

# Mongolia



## COUNTRY PROFILE



**COUNTRY NAME:**  
Mongolia

**CAPITAL:**  
Ulaanbaatar

**AREA:**  
603,908 sq. miles

**POPULATION:**  
2,832,224 (July 2005 est.)

**LANGUAGES:**  
Khalkha Mongol, Turkic, Russian

**RELIGIONS:**  
Buddhist Lamaist, Shamanist,  
Christian, Muslim

**INDEPENDENCE:**  
July 11, 1921

**GOVERNMENT:**  
Mixed parliamentary/presidential

**CHIEF OF STATE:**  
Nambaryn Enkhbayar

**GDP PURCHASING POWER  
PARITY:**  
\$6.022 billion (2005 est.)

**REAL GROWTH RATE:**  
5.5% (2005 est.)

Source: CIA World Factbook

This Advertising Supplement is produced by InterCom Ltd and did not involve the reporting or editorial staff of the International Herald Tribune.

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▶▶▶ AS THE MONGOLIAN GOVERNMENT FURTHER ABSORBS THE TRANSITION TO DEMOCRACY AND THE ECONOMY STABILIZES, THE NATION HAS MANY REASONS TO CELEBRATE: SPECIFICALLY, ITS PAST, PRESENT AND FUTURE

## Steppes on the path to prosperity

**W**hen Genghis Khan created the Mongol empire 800 years ago, he consolidated the states under one system and opened them up to trade and cultural exchange. He was considered responsible for giving Mongolia a unified and ethnic identity and provided stability for the nation during uncertain times. Most Mongolians regard him as a great leader, whose infamy for brutality is balanced by the positive effects he had on the Mongol state. When Mongolia withdrew from the Russian bloc in 1990, the people upheld the Great Khan as a symbol of the free national identity.

As the government had been modeled on the Soviet system, until 1990 the Communist MPRP was the only functioning party in Mongolia. A sudden shift towards reform took place when the Mongolian Democratic Union appeared on the political scene. As a result of increasing political opposition, the MPRP resigned and the constitution was amended to allow for opposition parties, create a standard legislative body and establish the office of president.

While the long path towards democracy has not been easy, Mongolians are, by nature, adaptable, ready to make the transition a success. "We Mongolians are a nomadic people. We have to be ready to move whenever it may be necessary. To make the change to democracy was like migration and moving to a new pasture," says Nambaryn Enkhbayar, the nation's president. "Democracy is a test and a challenge which presents opportunities. Now we live in a society where we try to fully realize our potential. In the old system, we were allowed to live, study, and speak without using our potential. That's the difference

between the totalitarian regime and democracy."

Mongolia has, for the most part, been receptive to change. Urban development, people's lifestyles and the construction of larger factories and enterprises are considered key factors which have allowed the country to endure and absorb transition. However, key priorities such as infrastructure, tourism, education, information technology (IT) and the mining sector still require further development. The government is currently looking to attract investment from the foreign private sector. More funds, tech-



The capital city Ulaanbaatar is home to one third of the entire country's population.

nology and outside experience are the principle ways Mongolia is looking to make progress.

Another important challenge for Mongolia is to capitalize on its strategic geographical position between Russia and China. Plans are underway to develop the rail network that links these two countries across Mongolian territory. A regional electrical power sharing initiative to connect Mongolia, Russia, China and Northeast Asia is also making steady progress. "We need to keep the country open politically

so that we can change economically," says Prime Minister Miyegombo Enkhbold. "If we can keep Mongolia open for investment and construction of infrastructure, we can become an important player in northeast Asia."

Geographically, Mongolia's position between China and Russia has not made it easy to develop an independent and dynamic economy. For years it relied heavily on the Soviet Union until 1990 when the regime was dismantled. The nation subsequently suffered a recession; however, later, after a sweeping privatization of the economy and a shift towards free-market economics, Mongolia was on the path towards economic growth. After a series of reforms and the stabilization of the banking sector, the economy has since found its equilibrium.

The progress and changes which Mongolia has made and gone through during the last 800 years since its original formation have become a cause for official celebration: eight centuries of statehood. To celebrate, the government has declared 2006 a year-long celebration with special activities planned almost every day. "The 800th anniversary of the establishment of the Great Mongolian state is a great opportunity to promote Mongolia and to make the world understand its outstanding history," says the prime minister. From dances and parades to contests and exhibitions, the activities pay homage to Mongolia's unique cultural heritage. The culmination of festivities falls on the national holiday, Nadaam, on July 11th-13th. Another big festival will be held at the end of August in Kharakorum, the former capital.

A MESSAGE FROM NAMBARYN ENKHBAYAR,  
PRESIDENT OF MONGOLIA

## 'The gates of Mongolia will always be open to the world'

We realize each and every day that, as we become more dependent on each other and develop stronger and more enduring ties, both the rich and the poor nations of the world are globalizing. We must work in closer cooperation with other countries in order to prosper, and leave impoverishment behind. We must work hard to define our common development goals. That is why Mongolia implements an open and multilateral foreign policy and works tirelessly towards the wellbeing of the nation.



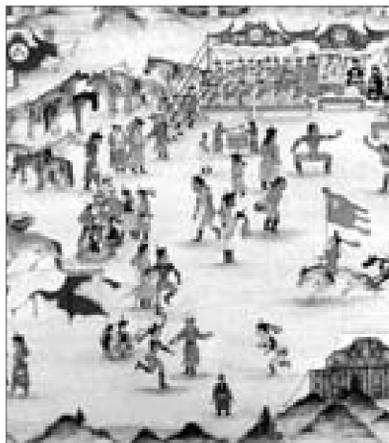
This year, we will celebrate the 800th anniversary of the nation of Mongolia, established by the great Genghis Khan. The United Nations released a resolution encouraging other nations around the world to participate in and support this momentous event. As the nation's president, I am pleased to invite you, dear readers, to come and enjoy this historic occasion.

Our respect for human rights and freedoms is a pillar of our society, and the gates to Mongolia will always be open to the world. I express my sincere gratitude to everyone for supporting and encouraging the reforms and changes in our great nation.

President NAMBARYN ENKHBAYAR

OPENING UP TO THE WORLD AND PUTTING CULTURE ON DISPLAY

## Celebrating 800 years of statehood



Mongolia has undergone extreme changes during the course of its history. Now, after 800 years of statehood, the nation is planning celebrations which last all throughout 2006

IN the 13th century the infamous Genghis Khan consolidated several Mongolian tribes under his rule creating what was then the largest empire in the world. While times and politics have changed, Mongolia remains a country which holds fast to its heritage.

As the UN recognizes 800 years of statehood and efforts to preserve nomadic traditions are stepped up, Mongolia has broken into a year-long celebration, where festivals, parades, theatre, and exhibitions saturate the calendar.

The opening ceremony on January 1st launched the presentation of anniversary stamps and postcards while February marked the opening for Genghis Khan, the play. In April there was a "Great Mongolia-800", an art and handicraft fair. July will host the "History of Eight Cultures Parade", while August sees festivals in Kharakorum, the former Mongolian capital, as well as reindeer herder festivals and shaman art performances. The festivities end on December 31st with a closing ceremony.

Aside from the incredible spirit of the people, Mongolia is considered to be one of the world's best-kept tourist secrets. Located at the heart of Asia, its diverse geography includes mountains, deserts, forests and rivers. Dotted with hundreds of lakes, including the pristine Lake Xovsgol in the north, it is also home to the formidable Gobi desert. Geological, anthropological and wildlife tours guide visitors through nature and history, while nomadic civilization and sacred sites and traditions tours give travelers a firsthand look at Mongolia's culture.

Ulaanbaatar, the capital, is the cultural and commercial center. Outside of the main cities people live as herdsmen in the traditional Mongol dwellings, the ger. Traveling through Mongolia means discovering its heritage and the magnitude, wonder and beauty of its natural landscapes.

For more information, visit [www.mongoliatourism.gov.mn](http://www.mongoliatourism.gov.mn)



Mongolia's 800-year celebration is marked by sporting events, such as archery and horseback riding, mixed with theatre and exhibitions.

## Naadam: a unique and colorful annual festival

NAADAM, or competition, is Mongolia's most important sporting festival, and revolves around the country's most emblematic sports: horse racing, archery and wrestling.

The centuries-old three-day-long festival, held in July, is a ritual which honors the mountain gods, and during which people traditionally drink fermented

mares' milk and feast on cold meat pancakes, ice cream and fruit.

The festival has three parts. In the horse races, up to 1000 horses race through open grassland with child jockeys. Spectators sing songs, and the top five horses are honored through poetry and music.

In the archery leg, contestants dress

in traditional costumes and use bent bows made of horn and bark. The winner is the person who hits the target the most times. Wrestling has neither weight divisions nor time limits, and the loser is the person who touches the ground first. Winners perform the eagle dance after the loser takes off his jacket and walks under the winner's arm.

The Bank of Mongolia is the nation's leading financial institution. Their focus is ensuring the monetary stability of their national currency as well as maintaining stability in the sector as a whole.

Over the last few years the Mongolian people have demonstrated an increased public confidence towards the banking system, investing not only their money but their confidence in the Bank.

While the volume of deposits and loans continues to reach unprecedented levels, the future looks extremely promising. Among other projects, the Bank of Mongolia has plans to reduce the high levels of interest rates, provide rural populations with better financial services, grant loans with longer maturities and develop a financial secondary market. Working hard to create a financial environment which favors the sustainable growth of the nation's economy, they are the future of the Mongolian banking sector.

Ensuring  
**stability**  
in the financial sector



[www.mongolbank.mn](http://www.mongolbank.mn)



Bank of Mongolia

# Mongolia

REFORMS AND NEW POLICIES PROVE JUST THE RIGHT MEDICINE TO REVIVE THE MONGOLIAN ECONOMY

## Transition in economy brings stability to market

**After the fall of the Soviet regime upon which Mongolia depended, the nation faced a crisis. However, through timely changes and the guidance of the central bank, Mongolia's economy is on the right track**

MONGOLIA'S severe climate, wide expanses of land and scattered population have all been important factors that have historically limited its economic growth. Economic activity has traditionally been based on, and limited to, agriculture and livestock. However, eventually the country realized its potential to exploit its extensive mineral resources such as coal, copper, molybdenum, and gold.

During most of the 20th century, Mongolia depended heavily on the Soviet Union which, at its peak, accounted for 30 percent of the country's GDP. The collapse of the Soviet system in the early 1990s coincided with a succession of harsh winters and summer droughts in Mongolia. The resulting livestock die-off, coupled with political stagnation, contributed to a zero or negative GDP in the years immediately following the transition. However, during a decade of difficult political and economic reforms, the central bank emerged as a stabilizing influence and was instrumental in turning the economy around. New, reform-embracing, free-market economics, privatization of the formerly state-run economy, an easing of price controls and a liberalization of international and domestic trade set Mongolia on the right track.

While the nation initially had a banking system suitable for a centrally planned economy, changes were taking place and it became clear that the lack of central banking regulations was a problem. The central bank had no control over commercial banks. While some laws were eventually adopted to regulate the system, the sector was essentially in chaos. When the Asian financial crisis hit in the late 1990s, Mongolia was not spared. Many banks ended up in the red and the population lost its confidence in the sector.

Nevertheless, parliamentary elections in 2000 returned the former Communist MPRP party to power, which

successfully set new goals for the banking sector. Ochirbat Chuluunbat, Governor of the central bank and a key player in the reforms, explains, "The new laws tightened financial discipline in the banking sector, which has helped immensely and brought order to the system. After three or four years the sector regained the market's confi-

dence." Since then, the system, albeit still in a transition period, is doing well.

The central bank took on its typical duties in a market economy such as issuing banknotes, ensuring the stability of the national currency, the tugrug, unifying interest rates, managing government lending, and determining the reserve ratio of commercial banks.

Now enjoying financial and social stability, the development of the banking sector has also allowed Mongolia to reduce poverty and raise living standards, and the central bank has played a key factor in the process. "Our main

function is maintaining financial and monetary stability, and preserving the confidence of foreign investors. Foreign investment is a key factor for the fast development of Mongolia," says Mr. Chuluunbat. Mongolia has also revived its economic and business relationships with China, which is now one of the biggest economic factors affecting the nation's development. China has become Mongolia's number one trading and investment partner. Also, the foreign exchange rate has been stable for the last five years, and the depreciation rate is a little more than 10 percent to the American dollar.

Mongolia, which has one of the most liberalized financial regimes in Asia, places no restrictions on foreign exchange. This has been the source of controversy, as economists worried that a liberalized regime would cause Mongolia to lose all foreign exchange overseas; however, the opposite occurred. "The reform process is a learning process, and we are working to improve the economic environment in Mongolia, but there is no success without mistakes," says Mr. Chuluunbat. The government is still looking to pass further reforms with the aim to create a more favorable tax regime to absorb more foreign investment, and get local businesses to invest more in the domestic market. Furthermore, Mongolia, which joined the World Trade Organization (WTO) in 1997, is working hard and hoping to expand its participation into Asian regional economic and trade regimes.



Since adopting a two-tier banking system in 1991, the central bank has played a vital role in stabilizing the national currency and reducing the inflation rate.

PLAYING AN IMPORTANT ROLE IN MONGOLIA'S PRESENT AND FUTURE

## A pioneer in banking: Zoos Bank lists on MSE

**Looking to achieve better governance and more transparency in its business, Zoos Bank breaks the mold and becomes the first in the sector to enter the stock market**

FIRST established in 1999 as a private commercial bank, the Zoos Bank of Mongolia is a true success story. With a starting capital of \$300,000 and

a staff of just nine people, the bank has grown in the last seven years to 470 employees, eight divisions, 33 branches, and total assets of \$100 million. Now, with offices in the capital, Ulaanbaatar, and all throughout Mongolia, it is an up and coming leader in the banking sector. Its strategy, "expand, advance and strengthen", has been the driving force behind its recent growth.

Providing financial services based on the latest technological advances, Zoos Bank strives to be a reliable, reputable and internationally recognized bank. Its most recent news is its shift to a public company, and its subsequent listing on the Mongolian Stock Exchange – the first bank in the country to do so. President and CEO of Zoos Bank, Sh. Chudanji, says, "We wanted to lead the way for other companies towards more transparent activities in the market. We can become a model of a stock company which meets market requirements. It is a very brave step, and we faced difficulties as pioneers because there was a lot of uncertainty, yet we believe in the process. We believe many companies will follow us, including other banks."

As a result of its listing, the bank is expecting its governance to further improve, as well as upgrade its bank activities, because now all activities will be observed. A bank that began with seven shareholders and increased to more than 200 immediately after its listing, it is ultimately looking to achieve transparency. As Ms. Chudanji says, "Good monitoring for business is one of the keys to success." While the company looks to gain strength in the domestic market, its long-term goal is to be accepted into the international market, and the stock exchange is a solid first step.

One aspect that sets Zoos Bank apart from other national banks is its loans. Banks in Mongolia generally don't offer long-term loans, the longest usually being up to one year. However, Zoos Bank has been successfully



SH. CHUDANJI  
President and CEO of Zoos Bank

implementing projects such as the Housing Project Loan, the Private Sector Development Loan, and the Micro-finance Project Loan, among others. They are currently working towards offering low interest loans for periods of up to five years. "A public listing builds a foundation towards attracting international capital in the long term. We are attracting capital in order to grant long-term loans," explains Ms. Chudanji.



In a state of constant growth and expansion: with almost 500 employees in branches and sub-branches in Ulaanbaatar and rural areas, Zoos Bank has 62,000 current account holders.



Last November President Bush visited Mongolia during a week-long tour of Asia. During his visit, he saluted the 160 "fearless warriors" Mongolia sent to Iraq.

HELPING THE NATION REALIZE ITS FULL POTENTIAL

## U.S. staunch supporter of Mongolia's reform efforts

**While an enormous distance separates the United States and Mongolia, George Bush is to maintain a longstanding relationship based on mutual strategic principles and U.S. aid**

THE U.S.-Mongolian relationship is longstanding and based on common strategic interests, which include trade, reform, education, the fight against terrorism and the promotion of democracy worldwide. Furthermore, the U.S. believes that Mongolia's position, between Russia and China, is important for regional relations.

As part of a recent trip through Asia, President Bush stopped in Ulaanbaatar to meet with Mongolian President Nambaryn Enkhbayar, and discuss the continued and steady growth of their alliance. President Bush reaffirmed U.S. support for Mongolia's efforts and praised the progress it has made towards becoming a stable democracy with civil liberties and a free market economy.

The U.S. also stands behind Mongolia's commitment to economic and political reform, as the U.S. has provided more than \$100 million during the last seven years in assistance and training for Mongolia's reform programs. In Mongolia's efforts to reduce poverty while fostering economic growth, President Bush congratulated Mongolia on being eligible for the Millennium Challenge Account, a program which rewards developing countries that show a dedication to reform. Furthermore, Mongolia employs a full-time American policy-adviser to the prime minister, who works

with the government and provides advice for reform initiatives dealing with privatization, pensions, banking reforms and energy.

Both presidents are looking to develop a closer bilateral economic and trade relationship, and are working together on the Trade and Investment Framework Agreement (TIFA). The two leaders also



The U.S. has sought to expand relations with Mongolia in economic and cultural fields.

agree on the need to step up cooperation in the fight against counterfeiting, money laundering, terrorist financing, and other types of transnational crime. Mongolia supports, along with the U.S., the Proliferation Security Initiative, which seeks to stop the spread of weapons of mass destruction (WMD). The Eurasian country is likewise eager to contribute to international peace efforts.

In the fight against terrorism, the U.S. has Mongolia's support, as both agree that a free and democratic Iraq is vital to foster peace and stability in the Middle East. President Bush has pointed to Mongolia's success in making the transition to parliamentary democracy 15 years ago as an example for the rest of the world. Mongolia is also eager to develop closer military relations with the U.S. and has sent Mongolian soldiers to Iraq. As a result, the U.S. has given Mongolia \$11 million to improve its military forces.



ZOOS BANK IS ONE OF THE LARGEST PRIVATE COMMERCIAL BANKS IN MONGOLIA. OUR LONG-STANDING COMMITMENT TO THE NATION HAS ENABLED US TO GROW NATIONWIDE, INSTILLING CONFIDENCE AND BRINGING OUR FULL RANGE OF PERSONAL, RETAIL AND CORPORATE FINANCIAL SERVICES EVEN CLOSER TO OUR CUSTOMERS. OUR PIONEERING MOVE TO BE LISTED ON THE MONGOLIAN STOCK EXCHANGE IS OUR OWN BOLD VOTE OF CONFIDENCE AIMED AT TRANSFORMING THE EXCHANGE, OPENING THE WAY FOR OTHERS TO CONFIDENTLY FOLLOW. A LOCAL BANK WITH A GLOBAL VIEW, WE HAVE ALSO BEEN ACTIVELY WORKING TO DEVELOP FOREIGN BANKING RELATIONS WITH OUR COUNTERPARTS IN DIFFERENT PARTS OF THE WORLD TO OFFER OUR CUSTOMERS THE BEST FINANCIAL SOLUTIONS POSSIBLE.



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# Mongolia

IMPROVING LIFE IN ONE OF MONGOLIA'S MOST IMPORTANT CITIES

## New strategies and initiatives set to bring new life to the mining city of Erdenet

What began as a small mining town has grown into one of Mongolia's largest cities. Now, to accommodate the growing population and their needs, the government is implementing an innovative City Development Strategy

THE creation of the Erdenet Copper Mine Factory in 1976 was a joint effort by Russia and Mongolia, and it was founded in what was the new industrial city of Erdenet. Since then the city and the mine have developed into key players in Mongolia's economic growth, responsible for 14 percent of the national GDP. As the city grows at an annual rate of 4 percent, it is also working on diversifying. Alongside the mine are more than 1,300 factories, food and convenience markets, wholesale centers and other enterprises.

While Erdenet enjoys revenue generated from the mine, it still has its problems; however, new plans to develop the city are underway. A new City Development Strategy aims to turn Erdenet into a model city with highly educated citizens, a pollution free environment, and a strong export-oriented economy based on IT and manufacturing.

This plan consists of six key initiatives, the first of which is to develop Erdenet as the center of development in the Khangai region. This includes founding an industrial and technological park, creating a Free Economic Zone (FEZ) with an emphasis on the IT sector, working on progressive technologies for farming, and improving the energy supply.

The second initiative aims to further diversify the economy and encourage IT development, production industries and tourism. While 70 percent of the region's GDP comes from mining, the strategy recognizes the need to improve the business environment, which calls for creating a business support center and developing an export-oriented industrial park which focuses on agricultural and environmentally friendly production.

Initiative number three seeks to promote urban planning and land management. To do so, Erdenet will implement a housing program, upgrade the water supply network and expand on the capacity of the thermo power plant, power distribution equipment and heating supply pipelines.

An additional initiative will develop human and cultural resources, as the social services system is considered unresponsive to local needs. To rectify this, plans call for establishing a complex dedicated to training and scientific research. Furthermore, health education will

increase, and a regional health diagnosis center will be built. Plans to create a recreational zone are set improve the health and activity of residents, and new educational facilities for children are also part of the program.

A fifth initiative looks to better manage natural resources and protect the environment. New projects would im-

prove land management and implement natural restoration plans such as reforestation and developing an irrigation system.

The last initiative has the ultimate goal of improving living conditions in the gers, or traditional nomadic living communities. While 29 percent of the population resides in apartment buildings, 71 percent lives in ger communities. Plans include building commercial centers, upgrading and expanding water supply and heating, and establishing sanitation and solid waste management systems.

A CLOSER LOOK AT ERDENET CITY FROM A NATIVE RESIDENT

## 'The mine has played a vital role in the history of Erdenet and of Mongolia'

Set in a valley with wooded hills on either side lies the mining city of Erdenet, also known as "Brezhnev's Gift". Originally built in the 1970s, it has since flourished

ZORIG GURSED, Deputy Governor of Erdenet City, who was born and raised in the city of Erdenet, talks about the original plan for the city and how it has evolved, how the city is diversifying away from a dependence on the mine, and what Erdenet needs most.

How did Erdenet city come to be and how has it been developed since its foundation 30 years ago?

Before the mining started, a small village was established in 1976. Two years later the mine opened. The plan was for 7,000 or 8,000 miners to live there with their families. Originally the city was built to accommodate 40,000 or 50,000 people. Today it is the second largest city in Mongolia with more than 75,000 inhabitants. There are also more than 1,300 companies operating in the city, both big and small enterprises.

What is the philosophy behind the mine and its operations?

The Erdenet Mining Corporation's (EMC) main policy has been to adopt new technology which allows us to spend less and produce more. The mine has been producing and exporting copper concentrate for 28 years. Our main goal is to develop our downstream manufacturing capabilities. For example, we are currently planning to establish a new factory that manufactures copper wires, but we are still in the negotiation stages, so nothing has been decided yet.

Since its foundation, the mine has created employment for so many families and given rise to the development of Mongolia's second city. What challenges do you face as the mine's lifespan approaches an end?

The mine has been operating for 28 years, and has played a vital role in the history of Mongolia. According to geological explorations, the lifespan of the mine is approximately 30 years, but there is always the possibility of extending the life of the mine by organizing more explorations in the area. However, we do have one major problem which is the water supply. We



The discovery of Asia's richest copper deposits led to the construction and development of Erdenet, which in Mongolian means "precious treasure".



Factories boast top-notch gear grinding, rotary grinding, electrical and metal heat equipment.

## Vast mining potential, new discoveries attract investors

THE mining sector is Mongolia's single largest industry, accounting for 55 percent of the nation's industrial output and 46 percent of its total foreign direct investment (FDI). According to the Foreign Investment and Trade Agency (FIFTA), the lucrative industry has a plethora of opportunities due to its vast mineral potential, as it has more than 6,000 mineral deposits and 80 different minerals have been discovered. Likewise, its strategic location between Russia and China in terms of exports, along with mining legislation

favorable for investors, has proven advantageous for the sector.

Historically, copper has been Mongolia's most abundant resource. However recent years have shown gold to be an emerging opportunity. From 1993 to 2003 gold production grew tenfold. The nation also has substantial proven coal reserves, most often used for steam and electricity generation. Further potential exists in oil exportation, as the oil field in the Gobi region has allowed for crude oil exportation to China.

Mongolia actively encourages foreign investment and direct participation in mining-related industries such as processing, extraction and exploration. The Minerals Law, passed in 1997, ensures that the nation is commercially competitive in the international market. It enables the quick procurement of mining and exploration licenses, which can be held for 7 and 100 years respectively, and places no restrictions on repatriation of dividends and profits. The law has played a key role in attracting exploration companies to Mongolia.

THE GOVERNMENT SETS PROTECTION PLANS IN MOTION

## Preserving Mongolia's valuable assets

As the nation suffers an increase in pollution and the possible extinction of age-old traditions, authorities are taking action to protect the environment and preserve the cultural heritage



One feature of nomadic culture is that its people live in harmony with nature. Many customs are a result of these deep roots developed with animals and Mother Nature.

AIR pollution is an increasingly serious problem in Mongolia's cities. Since 1994 the concentration of noxious pollutants has exceeded safety standards, its main causes being the ger communities which have no direct heating systems. Due to the extreme cold and the need to provide adequate heating they burn wood and coal. Another cause of air pollution is the rapid growth in the use of vehicles that don't burn fuel efficiently. Mongolia suffers from a lack of efficient energy production with low-grade coal, inefficient heating systems, shortage of insulation and a need for incentives to conserve energy use. As a result, the country suffers from the highest levels of carbon dioxide emissions per capita in all of Asia.

The government is initiating a campaign to combat industrial pollution by promoting renewable energy sources such as solar and wind power. Authorities are planning a comprehensive air quality management strategy for all major cities as well as enforcing pollution control systems. Power plants in Ulaanbaatar are being urged to adopt efficient clean coal technology and improve efficiency in boilers and coal stoves. In the fight against vehicular pollution, the authorities are expanding the public transport system and setting stricter emission norms. There is also a campaign for more public awareness and environmental education about air pollution.

Another campaign the Mongolian government is taking up is to preserve national traditions which, in today's modern society, are in danger of becoming extinct. As the country faces rapid development and changes in its post-Communist era, traditions are essentially endangered. With such a colorful and unique cultural heritage, Mongolians are determined not to lose even the smallest and most localized traditions. A loss of cultural traditions ultimately affects the global community, and while the government is making special efforts to preserve Mongolia's heritage, organizations around the world are also getting involved. The Itgel Foundation, based in Boulder, Colorado, works to preserve the nation's cultural and environmental legacy through grassroots projects. Another organization, Mercy Corps Mongolia, supports rural communities through economic, educational and agricultural programs.

Erdenet: at the core of a mine of prospects

Mining is Mongolia's largest industry. With operations in prospecting, mining, mineral processing and sales using a modern technology and telecommunications network, mining in Mongolia is synonymous with Erdenet Mining Corporation. A 51% Mongolian, 49% Russian joint venture, we are the largest company in Mongolia and play a key role in driving the economic growth of the country, providing up to 25% of government revenues. In addition to our extensive national mining interests, we have forged partnerships with more than 40 companies from 11 countries around the world: Russia, USA, Kazakhstan, Armenia, Holland, Finland, England, Switzerland, South Korea, Japan and China. And yet when we talk about mining, we refer 90% to the future and the potential of the country's vast mineral reserves. Erdenet has plans for more large-scale joint ventures to diversify our activities and add value to our products, continually generating new opportunities for investments in mining dependent businesses working for the development of Erdenet City.

GE Erdenet Mining Company - [www.emc-erdenet.mn](http://www.emc-erdenet.mn)