority of Border Protection, and the Office of Immigration, Naturalization and Foreign Citizens, and urgently resolve the required financing.

Also it was decided to assess how activities regarding air transportation facilitation influence the development of tourism and international trade. The 'National Program for Air Transportation Facilitation' has 181 clauses and as of 2011, 154 clauses have been completely realized.

### In brief

-At its regular meeting, the cabinet supported a Bill in principle on exempting VAT and customs tax, and decided to submit it to parliament. The bill was initiated by D. Odkhoo, MP.

-The cabinet also supported a Bill on development policy and planning, and decided to submit it to parliament. The Bill has 28 clauses in seven articles and regulates long-term forecasting of socio-economic development, development policy, drawing up and approving documents on planning, and implementation works.

-A report was given to the cabinet on the implementation of 73 national programs based on Mongolia's National Development Strategy and the Millennium Developmental Goals (MDGs). Accordingly, 75.4 percent of the programs have been realized so far, and the implementation of 129 projects within the budget and foreign soft-loan and non-refundable aid was at 85.5 percent.

-The cabinet discussed issues of approving the ratio of pensions and salaries granted from the social insurance fund, and fixing the minimum size of pensions.

-Tgs 5.1 billion will be reflected in a Bill to amend the law on the budget for 2012 in order to buy necessary facilities and equipment for construction of a new building and pipelines for the National Central Archives and the Hospital for State Special Servants. These works will also be financed with foreign loans and assistance in accordance with the Bill. In addition, Tgs4.5 billion will be reflected in next year's budget for buying equipment for the archives.

-The cabinet approved rules on exempting entities of raw coal extraction from the fee for air pollution.

-Areas near the seismological substations located in Taishir Soum of Gobi-Altai Aimag, Erdene Soum (Dornogobi) and Kholonbuir (Dornod) have been involved in the special reserve places, in accordance with the cabinet decision.

-The cabinet decided to organize a regular agricultural census from May 26 to June 15 of 2012. It aims to create a database of the agricultural sector in localities.

-On May 29, the Day of Peacekeepers will be marked in Mongolia annually. An obligation was given to the Defense Minister to mark the 10th anniversary of participation of Mongolia's Armed Forces in UN peacekeeping missions.

-A working group was set up in accordance with the cabinet decision to organize an international training-exercise for aviation rescue.

-Prize holders of international contest for opera singing, circus and piano were decided to be rewarded with Tgs 200 million.