



NATIONAL DEVELOPMENT AGENCY
REGULATORY AGENCY OF GOVERNMENT

PROJECT PITCHBOOK

April 2020
Ulaanbaatar, Mongolia



DISCLAIMER

© 2020 National Development Agency of Mongolia. All rights reserved.

THIS PITCH BOOK IS NOT AN OFFER OR SOLICITATION OF AN OFFER TO BUY OR SELL NOTES. IT IS SOLELY FOR USE AT A ROADSHOW PITCH BOOK AND IS PROVIDED AS INFORMATION ONLY. THIS PITCH BOOK DOES NOT CONTAIN ALL OF THE INFORMATION THAT IS MATERIAL TO AN INVESTOR. BY ATTENDING THE PITCH BOOK OR BY READING THE PITCH BOOK SLIDES YOU AGREE TO BE BOUND AS FOLLOWS:

Information contained in our Pitch Book is subject to change without notice and it may not contain all material information concerning the issuer. By attending this Pitch Book, you are agreeing to be bound by the restrictions set out below. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

The information and opinions contained in these materials are provided as at the date of this Pitch Book and are subject to change without notice.

In addition, the information contains projections and forward-looking statements that reflect the issuer's current views with respect to future events and financial performance. These views are based on a number of estimates and current assumptions which are subject to business, economic and competitive uncertainties and contingencies as well as various risks and these may change over time and in many cases are outside the control of the issuer and its directors. No assurance can be given that future events will occur, that projections will be achieved, or that the issuer's assumptions are correct. Actual results may differ materially from those forecasted and projected. This document may not be reproduced, disseminated or quoted without the prior written consent of the issuer. Relaying copies of this Pitch Book to other persons in your company or elsewhere is prohibited.

TABLE OF CONTENTS

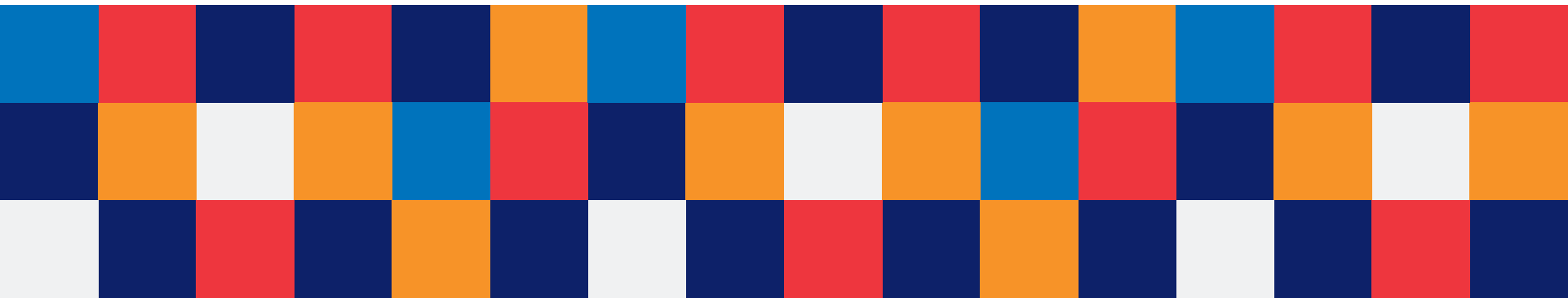
Why Mongolia?

- Economic overview
- Competitiveness and investment opportunities

Projects to be implemented

- Projects on Mining and Heavy industry
- Projects on Health
- Projects on Environment and Tourism
- Projects on Energy
- Projects on Road and Transportation
- Projects on Agriculture and Light industry

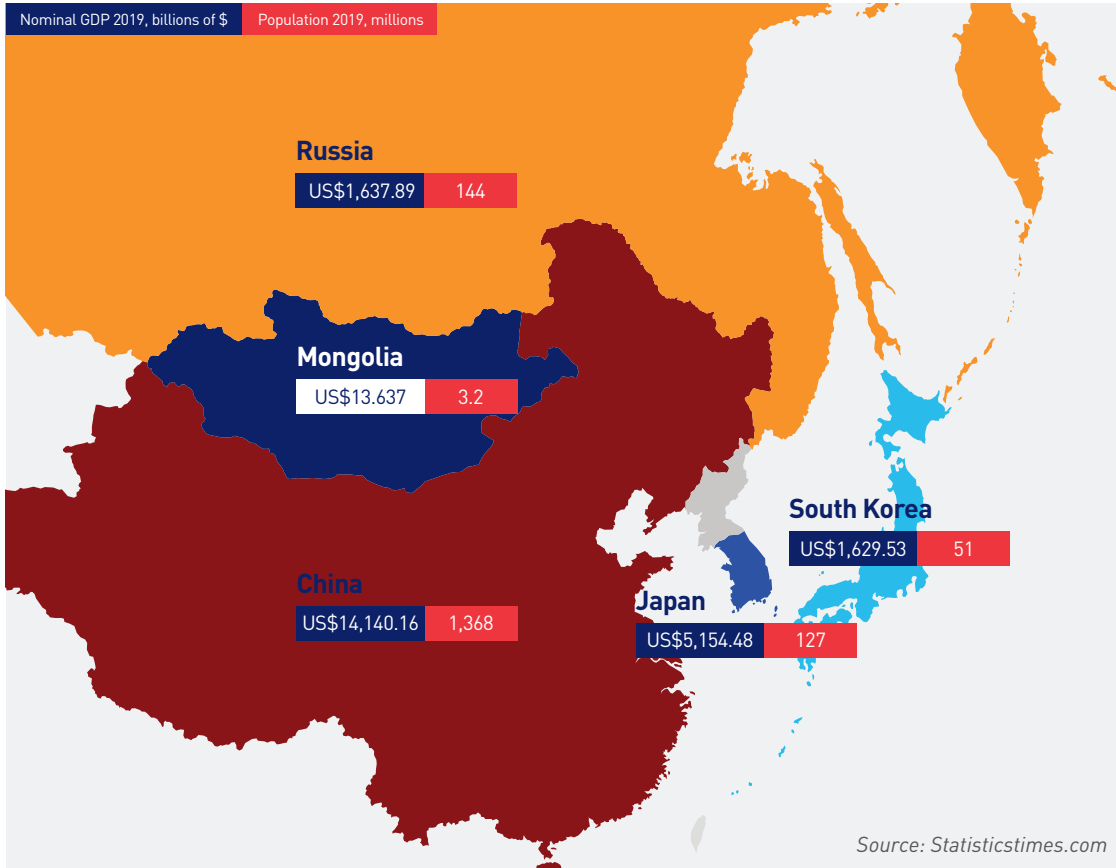
1. WHY MONGOLIA? ECONOMIC OVERVIEW



CREDIBLE NATION, INCREDIBLE NATURE

Strategic location between giant neighbors China and Russia

Close Proximity to the Largest Global Resource Markets



Key Advantages

- 1 Abundant natural resources and minerals
- 2 Potential & organic agricultural sector
- 3 Relative ease of establishing a business
- 4 A young, growing and well educated population with 97.4% adult literacy rate
- 5 Flexible regulations relating to foreign investors
- 6 The lowest utility costs in the region

Credit Ratings of Mongolia

STANDARD & POOR'S

B
Stable

MOODY'S

B3
Stable

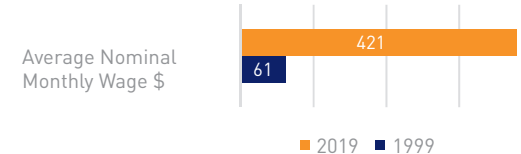
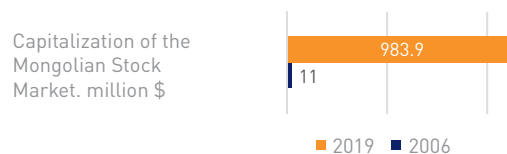
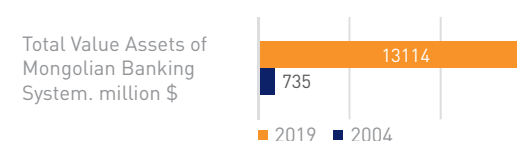
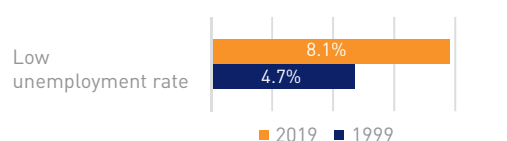
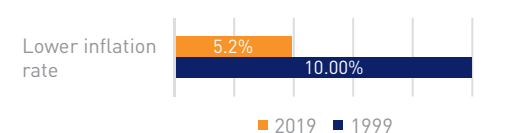
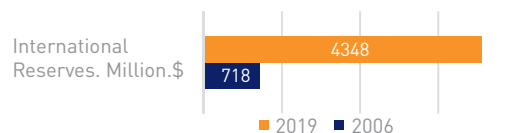
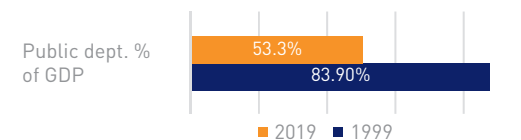
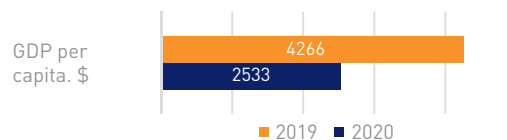
FitchRatings

B
Stable

KEY FIGURES /AS OF THE PRELIMINARY RESULT OF 2019/

Strategic location between giant neighbors China and Russia

GDP		
GDP per capita	4266	USD
Total	13.9	billion USD
Growth Rate	5.1%	
FDI		
Total	26.8	billion USD
FDI	2.9	billion USD (2018)
TRADE		
Trade balance	1.5	billion USD
Total trade turnover	13.7	billion USD
Export	7.6	billion USD
Import	6.1	billion USD
OTHER MACROECONOMIC FIGURES		
Inflation	5.2%	
Policy interest rate	11.74%	
Social Statistics		
Unemployment	8.1%	



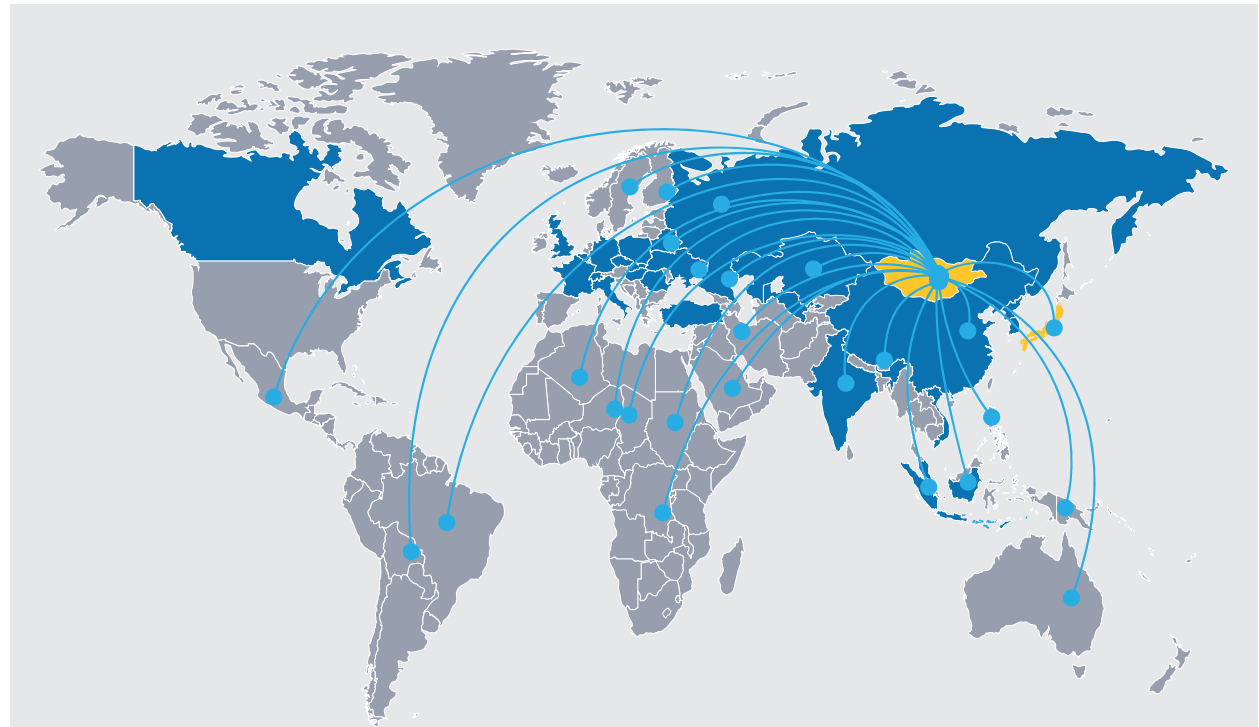
Source: mongolbank.mn; nso.mn;

INTERNATIONAL INVESTMENT FRAMEWORK

TAX TREATIES
WITH
26 countries

Foreign Investment
Protection and
Promotion
agreements

43 countries



Seoul Convention on
the establishment of
MIGA

Washington convention on
the Settlement of Investment
Disputes

EU GSP+

Mongolia-Japan
Economic Partnership
Agreement

INVESTMENT ENVIRONMENT BY INTERNATIONAL INDEXES

The ease of doing business index is an index created by the World Bank Group. Mongolia ranked 81 among 190 economies in the ease of doing business in 2020. Distance to frontier score of Mongolia resulted 67.8 from 100 scores.

MONGOLIA- DOING BUSINESS 2019, RANKED 81

Indicator	Doing Business 2020 rank
Protecting investor	25
Starting a business	86.7
Registering property	50
Getting credit	25
Paying taxes	71

Source: Doing Business Mongolia 2020, World Bank

ECONOMIC FREEDOM INDEX 2019

Standard & Poor's	Mongolia
Business Freedom	66.0
Trade Freedom	75.8
Investment Freedom	50.0

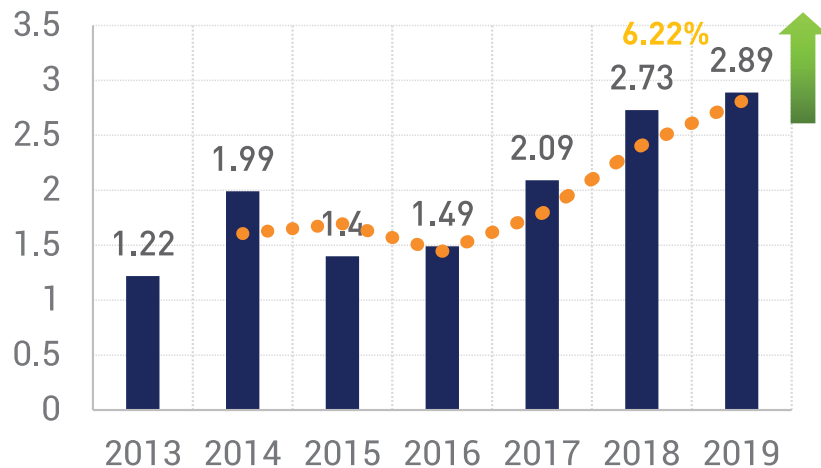
“Mongolia’s economic freedom score is 55.4, making its economy the 126th freest in the 2019 Index. Its overall score has decreased by 0.3 point, with lower scores for judicial effectiveness and government integrity exceeding improvements in government spending and investment freedom. Mongolia is ranked 29th among 43 countries in the Asia-Pacific region, and its overall score is below the regional and world averages.”

FOREIGN DIRECT INVESTMENT STATISTICS

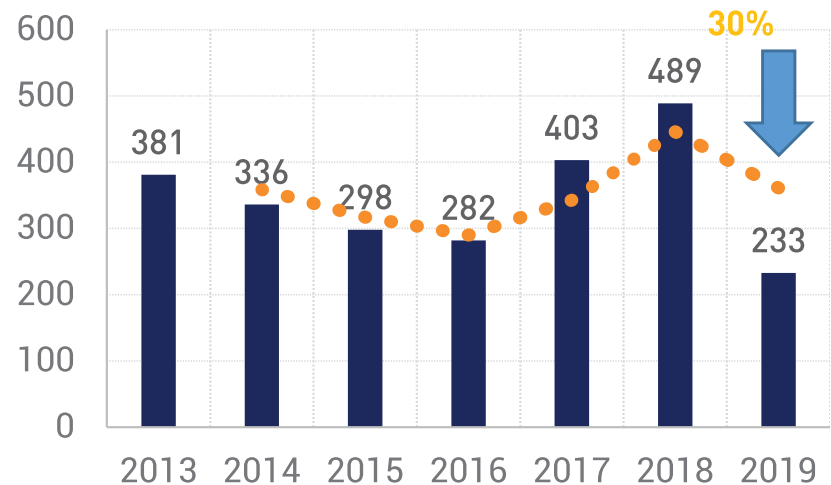
Over 14,932 foreign companies representing 120 countries are incorporated in Mongolia. Total direct investment of 26.8 billion USD between since 1990 and 2019. Foreign investment into Mongolia has been increasing significantly up until 2011 when it reached its highest of USD 5 billion.

Foreign direct investment (FDI) is heavily skewed towards mining, contribution of it is highest in the FDI. Although FDI inflow has decreased in early years, but it has been increasing year by year in the last 5 years. It is worth noting that this year's statistics are much more positive compared to the same period last year.

FOREIGN DIRECT INVESTMENT INFLOWS IN MONGOLIA /Billion USD/



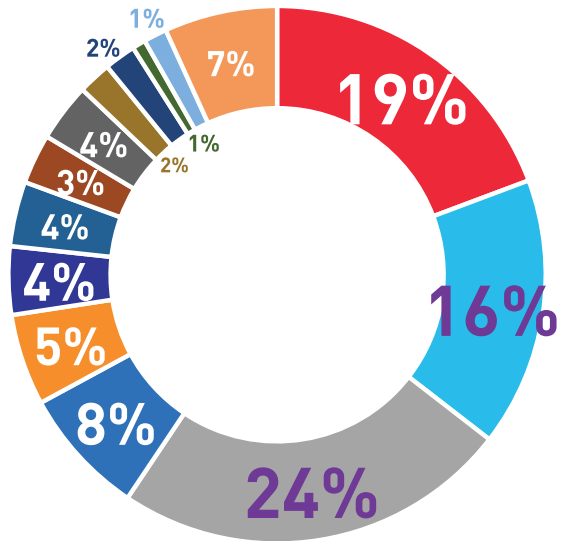
FOREIGN DIRECT INVESTMENT BY NUMBER OF COMPANIES 2019



Sources: Mongol Bank

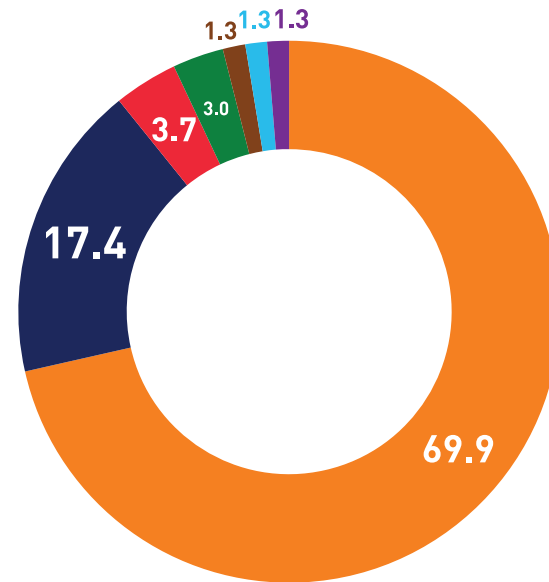
www.mongolbank.mn

FOREIGN DIRECT INVESTMENT BY COUNTRIES



- China
- Netherlands
- Canada
- Luxembourg
- Singapore
- British Virgin Islands
- Hong Kong
- USA
- Japan
- ROK
- Australia
- Germany
- Russia
- Others

FOREIGN DIRECT INVESTMENT BY SECTOR

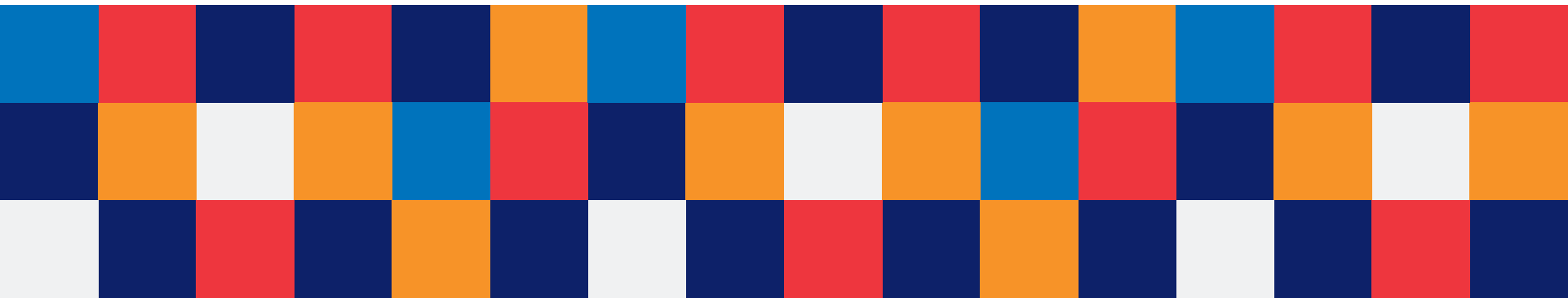


- 69.93% Geographical prospecting, oil exploration & Mining
- 17.0% Trade and catering service
- 3.73% Others
- 2.98% Bank and financial service
- 1.32% Transportation



2. WHY MONGOLIA?

Competitiveness and investment opportunities



MONGOLIA - ATTRACTIVE TAX POLICY

Abolishing tax burdens on foreign investments



TAX INCENTIVES

- ✓ **Investment Agreement**
Tax stabilization and other incentives for projects with investment over 500 billion MNT
- ✓ **Tax Stabilization Certificate**
Stabilization of Corporate Income Tax, VAT, Customs duty, Royalty
- ✓ **Economic Free Zone**
Tax exemption for initial 5 years
- ✓ **Customs duty exemption for listed SME equipment**



NON-TAX INCENTIVES

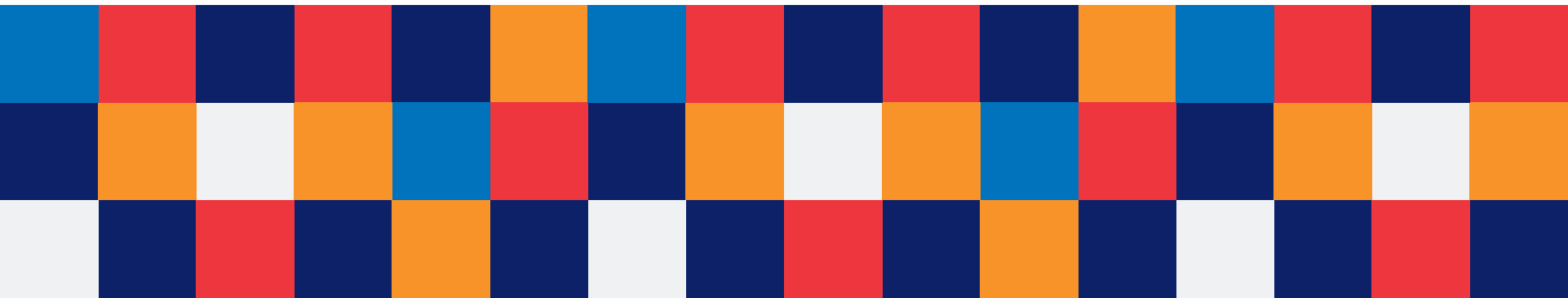
- ✓ **Innovation project and product**
Financial guarantee for production of export oriented innovative products
- ✓ **Alleviated regime of registration and check-point**
Economic free zones, Production & Technological Parks
- ✓ **Land lease and use**
Land lease and use for up to 100 years
- ✓ **Exemption of employment fees**
Infrastructure, production, science and education sector

Mongolia one of the lowest taxation rate among Emerging Economies

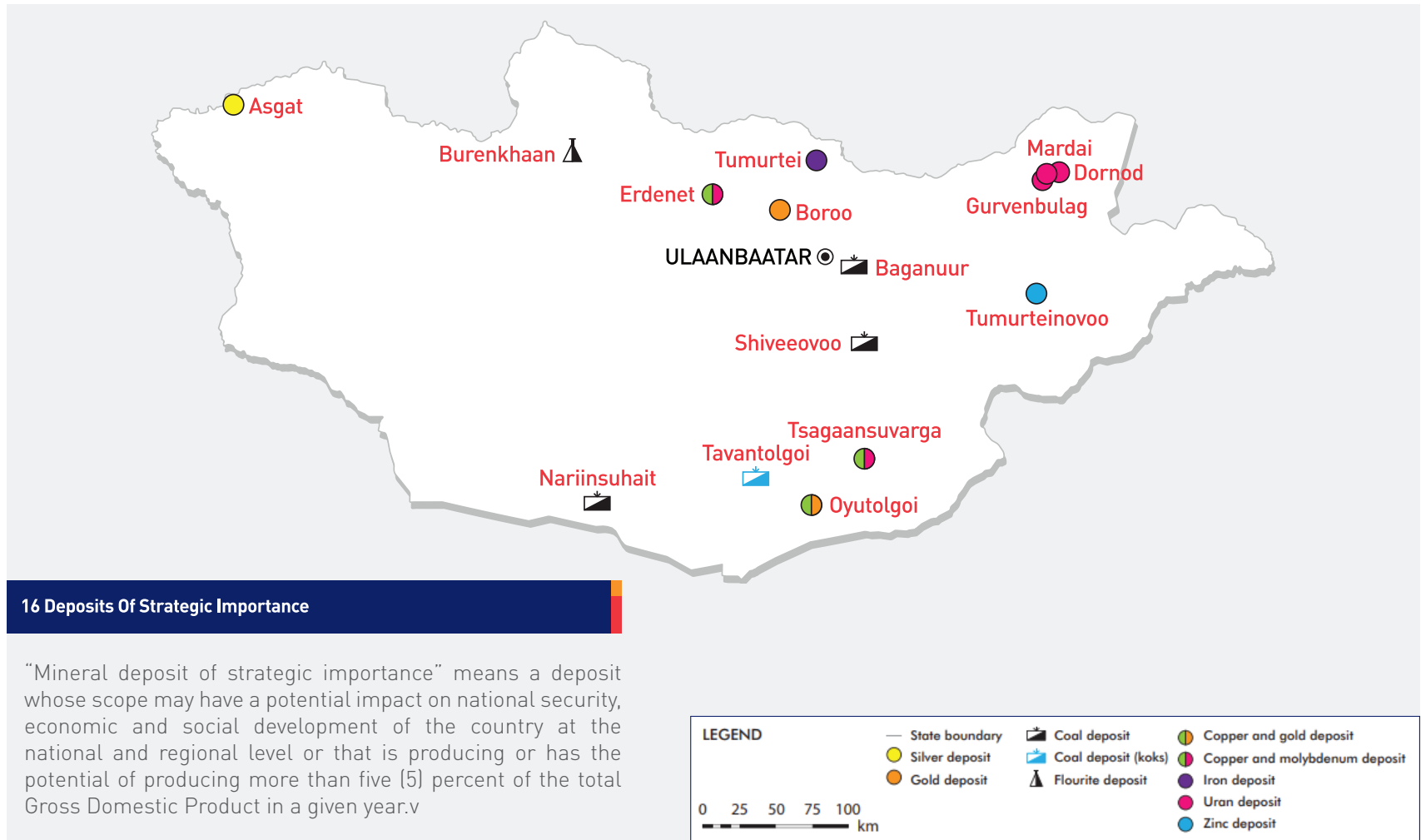
Countries	VAT	Corporate income tax	Income tax	Dividend	Interest	Royalty
Mongolia	10%	10%/25%	10%	10%	10%	10%
Brazil	17%-25%	34%	7.5%-27.5%	0%	15%/25%	15%/25%
Zambia	16%	35%	0%-35%	15%	15%	15%
Turkey	18%	20%	15%-35%	15%	10%	20%
China	17%	25%	3%-45%	10%	10%	10%
Korea	10%	10%/20%/22%	6%-38%	20%	15.4%/20%	22%
Indonesia	10%	25%	5%-30%	20%	20%	20%
Malaysia	6%	25%	1%-26%	0%	15%	10%
Russia	18%	20%	13%	15%	20%	20%
Taiwan	5%	17%	45%	20%	15%/20%	20%
Chile	19%	24%	40%	35%	35%	15%/30%

Sources: Mongolian Tax Administration

3. PROJECTS ON MINING AND HEAVY INDUSTRY



LARGE TERRITORY - RICH NATURAL RESOURCES



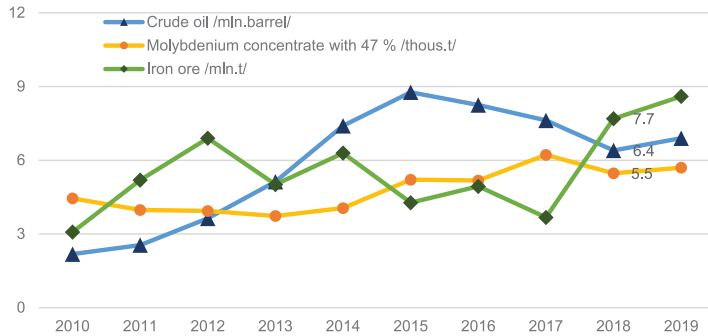
LIST OF STRATEGIC IMPORTANCE DEPOSITS:
Types of minerals, size of reserves

Strategic Deposit	Type of Mineral	Resources & Reserves	Company	State or Private
Oyu Tolgoi	Copper & Gold	3.3 billion tonnes of ore, Copper 44.6 million tonnes, Gold 1,914 tonnes	Turquoise Hill Resources, Rio Tinto, Erdenes Oyu Tolgoi (Erdenes Mongol)	State & Private
Erdenet	Copper & Molybdenum	Copper 1.96 billion tonnes of ore at 0.51% Cu, Molybdenum 240.1 million tonnes at 0.018% Mo	Erdenet Mining Corporation (Erdenes Mongol)	State
Tsagaan Suvarga	Copper & Molybdenum	10.64 million tonnes oxides at 0.42% Cu & 0.011% Mo, 240.1 million tonnes sulphides at 0.53% Cu and 0.018% Mo, Copper 1.6 million ton	MAK	Private
Tavan Tolgoi	Coking coal	Coal 7.2 billion tonnes 5500-7300 kcal/kg, Cokin coal 5.1 billion tonnes, thermal coal 2.2 billion tonnes	Erdenes Tavan Tolgoi (Erdenes Mongol) & Energy Resources & Tavan Tolgoi JSC	State & Private
Nariin Sukhait	Coking coal	Coal 125.5 million tonnes	Qinghua-MAK-Naryn Sukhait & MAK	Private
Baganuur	Brown coal	Coal 812 million tonnes	Baganuur JSC (Erdenes Mongol)	State
Shivee Ovoo	Brown coal	Coal 646.2 million tonnes 3000 kcal/kg	Shivee Ovoo JSC (Erdenes Mongol), State Grid Corporation of China	State & Private
Mardai	Uranium	Uranium 1,104 thousand tonnes at 0.119% U ₃ O ₈	CNNC China	Private
Dornod	Uranium	Uranium 28,868 thousand tonnes at 0.175% U ₃ O ₈	Khan Resources, Mon Atom	Private
Gurvan Bulag	Uranium	Uranium 16,073 thousand tonnes at 0.152% U ₃ O ₈	CNNC China	Private
Tumurtei	Iron	Iron 229.5 million tonnes at 51.15% Fe	Darkhan Metallurgical Plant	State
Buren Khaan	Phosphor	Phosphor 192.24 million tonnes at 21.1% P ₂ O ₅	Talst Margad LLC, Tefas Mining LLC, Sutaikhentso LLC (China), Topruokhentso LLC (China)	Private
Boroo	Gold	Gold 24.5 thousand tonnes at 1.6g/ton	OZD Asia PTE Ltd.	Private
Gatsuurt	Gold	Gold 50.0 thousand tonnes	OZD Asia PTE Ltd.	Private
Tumurtein Ovoo	Zinc	Zinc 7.7 million tonnes at 11.5% Zn	Tsairt Mineral LLC	Private
Asgat	Silver	Silver 6.4 million tonnes at 351.08g/ton Ag	Mongolrostsvetmet LLC	State

MINERAL PRODUCTION

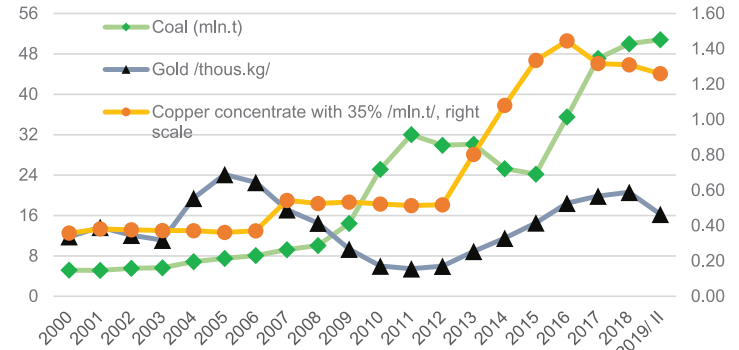
Boom in the coal production. Commodity market was bullish in 2018, might be bearish in 2019

Q - Production: Molybdenum, Iron ore and Crude oil
As of preliminary performance of 2019



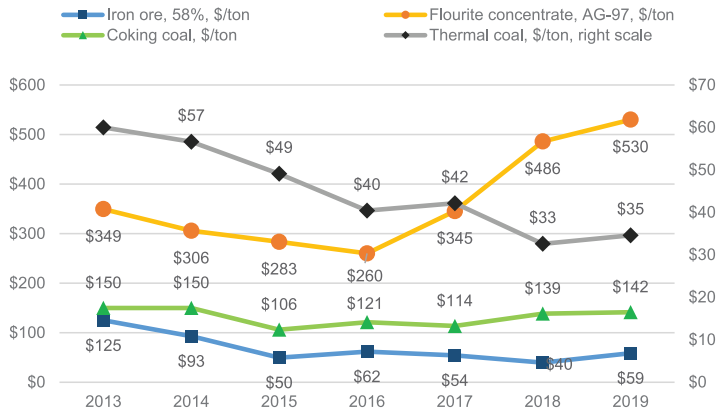
Source: National Statistical Office of Mongolia

Q - Production of Major Mineral Commodities: Coal, Gold and Copper



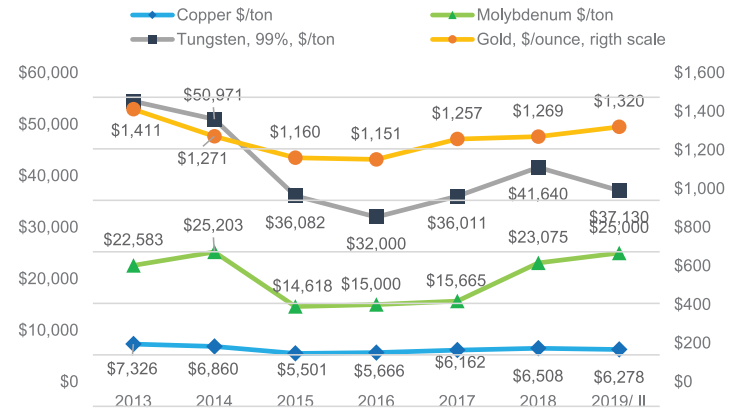
Source: National Statistical Office of Mongolia

\$ - Average commodity prices in the world market



Source: Mineral Resources and Petroleum Authority of Mongolia

\$ - Average commodity prices in the world market



Source: Mineral Resources and Petroleum Authority of Mongolia

MONGOLIA - RESOURCE RICH

By a preliminary performance of 2019, the mining sector compounds 25 % of GDP, 72 percent of agricultural production and 90 percent of total exports.

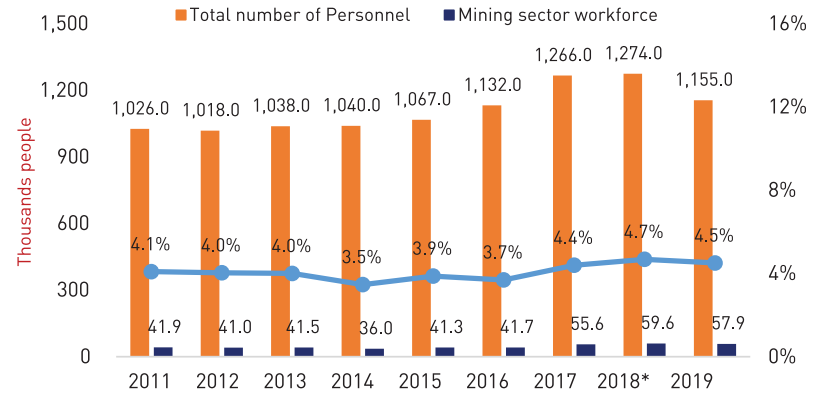
Huge Mineral Reserves

The amount of the most important metals and minerals registered in The National Registry of Reserves and approved by the Professional Minerals Counsel at the end of 2015

Mineral type	Unit	metals/minerals contained in geological reserves	World rank
Gold hard rock	kg	2,548,396.00	
Gold placer	Kg	228,177.00	
Copper without copper in polymetallic deposits	t	60,654,700.00	IV*
Iron	ths t	1,822,434.00	
Coal	ths t	38,522,035.00	VII
Lead	ths t	2,073.00	
Zinc	ths t	6,172.00	
Rare earth elements	t	2,985,326.00	
Tungsten	t	437,500.00	
Uranium oxide	t	180,152.00	XI
Molybdenum	t	160,000.00	VI*
Fluorspar	t	47,842,740.00	
Phosphorite	t	54,053,200.00	

Source: MRAM statistics; *minerals.usgs.gov

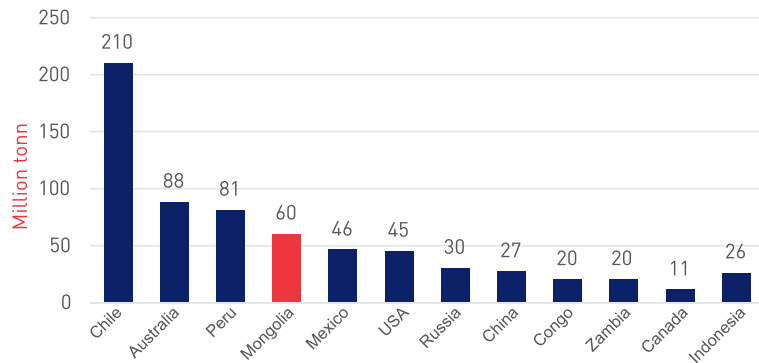
More Workforce In The Mining Sector, 2011-2019



*As of the 1st half of 2018

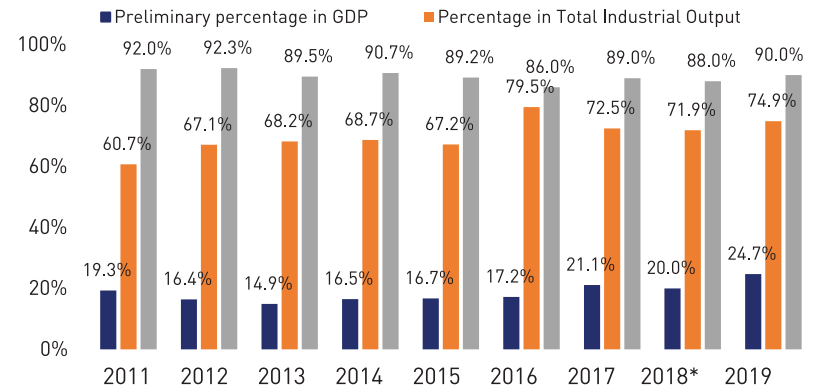
Source: National Statistical Office of Mongolia

World Class Copper Reserve in Mongolia, as of 2017



Source: <https://minerals.usgs.gov>

Importance of the Mining Sector in Domestic Economy, 2011-2019



*As of the 1st half of 2018

Source: National Statistical Office of Mongolia

COPPER SMELTING AND REFINING PLANT PROJECT

Overview of the opportunity

KEY PROJECT FEATURES

- **Description:** The Mongolian Government Action plan for 2016-2020 sets out to establish a copper smelting and refining plant in the region where Oyu Tolgoi copper-gold mine operates, with the minimum negative impact on environment, with the aim of supplying the domestic and international markets with copper cathode and other related products.
- **Project implementing body:** Project implementing unit for “Copper smelting and refining plant project”
- **Location:** Khanbogd soum, Umnugobi aimag, Mongolia

- **Project period:** 2017-2023
- **Copper Cathode** - 257,200 tons / year
- **Sulfuric acid** - 988,000 tons / year
- **Gold** - 5.88 tons / year
- **Silver** - 57.0 tons / year
- **Sulfuric acid** – 988’000 tons / year (or Sulfur – 379’000 tons / year)

Required Investment	\$ 1.5-2.3 billion
Payback period	10 years
IRR	17.4%

MARKET ANALYSIS

- The target markets include Chinese and regional markets.

INFRASTRUCTURE

- **Power supply:** A state funded substation has been built consisting of 2 power transformers, with capacity of 125MWt, connected through 220 KV 2 lines from the National grid system, locating 8 km away from the Oyu tolgoi mining site.
- **Water supply:** The feasibility study and ESIA are planned to be conducted.
- **Rail road:** The Government Action plan for 2016-2020 stipulates to build “Tavantolgoi-Gashuun sukhait” and “Khoot-Bichigt” railroads, and the proposed rail lines will be connected to Oyu Tolgoi deposit. Having the “Tavantolgoi-Gashuun sukhait” rail line connected to the China’s Gants mod border crossing, it would greatly facilitate the export of the copper smelting and refining plant products to the neighboring and regional markets.

LEGAL ENVIRONMENT

- A project implementing unit for “Building copper smelting and refining plant project” was set up by the Government Resolution No.107 dated on September 28th, 2016.
- Prime Minister issued an order on November 22nd, 2016 to establish a working group.
- The Mongolian Government Resolution #88 on “Stimulating the construction of a copper concentrate processing plant”, dated on March 15th, 2017, specifies that the processing plant shall be established in Khanbogd soum of Umnugobi province and the state shall acquire no less than 10 percent of the plant’s total shares free of charge, without contributing to the capital investment.

Project Outlook



Supporting Documents

Concept paper	✓
Pre-feasibility study	✓
Project layout	✓
Land Permit	✓
Infrastructure	✗
Licenses & permits	✗
EPC contract	✗
Basic Environmental assessment	✓
Purchase agreement	✗

Contact Details

Tsedetsamba Davaanseren
 Project Director
 Work: +51 262981
 Phone: +976 9411-1111
 e-mail: davaatseren@mmhi.gov.mn
 Mongolia Ulaanbaatar-15160
 United Nations Street-5/1
 Government Building II, room
 108, 109

COAL TO SYNTHETIC NATURAL GAS PROJECT

Overview of the opportunity

KEY PROJECT FEATURES

- **Description:** The project aims to build a producing natural gas plant from coal through a 160 km gas pipeline, to provide natural gas for Ulaanbaatar and surrounding areas aimed at reducing air and soil pollution.
- **Implementer:** Project unit of "To produce synthetic gas from coal"
- **Location:** On the basis of Baganuur mine in Bayandelger soum, Tuv aimag.

- **Project duration: 2018-2022**

- **Total investment:** USD 2.5 bil
- **IRR -7.86%** /after construction work/

COMPLETED PARTS OF THE PROJECT

- The project detailed feasibility study financed by World Bank was developed by China's Wuhuan Engineering and approved by the Council of Science and Technology of the Ministry of Mining and Heavy industry in May 2017.
- 100 hectares of land in Bayandelger soum, Tuv aimag was reserved in the land management plan for industrial purposes, and a decree was issued by the Citizen's Representatives Khural of the aimag to possess the land, where the natural gas pipelines are set to be laid, for its use.
- The Environmental Social Impact assessment /ESIA/ is funded by the World Bank and will be completed in the first half of 2019.

GOVERNMENT SUPPORT

- In 2013, the amendments to 23rd resolution on Ulaanbaatar 2020 Master plan, is approved by the Parliament of Mongolia.
- On 7 May 2009, the amendments to "Law on automobiles" by Parliament "The use of automobiles with electric sources vehicles, using natural gas and power source for public transportation services in urban and suburban areas",
- National Program on Reducing Air Pollution and Environmental Pollution (Government Resolution # 98 of 2017)
- Government action plan /Parliament Resolution # 45 of 2016/
- Decree No. 15/01 of the 2015 National Committee on Air Pollution Reduction
- Resolution No.107 of Government of Mongolia on establishment of project unit

PRODUCTION & CAPACITY

- It produces 725 million m3 synthetic natural gas, 326 thousand tons of good quality / 98 / gasoline, 57600 tons of liquefied natural gas, 100 thousand tons of ammonia, 30 thousand tons of ammonium fertilizer, 15 thousand tons of sulfur and 150 MW of electricity.

Project Outlook



Supporting Documents

Concept paper	✓
Feasibility study	✓
Project layout	✓
Land Permit	✓
Infrastructure	✓
Licenses & permits	✗
EPC contract	✗
Environmental assessment started	✓
Purchase agreement	✗

Contact Details

"To produce synthetic gas from coal"
 Project Implementation Unit
 Director J.Ochir:
 Phone: 99110123 / Mobile /
 51-263163 /Office/
 Mongolia, Ulaanbaatar 15160,
 United Nations Street-5/1
 Government Building II, No. 102

ERDENES STEEL PRODUCTION PROJECT

Flagship and ongoing projects in steel making industry with capacity of 200,000 tons per year

Overview of the opportunity

KEY PROJECT FEATURES



Established in 1990

Description: The project aims to substitute 500,000 tons of steel imports and produce value added new products domestically.

Implementor: Erdenes Steel LLC, 50% of shares is owned by Beren LLC and 50% Erdenes Mongol LLC, a state-owned company

Location: Choir, Govi-Sumber province

- **Project duration:** 2018-2020
- **Capacity:** 500,000 tons of coke, 300,000 tons of steel per year
- **Products:** coke and steel

Total investment: \$320 million

Project Outlook



BEREN GROUP

ONGOING PROCESS

- The metallurgical plant project site was chosen for its infrastructure facilities such as electricity supply, transportation, labor force and water supply.
- Planned to launch in April 2020
- Development Bank of Mongolia will issue guarantee on investment of \$320 million.
- Selection process of an advisor on feasibility study is ongoing.

Supporting Documents

Concept paper	✓
Feasibility study	✗
Project layout	✗
Land Permit	✗
Infrastructure	✗
Licenses & permits	✗
EPC contract	✗
Environmental assessment	✗
Purchase agreement	✗

INVESTMENT RATIONALE

- **Well developed raw material supply:** The Beren started iron ore mining operation in Arkhangai in 2007 and concentrates 250,000 tons of 65% iron ore with wet technology. (investment amount \$120m)
- The company built DRI production plant with capacity of 40,000 tons per year in 2009 in Erdenet (investment \$10m), and 60,000 tons per year 2012 in Arkhangai (investment \$12m).
- The company produced its pig iron for the first time in Mongolia in 2015.

FINAL GOODS TO PRODUCE

Pig iron



ISO: 9147-87

Steel Work piece



MNS: 4854-99

Reinforcement bar



MNS:JIS G3112-2002

Angle Iron



MNS: 4238-99

Reinforcement Bar



MNS: 4239-99

Contact Details

D.Munkhbayar 99114859
L.Byambadorj 99186360

BAGANUUR COAL MINE EXPANSION | Major thermal coal supplier in Mongolia expands its capacity

Overview of the opportunity

KEY PROJECT FEATURES



Established in 1978

- **Description:** The mining has to increase its extraction capacity to fulfill additional coal demand due to the operations of new power plants that will be built around 2020: 250 mw expansion of PP3; 700 Mw Baganuur PP and to renew its old machinery equipment. It will purchase 26 machineries (excavator, loader, bulldozer, water supply truck, dump truck) in the first year and 11 machineries in the following year of the project.
- Baganuur JSC supplies 60% of thermal coal consumption in Mongolia and over 70% of the central region demand alone. 75% of the company share is owned by Erdenes Mongol LLC, state-owned company and 21% of Mongolian national coal corporation LLC. Current extraction capacity is 4m tons per annum. 812 million tons of coal reserve by JORC. Workforce number 1123.
- **Location:** Baganuur District, Ulaanbaatar

- **Project duration:** 2018-2021
- **Total investment amount:** \$50.0 million
- In the first year \$40 million; in following years \$10 million

Current Capacity: 4 million tons/year
Capacity Plan (not included PP3 and Baganuur Power):
 In 2018: 4.6 million tons/year; In 2019: 4.8 million tons/year
 In 2020: 4.8 million tons/year; In 2021: 6.6 million tons/year

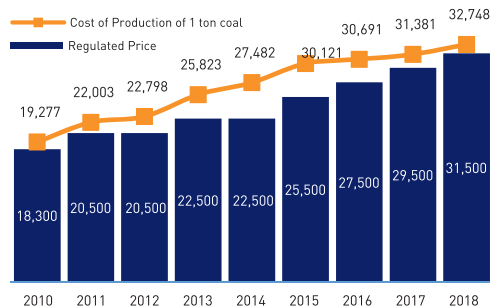
KEY INVESTMENT RATIONALE

- 135 km away from UB
- Connected to UB, Erdenet and Darkhan cities through railroad and paved roads.
- Ease access to water and electricity supply
- Operated with a net profit of 935 million MNT on revenue of 136 billion MNT and cost of 135 billion MNT

- **Problem:** the company has to pay its short term debt of 25 billion MNT and World Bank Mongol coal project's long term debt of 37.7 billion MNT

COAL PRICE AN EXTRACTION COST

SELLING PRICE AND PRODUCTION COST OF 1 TONN COAL



COST COMPOSITION	2017	Share	2018	Share
Water removal	635.3	2%	505.8	2%
Blasting	2313.3	7%	2046.1	6%
Soil removal	16359	52%	16805	51%
Coal extraction	4272.8	14%	4470.7	14%
Coal selling	3389.1	11%	3407.5	10%
Finance and tax cost	1656.9	5%	2794.7	9%
Administration cost	2754.3	9%	2718.5	8%
Total	31381	100%	32748	100%

Project Outlook



Supporting Documents

Concept paper	✓
Feasibility study	✓
Project layout	✓
Land Permit	✓
Infrastructure	✓
Licenses & permits	✓
Purchase agreement	✓

Contact Details

Baganuur District, Ulaanbaatar,
 Industrial District
 Tel: 70210114; Fax: 70213130;
<http://www.baganuurmine.mn/>

SHIVEE-OVOO COAL MINE EXPANSION | Machinery renewal project of the second largest thermal coal extractor

Overview of the opportunity

KEY PROJECT FEATURES



Established in 1990

- **Description:** The mining has to renew its aged machinery equipment. It will purchase excavator, loader, bulldozer, water supply truck, and drilling machine) in the first year and 11 machineries in the following year of the project.
- Shivee Ovoo JSC supplies 28.5% of thermal coal consumption in Mongolia. 90% of the company share is owned by Erdenes Mongol LLC, state-owned company and 21% of Mongolian national coal corporation LLC. Current extraction capacity is 4m tons per annum. 600 million tons of coal reserve, 2,700 million. Workforce number is 600.
- **Location:** Shiveegovi Soum, Govi-Sumber province

Project Outlook



FINANCIALS

- Project duration: 2018-2020
- Total investment amount: \$18.3 million
- In 2018: \$9.4 million ; In 2019: \$6.5 million
- In 2020: \$2.3 million

Current Capacity: 2 million tons/year
It may increase its capacity if Shivee Energy PP starts its operation in medium term.

KEY INVESTMENT RATIONALE

- 265 km away from UB; Ease access to water and electricity supply
- Supplying 1.7 million tons of coal equal to 50 percent coal consumption of PP4 750mw, the biggest electricity producer in Mongolia.
- Operated with a net profit of 530 million MNT on revenue of 49,445 million MNT and cost of 48,856 million MNT

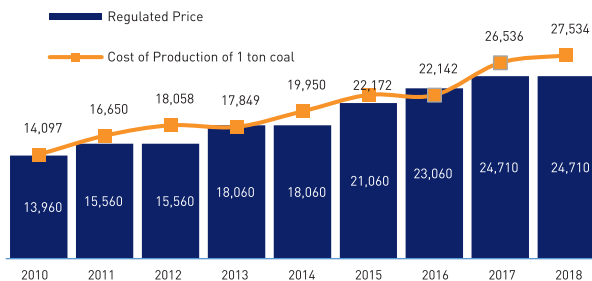
Sales projection:
53.1 billion MNT in 2018
55.1 billion MNT in 2019
55.1 billion MNT in 2020

Supporting Documents

Concept paper	✓
Project layout	✓
Land Permit	✓
Infrastructure	✓
Licenses & permits	✓
Purchase agreement	✓

COAL SUPPLY PRICE AN EXTRACTION COST

SELLING PRICE AND PRODUCTION COST OF 1 TONN COAL



Problem: the company has to pay its debt of 43 billion MNT and its interest of 29.8 billion MNT

Contact Details

Shiveegovi soum, 1-r bag,
Govisumber Province, Mongolia;
Tel: 976-7054-6464;
<http://shivee-ovoo.mn/>

DARKHAN MINING AND METALLURGICAL COMPLEX | Flagship and ongoing projects in steel making industry with capacity of 350,000-500,000 tons per year

Overview of the opportunity

KEY PROJECT FEATURES



Established in 1990

- **Description:** The complex project aims to increase current capacity of steel making and produce value added new products to substitute steel imports.
- **Implementer:** QSC LLC and Darkhan Metallurgical Plant LC
- **Location:** Darkhan, Darkhan Uul province

- Project duration: 30 years
- Phase 1 - Completed 100%: Start of mining operations on Tumurtei (250m tons), Khust uul (12.6m tons) deposits, increase of extraction capacity at Tumurtolgoi mine (25m tons), building of concentration plants.
- Phase 2 - Ongoing: Renewal of the current steel plant, capacity increase, new DRI and steel plant

Total investment:
min \$ 1.2 bill

Project Outlook



COMPLETED & PLANNED TASKS OF THE PROJECT

Project phase I. Opening iron ore mines, concentration plants, infrastructure construction work have been completed:

- Tumurtolgoi mine 250 tn/h & 500 tn/h capacity dry concentration plant
- Tumurtei open pit mine exploration (east-east & east-west open pit mine)
- Tumurtei mining camp & Tumurtei mine office and maintenance workshop
- Tumurtei mine 750 t/hour capacity dry separation plant
- 1 mill. t/annum capacity wet separation plant and tailing pond
- Tumurlug substation expansion (10 MVA)
- Eruu substation expansion (Selenge province)
- 50 km HV 100 kV electrical transmission line from Eruu substation to Tumurtei mine
- 16 MVA capacity Tumurtei substation
- Khandgait terminal (loading and unloading)
- 33.4 km railroad from Tumurtei mine to Khandgait station
- Tumurtei station and locomotive maintenance workshop
- Darkhan terminal (loading)
- 95 km paved auto road from Dulaankhaan intersection to Khudersoum direction (Selenge province)

- **Project phase II.** Expansion and revamping of existing steelmaking plant, and building of "Mining and Metallurgical Complex" will be completed and currently the followings have been completed:
- Forged steel ball workshop (capacity: 25k ton/annum)
- Ladle refinery furnace (capacity 25 tons)
- Expansion of Tumurlug substation (6.3 MVA)
- Heating greed line connected with city central line and boiler station 1.8 km
- new water cooling tower (1250 m3/hour capacity)
- Shear baler for light scrap processing
- Project feasibility study (in finalizing stage)
- Project ISEA (in progress)
- MEMS assembly and oscillator revamping project (in progress)
- DRI plant basic engineering design completed

Supporting Documents

Concept paper	✓
Feasibility study	✓
Project layout	✓
Land Permit	✓
Infrastructure	✓
Licenses & permits	✓
EPC contract	✓
Environmental assessment started	✓
Purchase agreement	✗

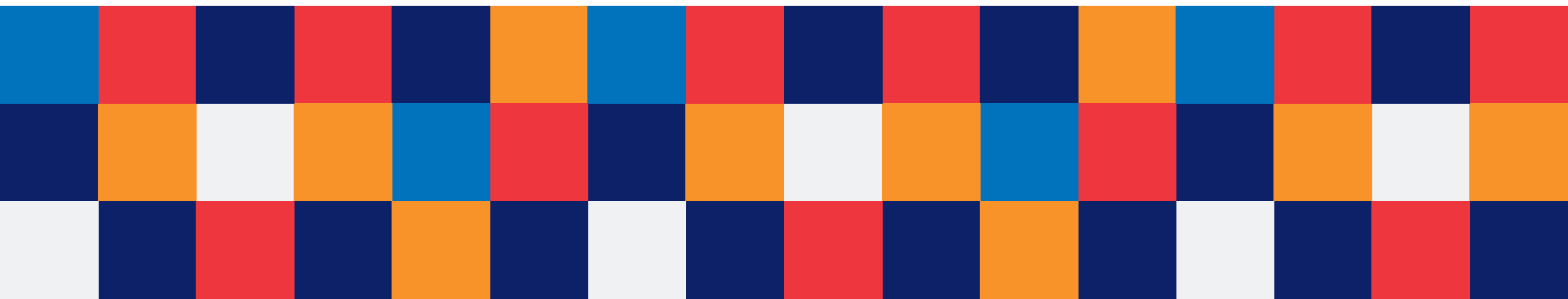
Contact Details

Mr. Shijir. E, Chairman of BOD,
email: shijir@qsc.mn
Mr. Otgonbayar. General director,
M, Darkhan Metallurgical Plant LC,
email: otgonbayar.m@dmp.mn

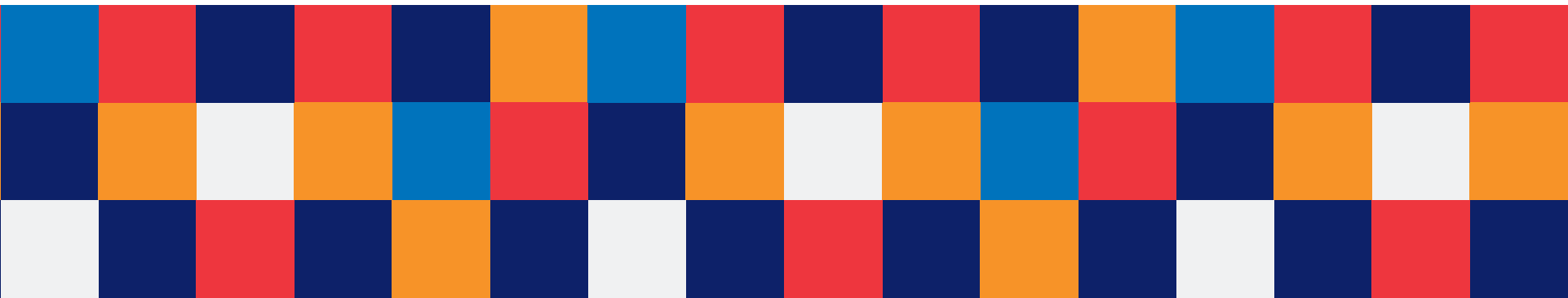
COAL PRICE AN EXTRACTION COST

Iron ore concentrate (dry)
Iron ore concentrate (wet)

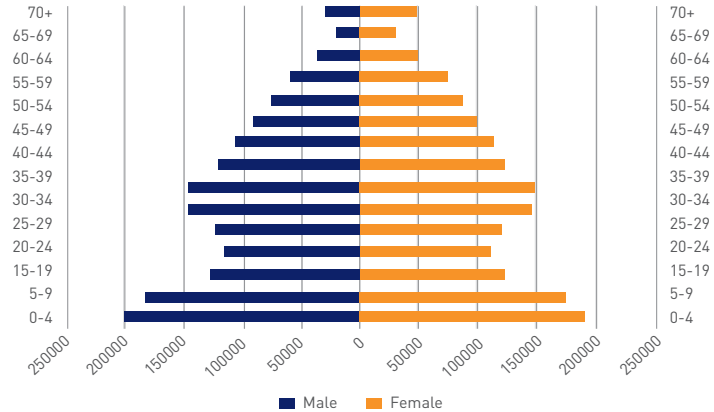
Billet 128x128 mm
Rebar – for construction
Rebar billet for steel ball making
Forged steel ball 100mm-140mm



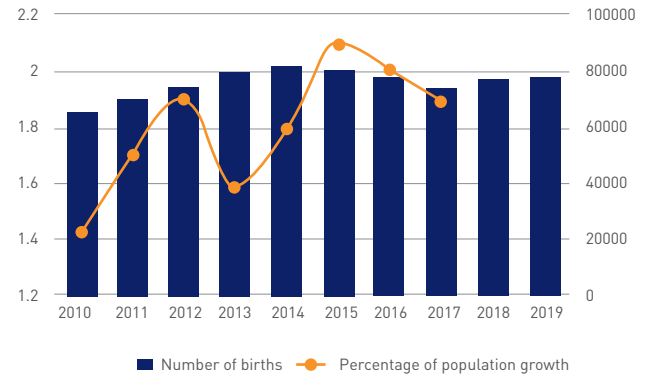
4. PROJECTS ON HEALTH SECTOR



The age and gender of the population of Mongolia 2018 Year

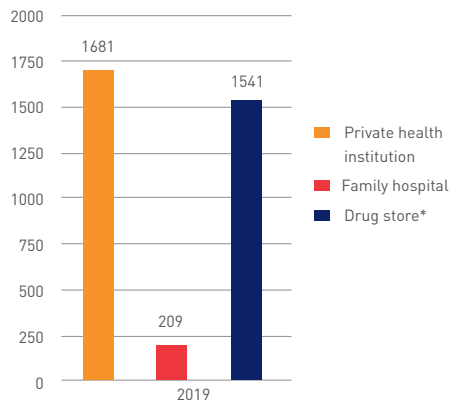


Percentage growth of Mongolian population and number of children born

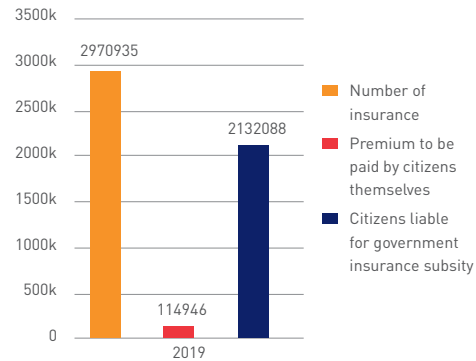


Source: Center for Health Development

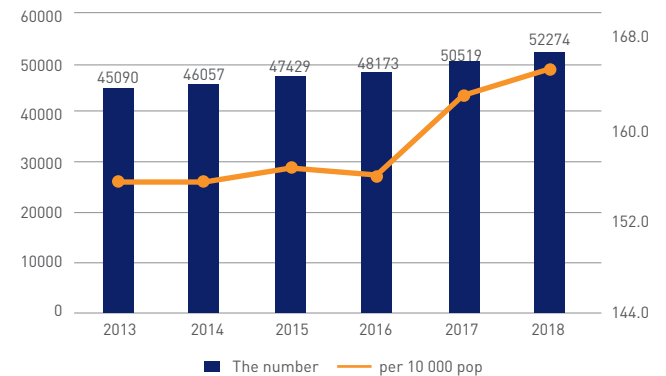
Number of health institutions, by type



Number of insured persons for health insurance, by march 2020



Employees of health organizations, last five years



Source: National Statistics of Mongolia

BUILDING OF NATIONAL CARDIOVASCULAR CENTER OF MONGOLIA

Overview of the opportunity

KEY PROJECT FEATURES



Established in 2020

- **Description:** First priority issue of health sector of Mongolia is cardiovascular disease's (CVD) prevalence and mortality as it is occupied one third of total mortality. One of the crucial activity to improve management of CVD is expanding and increasing coverage of tertiary level of cardiac care. Expansion of NCC is in the Governmental plan.
- **Location:** Bayangol district, Ulaanbaatar

- **Project duration:** 2021-2025
- **Total investment amount:** €49.5 million

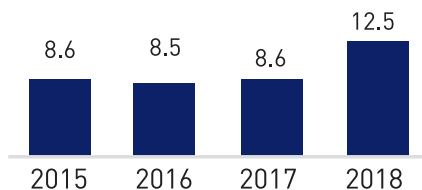
Current Capacity: National Cardiovascular Center (NCC) of Mongolia has been functioning as tertiary referral center of cardiac care for the country with 94 health professionals. And it is functioning inside of Third State Central Hospital in 12 different places.

KEY INVESTMENT RATIONALE

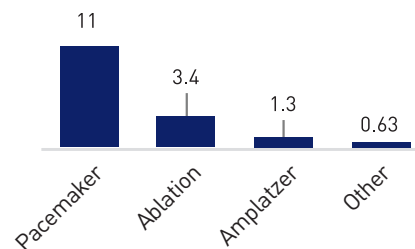
- Architectural design of new NCC building is being developed by Spanish company IDOM with Mongolian subcontractor PCDP company. Luxembourg Government supports this architectural design.
- 98% of doctors and 34% of nurses of NCC are trained at international institutes.
- Capacity building of human resources of NCC is going very well due to Luxembourg Government supported project implementation.
- All doctors of the NCC and provincial and district's hospitals' doctors are working closely in the telemedicine network which allows decrease in unnecessary referrals from provinces to Ulaanbaatar, capital city of Mongolia.

COST SAVINGS IN YEAR OF 2015-2018

Cost savings from reducing unnecessary referrals from provinces to UB (in million euros, using tele-consultation)



Cost savings as result of performing high-tech cardiac care in the country (in million Euros, 2015-2018)



Project Outlook



Supporting Documents

Feasibility study	✓
Architectural design	✓
Project layout	✓
Land Permit	✓
Infrastructure	✓
Licenses & permits	✓

Contact Details

Cardiovascular Center,
Third State Central
Hospital, Bayangol District,
Ulaanbaatar
Tel: 7700-0304
[http://www.cardiocenter.
telemedicine.mn/](http://www.cardiocenter.telemedicine.mn/)

Concept for BUILDING central Asian Comprehensive Cancer Center IN Mongolia

Overview of the opportunity

PURPOSE OF THE PROJECT



- To become a leading Cancer Diagnostic, Treatment and Research Center in Central Asia by introducing worldwide latest medical and diagnostic achievements and technologies and enhancing the quality of care and its services

PROJECT BACKGROUND

- In Mongolia, cancer became a second leading cause of death and subsequently burden to the people, society, and economy. As recorded in the WHO World Cancer Registry, 2018 report, Mongolia is registered as the highest death country due to liver cancer (79.7 death cases per 100,000, inhabitants) and stomach cancer (29.5 death cases per 100,000, inhabitants) in the world.
- According to the Ministry of Health, every year in average 50-70 million USD dollar has been spent by Mongolian citizens abroad in seeking better medical facilities. According to study 60 percent of patients are diagnosed with cancer. Therefore, one of the major goal of this project is to remove the financial burden from the citizens by setting up and building treatment/diagnostic facility and receiving best medical services according to the international standards within the country.
- NCCM's current construction and building which was as built in 1981 occupies 15000 square meters. As such its space does not allow to set up new technologies and equipment's and expand accordingly

PROJECT SCOPE

- Mongolia including all soums and aimags / provinces and cities; Siberia, Republic of Buryatia, Republic of Sakha, Republic of Tuva of Russian Federation, Inner Mongolia of People's Republic of China

PROJECT ACTIVITIES

- Providing comprehensive cancer diagnosis and quality medical and accessible care services
- Carrying out basic and clinical research studies of cancer and oncology diseases
- Developing policies of cancer prevention and early diagnosis, coordinate its implementation
- Organizing various training for international health and oncology professionals

Streamlining activities aimed at prevention from cancer and oncology diseases; introducing proper monitoring and new technologies, treatment methods and the outreaching population became a priority issue in the medical sector of Mongolia.

EXPECTED OUTCOMES AND RESULT OF THE PROJECT

- Death cases caused by cancer will be decreased by 2030 (8 cases per 10000 inhabitants)
- Best conditions and accessible cancer diagnostic and treatment facilities within the country will be built and implemented; the latest technology and treatment methods according to the international standards in line with the WHO constitution the "Health for All" agenda and Sustainable Development Goals shall be introduced
- Model Center of cancer diagnosis, treatment, research, and training will be established
- Financial the burden of people and monetary flow spend abroad for seeking medical treatment will be removed; moreover, the center will attract foreign citizens and people who are interested of undertaking diagnostic and treatment services offered by this facility and medical professionals.

ESTIMATED BUDGET

- 199,500,000 (one hundred ninety-nine million, five hundred thousand USA dollar)

DURATION OF THE PROJECT

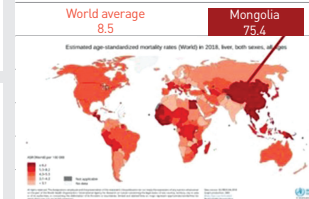
- Total duration of the project is 2 years and 6 months (30 months)

Project Outlook



Supporting Documents

Concept paper	<input checked="" type="checkbox"/>
Feasibility study	<input checked="" type="checkbox"/>
Project layout	<input checked="" type="checkbox"/>



Contact Details

National Cancer Center of Mongolia
 Nam Yan Ju street,
 Bayanzurkh district
 Ulaanbaatar 210648,
 Mongolia
 E-mail:
 nccm@cancer-center.gov.mn

ORGAN TRANSPLANTATION SURGICAL CENTER

Overview of the opportunity

KEY PROJECT FEATURES



The first central hospital of Mongolia is established as "People's hospital" in 1921.

- **Description:** The first central hospital proclaimed as REFERENCE CENTER which provides tertiary healthcare for the Mongolian people, as well as training the undergraduate and graduate medical and nursing professionals by Ministry of health's order number 409 in 2013.
- The first central hospital proclaimed as REFERENCE CENTER which provides tertiary healthcare for the Mongolian people, as well as training the undergraduate and graduate medical and nursing professionals by Ministry of health's order number 409 in 2013.
- There are shortage of post transplantation intensive care unit due to the shortage of hospital space. In 2018, we planned and performed 24 cases of LT, 23 cases of KT, and 6 cases of BMT, and we had shortage and difficulty of caring the patients post operatively. There are plan of increasing the government subsidy of organ transplantation treatments that number of people who are required to get treated is increasing as well.
- Organ transplantation treatment requires and occupies 2 full operational theaters that other surgeries had to wait or postponed for a day or two and that prolong the waiting list of other surgical treatments

- **Project duration:** 2020-2022
- **Total investment amount:** so far Organ transplantation surgical center's construction drawings costed 46,915,395,942 mnt in 2013, 72,308,456,940 mnt/ 27,451,957 usd in 2018.
- **Necessary funding** for the equipments and other for the surgical center is 24 708 809 086 mnt/ 9 380 717usd

Total 97 017 266 026 mnt /36 832 675 USD necessary

KEY INVESTMENT RATIONALE

- Able to provide high quality medical care using up to date medical equipment in internationally accelerated facility.
- Operational theaters that meet international standards with an integrated oxygen system will able timely management of emergency surgical treatments, and reduce the immature death in the nation.
- Hospital sterilization and sanitation will improve; therefore, reduce hospital acquired infections, and shorten the hospital stay
- Operational theaters as well as post surgical rooms will be able to equipped with ventilator that has HEPA filter system
- 100 people able to get organ transplantation treatments. Number of surgical treatments increase by 1,5 times

Problem: Organ transplantation surgical center's construction drawings costed 46,915,395,942 mnt in 2013, 72,308,456,940 mnt/ 27,451,957 usd in 2018.



PROJECT RATIONALE

- By the beginning of 2020, FCHM performed 92 liver transplantation, 202 kidney transplantation and 17 BMT cases.
- In 2020, we are planning to perform 25 cases of LT, 25 cases of KT, and 7 cases of BMT
- From year to year number of cases increasing, therefore postransplatation shortage of hospital decreases too.
- There are plan of increasing the government subsidy of organ transplantation treatments that number of people who are required to get treated is increasing as well
- New Organ transplantation surgical center requires and occupies full operational theaters that other surgeries had to wait or postponed for a day or two and that prolong the waiting list of other surgical treatments

Project Outlook

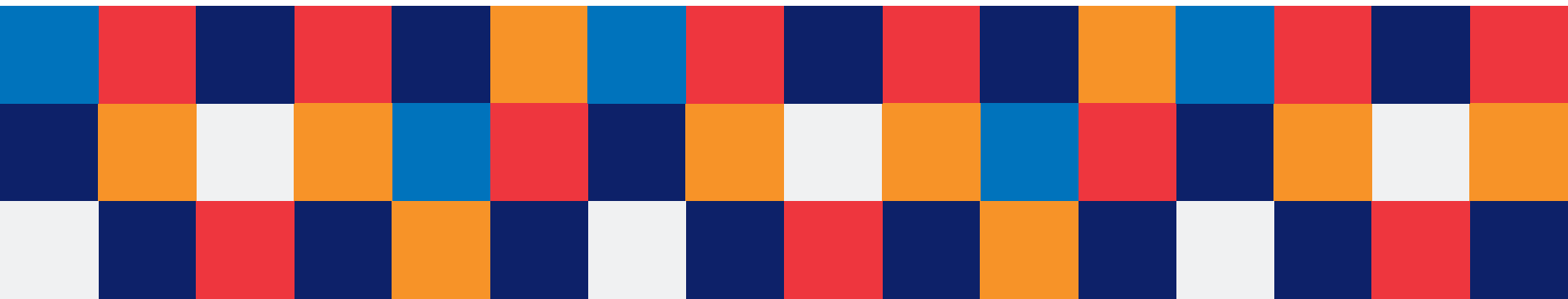


18000 m2, 30x60 space, 10 floor building

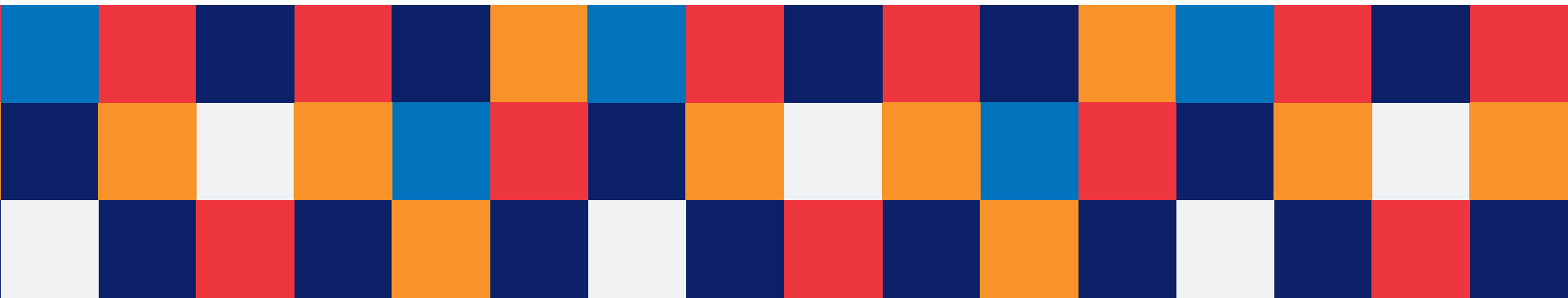


Contact Details

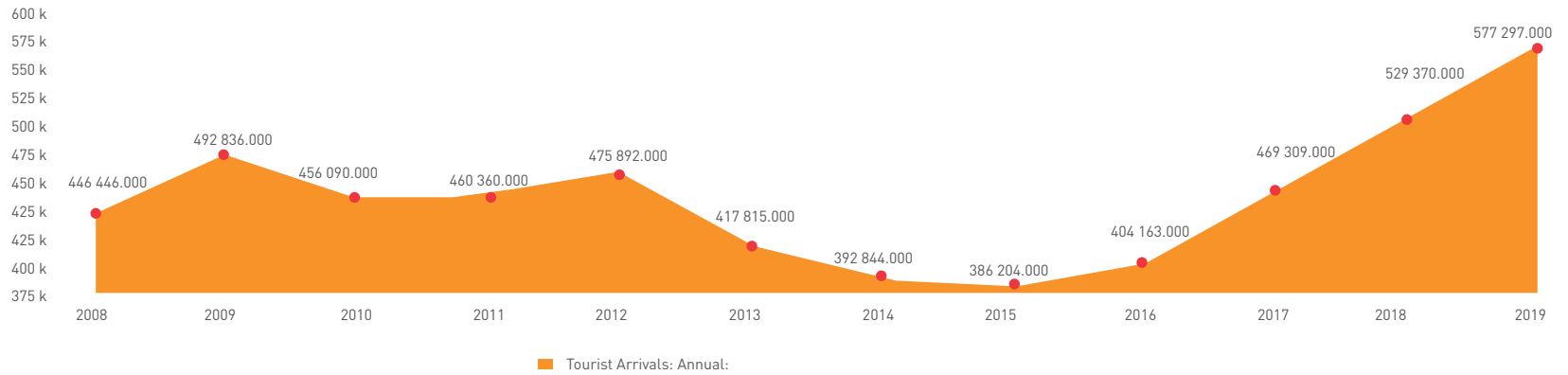
Zorig street 1, Sukhbaatar District, Ulaanbaatar,
Tel: 77111005;
<http://www.unte.moh.gov.mn/>



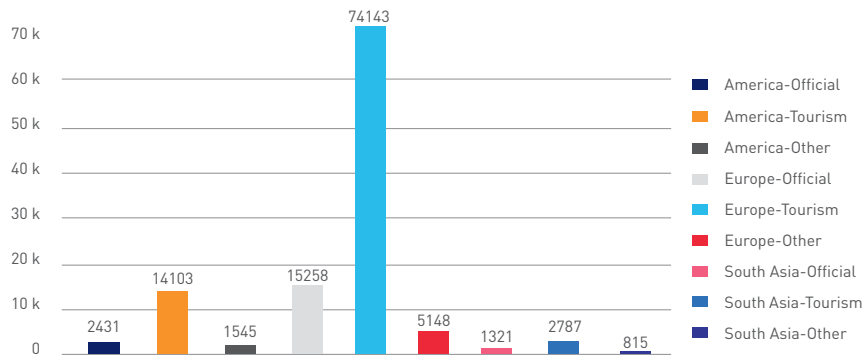
5. PROJECTS ON ENVIRONMENT AND TOURISM



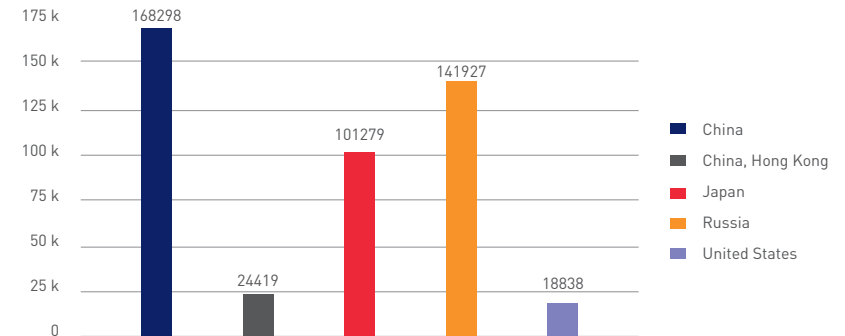
Total tourist arrivals of Mongolia 2019



INBOUND FOREIGN PASSENGERS, by purpose of visit, geographical regions



NUMBER OF INBOUND TOURISTS, by country



Source: National Statistics of Mongolia

B-CLASS SERVICE COMPLEX ALONG THE TOURIST ROAD

Overview of the opportunity

KEY PROJECT FEATURES

- **Location:**
- (A) The Zulegt bridge in Tarialan soum, Khuvsgul province along State Route Ulaanbaatar-Khuvsgul (629 km from UB)
- (B) – The 30th zurlug Airag, Dornogovi province along International Route Ulaanbaatar-Zamiin uud (353 km from UB)

- **Project duration:** 2016-2026 /going further on/
- **Legal environment:** sufficient

- **Total investment:** 2 398 010 893 MNT
- **Pay back period:** 5 years
- **Investment amount:** 12,57% for project's 5 years

PURPOSE OF THE PROJECT

- To implement the development policy by establishing and providing modern facility with independent engineering eco-solution, fully compliant "Road B Service Center with Class B standards" to domestic and international tourists traveling.

SUPPORTING DOCUMENTS

- Electronic tendering document for selection of consultant to carry out Feasibility study of the service complex along the tourist road /Classification B,C/ General conclusions, feasibility study, 3d picture of the design of the service complex along the tourist road /Classification B,C/
- Budget for the B-Class Complex - 9-point Construction of the service complex along the tourist road / Feasibility Study /
- Budget for the B-Class Complex - 8-point Construction of the service complex along the tourist road / Feasibility Study /
- Budget for the B-Class Complex - 7-point Construction of the service complex along the tourist road / Feasibility Study /
- Budget for the B-Class Complex - 6-point Construction of the service complex along the tourist road / Feasibility Study /
- Budget for the C-Class Complex - 9-point Construction of the service complex along the tourist road / Feasibility Study /
- Budget for the C-Class Complex - 8-point Construction of the service complex along the tourist road / Feasibility Study /
- Budget for the C-Class Complex - 7-point Construction of the service complex along the tourist road / Feasibility Study /
- Budget for the C-Class Complex - 6-point Construction of the service complex along the tourist road / Feasibility Study /
- Feasibility study of the B and C class complexes along the tourist roads and the map
- Feasibility Study of Class B and C class complexes, maps, soft version of 3d pictures , hard disk copy

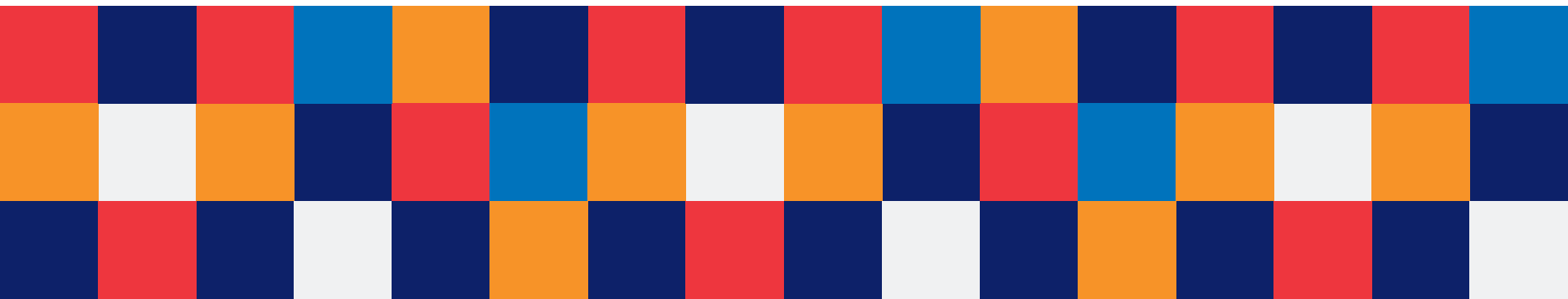
Project Outlook



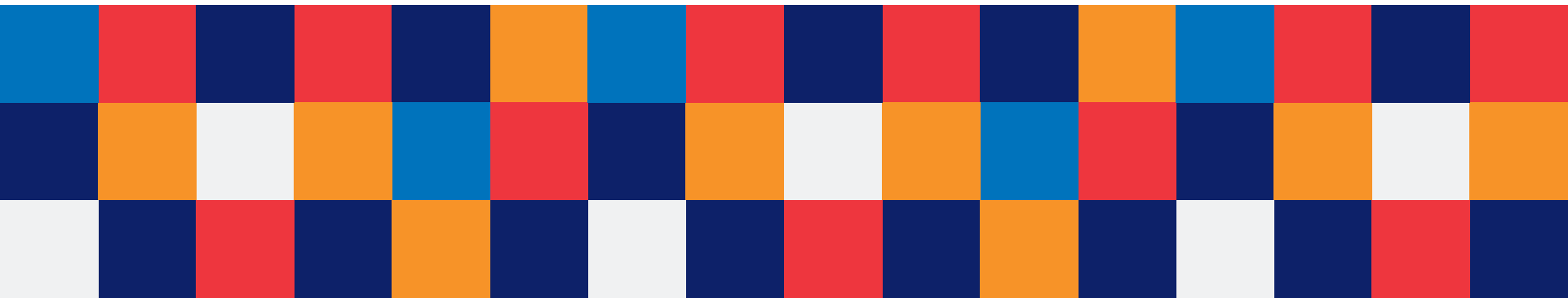
Contact Details

Ministry of Nature,
Environment and Tourism

Tel: 51267010
B.Odbayar



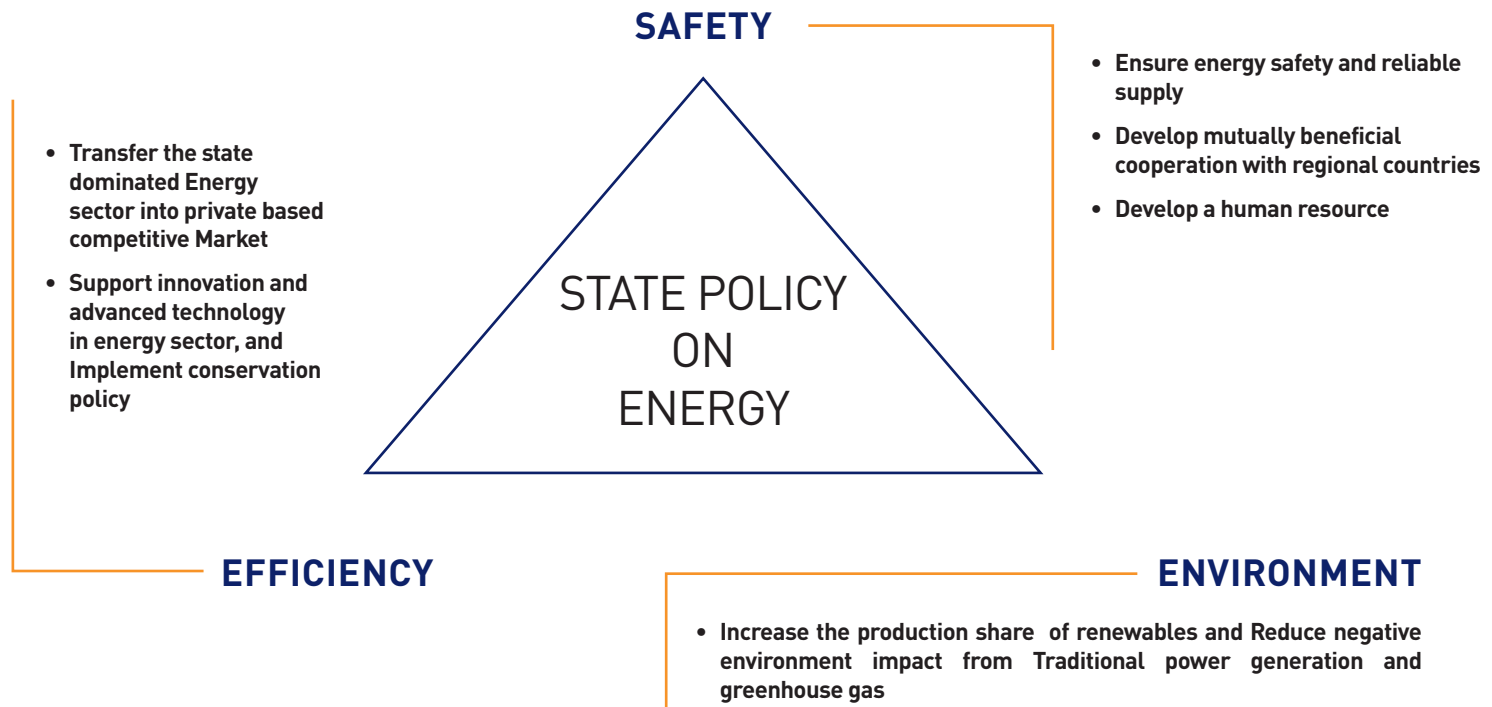
6. PROJECTS ON ENERGY SECTOR



CURRENT ENERGY POLICY AND MEASURES

“STATE POLICY ON ENERGY” 2015-2030

PRIORITY AREAS AND STRATEGIC GOALS

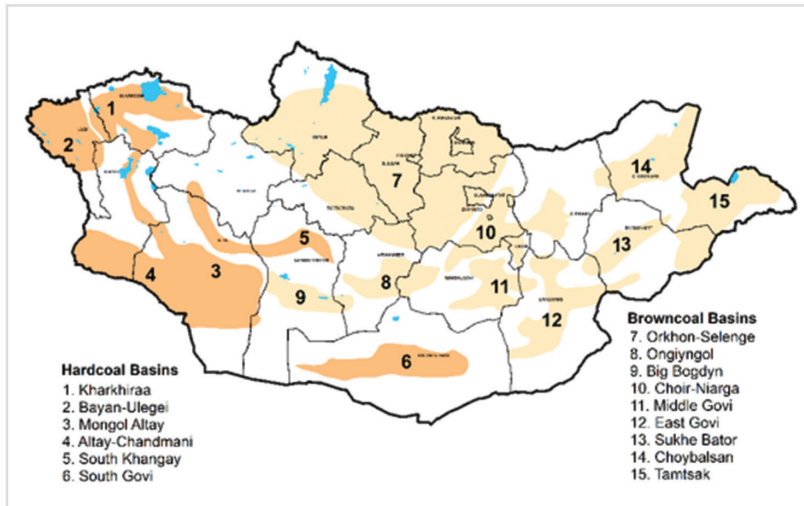


Source: Ministry of Energy

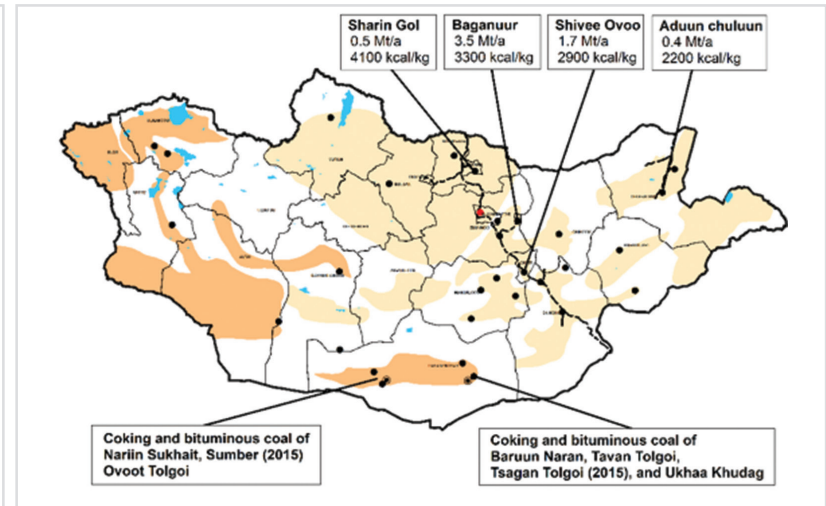
RESERVES OF ENERGY MINERAL RESOURCES

COAL

COAL BASINS



KEY MINES



- Estimated total resources- 173 billion ton in 15 coal basins
- Over 370 identified occurrence in 85 deposits
- Proven Reserves 12 billion ton, of which 2 billion is coking coal
- Around 1/3 in Gobi region
- Around 1/3 in Eastern region

Mines in Gobi area for export /18 million in 2013/

- Nariin Suhait
- Tavan Tolgoi

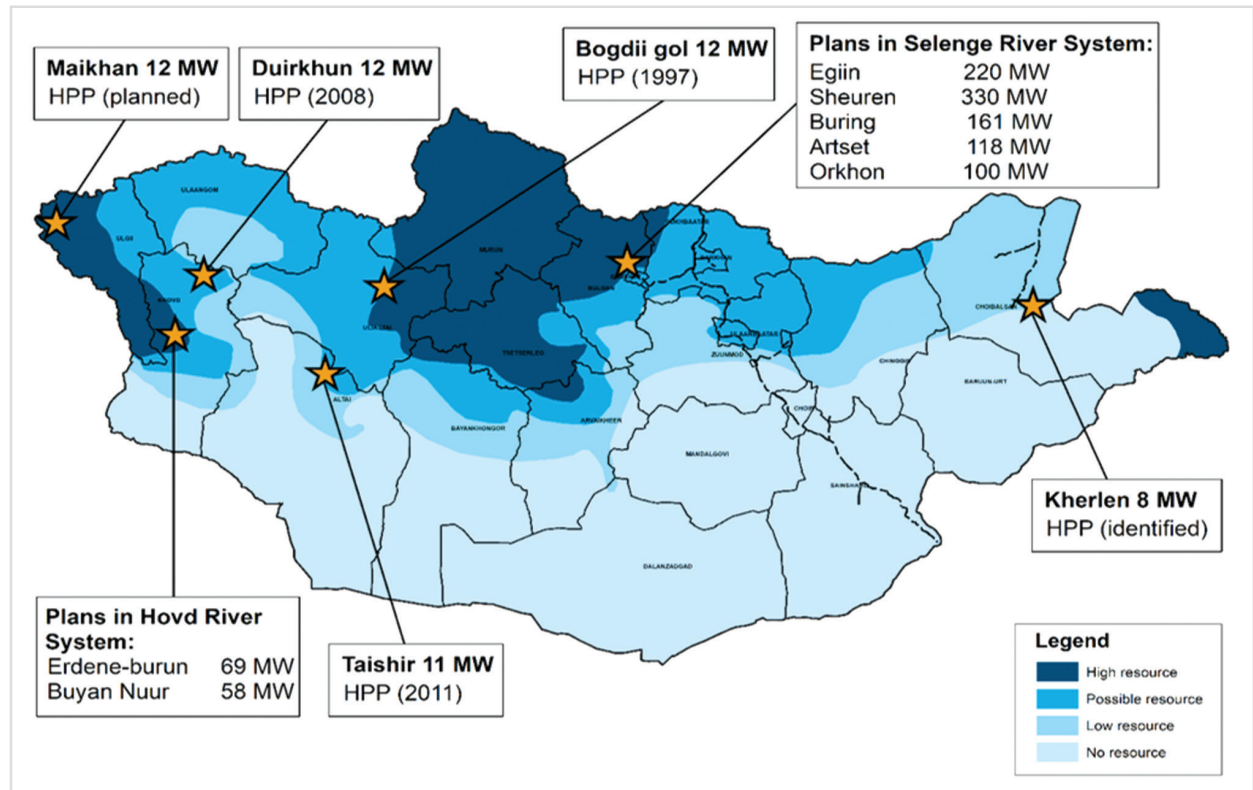
Mines in other region are for power production and household heating /12 million in 2013/

- Baganuur, Shivee-Ovoo, Shariin Gol,
- Aduunchuluun etc

Source: Ministry of Energy

RENEWABLES

- Rich resources of Solar, Wind and Hydro in Mongolia;
- **Solar:** 270-300 sunny days in a year, 4.3-4.7 kWh/meter or higher per day
- **Wind:** 10 % of the total land area can be classified as excellent for utility scale applications, Power density 400- 600 W/m², the sources could potentially supply over 1100 GW of installed capacity
- **Hydro:** Theoretical potential 6.2 GW, more than 1 GW of these has been identified

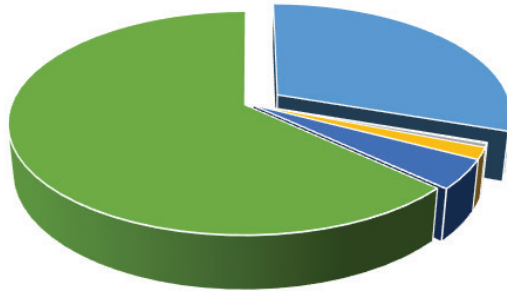


Source: Ministry of Energy

CURRENT SITUATION OF MONGOLIAN ENERGY SECTOR

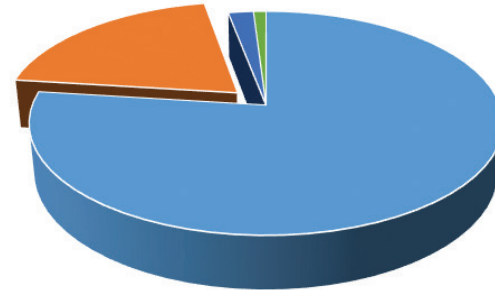
The majority of heating and electrical energy is being generated by coal fired thermal power plant and the remaining small amount is from hydro, wind solar and diesel stations. Also, we get electricity from Russia, which takes 20 percent of our electricity supply.

INSTALLED CAPACITY, 1366 MW



- CHP /Coal/ **80.75%**
- HPP **1.68%**
- Wind **11.34%**
- Solar **4.39%**
- Diesel **1.35%**
- Renewables /capacity is lower than 5MW/ **0.49%**

ELECTRICITY SUPPLY - 6.1 TWH IN 2017



- CHP /Coal/ **77%**
- HPP **1%**
- Wind **2%**
- Solar **0%**
- Diesel **0%**
- Import **20%**

Source: Ministry of Energy

INCREASING A CAPACITY OF HIGH-PRESSURE PART OF THE ULAANBAATAR THERMAL POWER PLANT #3 BY 75 MW

GENERAL INFORMATION

KEY PROJECT FEATURES



GOVERNMENT OF MONGOLIA
MINISTRY OF ENERGY

- **Purpose of the activities:** Electrical and thermal energy production
- **Production and capacity:** "Increasing a capacity of high pressure part of the thermal power station -3" by 75 MW,
- **Location:** Khan-Uul district, Ulaanbaatar,
- **Market analysis, target market:** To provide the increasing electrical energy supply of the Central region, and to improve heat supply in Ulaanbaatar
- **Period of implementation:** 1.5 years from the financial close and actual construction commencement date

COMPLETED & PLANNED TASKS OF THE PROJECT

- **Project progress:**
 - The decision was made by the Government of Mongolia.
 - Feasibility studies for the project's under development. Project identification of financing sources is in progress

- **Market analysis, target market:**
 - To provide the increasing electrical energy supply of the Central region, and to improve heat supply in Ulaanbaatar

- **Legal environment:**
 - Sustainable development policy 2030 paper,
 - State energy sector development policy paper, Government Resolution of October 17, 2018

- **Business strategy and implementation plan:**
 - The construction can be commenced immediately after financial close.
 - Total investment: 104 million USD
 - Type of funding: Foreign LOAN
 - Payback period: -
 - Return on investment: -

Project Outlook



Supporting Documents

State policy of energy	✓
National energy mid term program of state policy of energy	✓
Feasibility study approved	✓

Contact Details

G.Enkhtaivan, General director of Policy Planning Department, enkhtaivan@energy.gov.mn, B.Yeren-Ulzii,
Head of Investment and production division, yerenulzii@energy.gov.mn, G.Enkhtuvshin, officer of Policy Planning Department, enkhtuvshin@energy.gov.mn Ministry of Energy, Government building 14, Chinggis avenue, Khan-Uul district, Ulaanbaatar, Mongolia

50 MW NEW THERMAL POWER PLANT AS AN EXPANSION OF THE AMGALAN HEATING PLANT

GENERAL INFORMATION

KEY PROJECT FEATURES



MINISTRY
OF ENERGY

- **Purpose of the activities:** Electrical and thermal energy production
- **Production and capacity:** 50 MW new thermal power plant as an expansion of the Amgalan heating plant
- **Location:** Ulaanbaatar city, Bayanzurkh district

Project Outlook



COMPLETED & PLANNED TASKS OF THE PROJECT

- **Project progress:**
- A baseline project was undertaken, project identification of financing sources is in progress
- **Period of implementation:** 1.5 years from the financial close and actual construction commencement date

• **Market analysis, target market:**

- To provide the increasing electrical energy supply of the Central region, and to improve heat supply in Ulaanbaatar

• **Legal environment:**

- Sustainable development policy 2030 paper, State energy sector development policy paper, Government Resolution of October 17, 2018

• **Business strategy and implementation plan :**

- A project to be implemented in a turnkey contract (EPC) condition
- Type of funding: Foreign loan
- Investment amount: 85 million USD
- Payback period: -
- Return on Investment: -

Supporting Documents

State policy of energy	✓
National energy mid term program of state policy of energy	✓
Feasibility study approved	✓

Contact Details

G.Enkhtaivan, General director of Policy Planning Department, enkhtaivan@energy.gov.mn, B.Yeren-Ulzii, Head of Investment and production division, yerenulzii@energy.gov.mn, G.Enkhtuvshin, officer of Policy Planning Department, enkhtuvshin@energy.gov.mn Ministry of Energy, Government building 14, Chinggis avenue, Khan-Uul district, Ulaanbaatar, Mongolia

INCREASING A CAPACITY OF THERMAL POWER PLANT #3 BY 250MW

GENERAL INFORMATION

KEY PROJECT FEATURES



MINISTRY OF ENERGY

- **Purpose of the activities:** Project's intent is to renovate the "thermal third power plant" and make a high capacity power plant which environmentally friendly, market competitiveness, steady operation and more reliably, to provide the increasing electrical energy consumption of the central region and thermal energy consumption of the Ulaanbaatar city
- **Production and capacity:** By electricity -250 MW, By thermal energy:
 - Water distribution –not less 400 Gcal/h
 - Industrial steam – not less 50 t/h
- **Location:** Ulaanbaatar city, Khan-Uul district,

COMPLETED & PLANNED TASKS OF THE PROJECT

- **Project progress:**
 - Preparatory work completed, raise of financing is in process
- **Period of implementation:** 3.5 years from the financial close and actual construction commencement date

- **Market analysis, target market:**
 - To provide the increasing electrical energy consumption of the central region and thermal energy consumption of the Ulaanbaatar city

- **Legal environment:**
 - Sustainable development policy 2030 paper,
 - State energy sector development policy paper, Government Resolution of October 17, 2018, Economic sector recovery program.
 - Government Resolution #01 of 2018

- **Business strategy and implementation plan:**
 - The baseline study and estimate of required investment is prepared. A project to be implemented in a turnkey contract (EPC) condition
 - Type of funding: Foreign loan
 - Investment amount: 415 million USD
 - Payback period: -
 - Return on Investment: -

Project Outlook



Supporting Documents

State policy of energy	✓
National energy mid term program of state policy of energy	✓
Feasibility study approved	✓

Contact Details

G.Enkhtaivan, General director of Policy Planning Department, enkhtaivan@energy.gov.mn,
 B.Yeren-Ulzii, Head of Investment and production division, yerenulzii@energy.gov.mn,
 G.Enkhtuvshin, officer of Policy Planning Department, enkhtuvshin@energy.gov.mn
 Ministry of Energy, Government building 14, Chinggis avenue, Khan-Uul district, Ulaanbaatar, Mongolia

INCREASING A CAPACITY OF THERMAL POWER PLANT #2 BY 300MW

GENERAL INFORMATION

KEY PROJECT FEATURES



**MINISTRY
OF ENERGY**

- **Purpose of the activities:** Project's intent is to renovate the "thermal second power plant" and make a high capacity power plant which environmentally friendly, market competitiveness, steady operation and more reliably, to provide the increasing electrical energy consumption of the central region and thermal energy consumption of the Ulaanbaatar city
- **Production and capacity:** By electricity -300 MW , By thermal energy: Water distribution –not less 400 Gcal/h , Industrial steam – not less 50 t/h
- **Location:** Ulaanbaatar city Songino khairkhan district,

Project Outlook



COMPLETED & PLANNED TASKS OF THE PROJECT

- **Project progress:**
- Project progress: Preparatory work completed, raise of financing is in process
- **Period of implementation:** 3.5 years from the financial close and actual construction commencement date

• **Market analysis, target market:**

- To provide the increasing electrical energy consumption of the central region and thermal energy consumption of the Ulaanbaatar city

• **Legal environment:**

- Sustainable development policy 2030 paper, State energy sector development policy paper, Government Resolution of October 17, 2018. Economic sector recovery program.
- Government Resolution #01 of 2018

• **Business strategy and implementation plan :**

- The baseline study and estimate of required investment is prepared. A project to be implemented in a turnkey contract (EPC) condition
- Type of funding: Foreign loan
- Investment amount: 300 million USD
- Payback period: -
- Return on Investment: -

Supporting Documents

State policy of energy	✓
Feasibility study approved	✓

Contact Details

G.Enkhtaivan, General director of Policy Planning Department, enkhtaivan@energy.gov.mn,
 B.Yeren-Ulzii, Head of Investment and production division, yerenulzii@energy.gov.mn,
 G.Enkhtuvshin, officer of Policy Planning Department, enkhtuvshin@energy.gov.mn
 Ministry of Energy, Government building 14, Chinggis avenue, Khan-Uul district, Ulaanbaatar, Mongolia

450 MW TAVANTOLGOI'S POWER PLANT

GENERAL INFORMATION

KEY PROJECT FEATURES



MINISTRY OF ENERGY

- **Purpose of the activities:** To provide the increasing electrical energy consumption of the south region, to supply the largest strategy deposits such as Oyu Tolgoi, Tavan Tolgoi and Tsagaan suvarga from internal electricity recourses
- **Production and capacity:** Construction of 450 MW installed capacity power plant, electric transmission facility. Annual estimated electric power production 2300 million KWh
- **Location:** Omnogovi province, Tsogtsetsii sum

COMPLETED & PLANNED TASKS OF THE PROJECT

- **Project progress:**
 - Preparatory work completed, raise of financing is in process
- **Period of implementation:** 4 years from the financial close and actual construction commencement date

- **Market analysis, target market:**
 - To provide the increasing electrical energy consumption of the south region, to supply the largest strategy deposits such as Oyu Tolgoi, Tavan Tolgoi and Tsagaan suvarga

- **Legal environment:**
 - Sustainable development policy 2030 paper, State energy sector development policy paper, Government Resolution of October 17, 2018
 - Economic sector recovery program.

- **Business strategy and implementation plan:**
 - The baseline study and estimate of required investment is prepared. The construction can be commenced immediately after financial close.
 - Type of funding: Foreign loan
 - Investment amount: 1008 million USD
 - Payback period: -
 - Return on Investment: -

Project Outlook



Supporting Documents

State policy of energy	✓
National energy mid term program of state policy of energy	✓
Feasibility study approved	✓

Contact Details

G.Enkhtaivan, General director of Policy Planning Department, enkhtaivan@energy.gov.mn,
 B.Yeren-Ulzii, Head of Investment and production division, yerenulzii@energy.gov.mn,
 G.Enkhtuvshin, officer of Policy Planning Department, enkhtuvshin@energy.gov.mn
 Ministry of Energy, Government building 14, Chinggis avenue, Khan-Uul district, Ulaanbaatar, Mongolia

NEW THERMAL POWER PLANT A CAPACITY BY 60-100 MW IN THE WESTERN REGION

GENERAL INFORMATION

KEY PROJECT FEATURES



MINISTRY
OF ENERGY

- **Purpose of the activities:** To provide the increasing electrical energy consumption of the Western region energy system, to have reliable energy sources
- **Production and capacity:** Construction of 60 MW installed capacity thermal power plant, electric transmission facility. Annual estimated electric power production 252 million KWh
- **Location:** Ulaangom soum of Uvs province, Mongolia

COMPLETED & PLANNED TASKS OF THE PROJECT

- **Project progress:**
 - Preparatory work completed, raise of financing is in process
 - **Period of implementation:** 3 years from the financial close and actual construction commencement date

- **Market analysis, target market:**
 - Supply electrical energy farms, households and processing factories of the of the Western region.

- **Legal environment:**
 - Sustainable development policy 2030 paper,
 - State energy sector development policy paper, Government Resolution of October 17, 2018
 - Economic sector recovery program.

- **Business strategy and implementation plan:**
 - The baseline study and estimate of required investment is prepared. The construction can be commenced immediately after financial close.
 - Type of funding: Foreign loan
 - Investment amount: 121 million USD
 - Payback period: -
 - Return on Investment: -

Project Outlook



Supporting Documents

State policy of energy	✓
National energy mid term program of state policy of energy	✓
Feasibility study approved	✓

Contact Details

G.Enkhtaivan, General director of Policy Planning Department, enkhtaivan@energy.gov.mn,
B.Yeren-Ulzii, Head of Investment and production division, yerenulzii@energy.gov.mn,
G.Enkhtuvshin, officer of Policy Planning Department, enkhtuvshin@energy.gov.mn
Ministry of Energy, Government building 14, Chinggis avenue, Khan-Uul district, Ulaanbaatar, Mongolia

BAGANUUR-UNDURKHAAN 220 KV DOUBLE CIRCUIT 202,4 KM OVERHEAD TRANSMISSION LINE, AND SUBSTATION EXTENSION

GENERAL INFORMATION

KEY PROJECT FEATURES



MINISTRY
OF ENERGY

- **Purpose of the activities:** Provide reliable energy to meet the growing electricity demand in the South-Eastern region
- **Production and capacity:** Increase electricity transmission capacity 100 MW, annual power transmission of 400 million kWh by constructing 220 kV substation and double circuit 202,4 km power transmission line from 220 kV Baganuur substation to new 220 kV substation
- **Location:** Tuv, Khenti provinces, Mongolia

COMPLETED & PLANNED TASKS OF THE PROJECT

- **Project progress:**
 - Preparation is completed and currently looking for a funding sources.
 - **Period of implementation:** Intended period of implementation is two years after the financial close of the project

• **Market analysis, target market:**

- The target market is economic sectors such as mining, processing factories and industrial parks in South-Eastern region

• **Business strategy and implementation plan:**

- Project baseline studies, investment estimates are complete. A project that can be implemented with turnkey conditions after financing is resolved
- Type of funding: Foreign loan
- Investment amount: 44.1 million USD
- Payback period: -
- Return on Investment: -

• **Legal environment:**

- Mongolia's Sustainable Development Concepts-2030
- The State Policy for Energy Sector
- The Government's Action Plan for 2016-2020

Project Outlook



Supporting Documents

State policy of energy	✓
National energy mid term program of state policy of energy	✓
Feasibility study approved	✓

Contact Details

G.Enkhtaivan, General director of Policy Planning Department, enkhtaivan@energy.gov.mn,
B.Yeren-Ulzii, Head of Investment and production division, yerenulzii@energy.gov.mn,
G.Enkhtuvshin, officer of Policy Planning Department, enkhtuvshin@energy.gov.mn
Ministry of Energy, Government building 14, Chinggis avenue, Khan-Uul district, Ulaanbaatar, Mongolia

ULAANBAATAR-BAGANUUR 220 KV DOUBLE CIRCUIT 137,4 KM OVERHEAD TRANSMISSION LINE, AND SUBSTATION EXTENSION

GENERAL INFORMATION

KEY PROJECT FEATURES



MINISTRY
OF ENERGY

- **Purpose of the activities:** Provide reliable energy to meet the growing electricity demand in the Central and South-Eastern region, and economic sectors such as mining, processing and industrial parks
- **Production and capacity:** Increase electricity transmission capacity 300 MW, annual power transmission of 2100 million kWh by constructing 220 kV double circuit 137,4 km power transmission line from 220 kV Ulaanbaatar substation to 220 kV Baganuur substation and substation extension
- **Location:** Tuv, Khenti provinces, Mongolia

Project Outlook



COMPLETED & PLANNED TASKS OF THE PROJECT

- **Project progress:**
 - Preparation is completed and currently looking for a funding sources.
 - **Period of implementation:** Intended period of implementation is two years after the financial close of the project

Market analysis, target market:

- The target market is economic sectors such as mining, processing factories and industrial parks in South-Eastern region

Business strategy and implementation plan:

- Project baseline studies, investment estimates are complete. A project that can be implemented with turnkey conditions after financing is resolved
- Type of funding: Foreign loan
- Investment amount: 32 million USD
- Payback period: -
- Return on Investment: -

Legal environment:

- Mongolia's Sustainable Development Concepts-2030,
- The State Policy for Energy Sector,
- The Government's Action Plan for 2016-2020,

Supporting Documents

State policy of energy	✓
National energy mid term program of state policy of energy	✓

Contact Details

G.Enkhtaivan, General director of Policy Planning Department, enkhtaivan@energy.gov.mn,
 B.Yeren-Ulzii, Head of Investment and production division, yerenulzii@energy.gov.mn,
 G.Enkhtuvshin, officer of Policy Planning Department, enkhtuvshin@energy.gov.mn
 Ministry of Energy, Government building 14, Chinggis avenue, Khan-Uul district, Ulaanbaatar, Mongolia

BAGANUUR-CHOIR 220 KV DOUBLE CIRCUIT 178 KM OVERHEAD TRANSMISSION LINE, AND SUBSTATION EXTENSION

GENERAL INFORMATION

KEY PROJECT FEATURES



MINISTRY
OF ENERGY

- **Purpose of the activities:** Provide reliable energy to meet the growing electricity demand in the South-Eastern region, and economic sectors such as mining, processing and industrial parks
- **Production and capacity:** Increase electricity transmission capacity 100 MW, annual power transmission of 700 million kWh by constructing 220 kV double circuit 178 km power transmission line from 220 kV Baganuur substation to 220 kV Choir substation, and the extension of Baganuur substation.
- **Location:** Tuv, Khenti, Govisumber provinces

COMPLETED & PLANNED TASKS OF THE PROJECT

- **Project progress:**
 - Preparation is completed and currently looking for a funding sources.
 - **Period of implementation:** Intended period of implementation is two years after the financial close of the project

Market analysis, target market:

- The target market is economic sectors such as mining, processing factories and industrial parks in South-Eastern region

Business strategy and implementation plan:

- Project baseline studies, investment estimates are complete. A project that can be implemented with turnkey conditions after financing is resolved
- Type of funding: Foreign loan
- Investment amount: 36.1 million USD
- Payback period: -
- Return on Investment: -

Legal environment:

- Mongolia's Sustainable Development Concepts-2030, The State Policy for Energy Sector, The Government's Action Plan for 2016-2020, The economic recovery program, Government resolution # 180 of 2016

Project Outlook



Supporting Documents

State policy of energy	✓
National energy mid term program of state policy of energy	✓

Contact Details

G.Enkhtaivan, General director of Policy Planning Department, enkhtaivan@energy.gov.mn,
 B.Yeren-Ulzii, Head of Investment and production division, yerenulzii@energy.gov.mn,
 G.Enkhtuvshin, officer of Policy Planning Department, enkhtuvshin@energy.gov.mn
 Ministry of Energy, Government building 14, Chinggis avenue, Khan-Uul district, Ulaanbaatar, Mongolia

ERDENEBUREN-ULIASTAI 220 KV DOUBLE CIRCUIT OVERHEAD TRANSMISSION LINE AND SUBSTATION

GENERAL INFORMATION

KEY PROJECT FEATURES



MINISTRY
OF ENERGY

- **Purpose of the activities:** Provide reliable energy to meet the growing electricity demand in the western region,
- **Production and capacity:** Increase electricity transmission capacity 100 MW, annual power transmission by constructing 220 kV double circuit power transmission line from Erdeneburen HPP to Uliastai substation.
- **Location:** Khovd province

COMPLETED & PLANNED TASKS OF THE PROJECT

- **Project progress:**
 - Preparation is completed and currently looking for a funding sources.
 - **Period of implementation:** Intended period of implementation is two years after the financial close of the project

Market analysis, target market:

- The target market is economic sectors such as mining, processing factories and industrial parks in Western region

Business strategy and implementation plan:

- Project baseline studies, investment estimates are complete. A project that can be implemented with turnkey conditions after financing is resolved
- Type of funding: Foreign loan
- Investment amount: 100 million USD
- Payback period : -
- Return on Investment : -

Legal environment:

- Mongolia's Sustainable Development Concepts-2030,
- The State Policy for Energy Sector,
- The Government's Action Plan for 2016-2020,

Project Outlook



Supporting Documents

State policy of energy	✓
National energy mid term program of state policy of energy	✓

Contact Details

G.Enkhtaivan, General director of Policy Planning Department, enkhtaivan@energy.gov.mn,
 B.Yeren-Ulzii, Head of Investment and production division, yerenulzii@energy.gov.mn,
 G.Enkhtuvshin, officer of Policy Planning Department, enkhtuvshin@energy.gov.mn
 Ministry of Energy, Government building 14, Chinggis avenue, Khan-Uul district, Ulaanbaatar, Mongolia



EA11

EA09

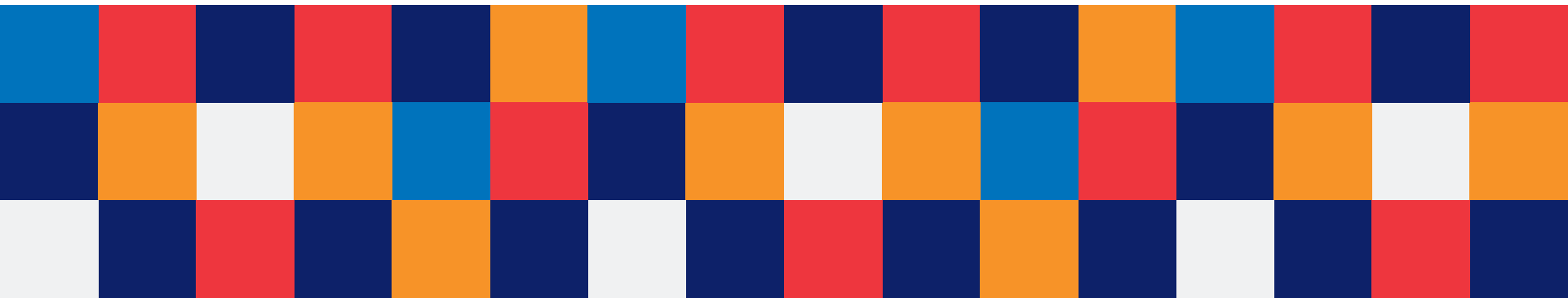
EA09

EA10

EA10

A7

7. PROJECTS ON ROAD AND TRANSPORTATION



CONSTRUCTION OF BARUUN-URT TO BICHIGT PORT 272 KM ROAD PROJECT

Overview of the opportunity

KEY PROJECT FEATURES



MINISTRY OF ROAD AND TRANSPORT DEVELOPMENT

- **Purpose of the activities:** Construction work of 272.17km paved road
- **Return on investment:** The Economic Internal Rate of Return /EIRR/ is 5% for this road as per Preliminary Feasibility Study which conducted in 2010 for the total 5572km road projects to connect Ulaanbaatar city with the center of provinces and center of provinces with the state border. The study was prepared 10 years ago and re-study is required.
- **Location:** The road starts from Baruun-Urt soum of Sukhbaatar province and crosses the territory of Asgat and Erdenetsagaan soums of its province and ends to the Bichigt port, Mongolian border.

- **Project duration:** 2020-2021
- **Type of funding:** Foreign soft loan/grant or state fund/private sector fund

- **Total investment:** USD140.0 million
- **Payback period:** After 20 years

KEY INVESTMENT RATIONALE

- **Production and capacity**
- Road length: 272.17km
- Road category: III
- Pavement type: Asphalt concrete
- Road lane: 2
- Road width: 11m
- Carriageway width: 7m
- Shoulder width: 2m (fastened shoulder of 0.5m in both sides)

- **Legal environment**
- According to Action plan of Government of Mongolia (2016-2020)
- According to Establishment of Economic Corridor
- According to "Development Road"

COAL PRICE AN EXTRACTION COST

- **Market analysis, target market**
- Creation of Eastern corridor to increase the transit volume of international transport
- Connection of Aimag center to border checkpoints for the growth of international trading
- Access to sea ports
- Support to regional and local economy
- Project progress
- Prepared detailed design for geology, geodesy and engineering.

- **Business strategy and implementation plan**
- Negotiation with investor
- Procurement of Civil work and Consultant
- Signing a contract
- Execution of construction work
- Handing over to the state commission

Project Outlook



Supporting Documents

- Prepared detailed design for geology, geodesy and engineering. ✓
- Preliminary Feasibility Study was prepared in 2010 and re-study is required. ✓
- The land permission to own and use of lands along the its road issued by the Governor Office of province. ✓
- The environmental impact assessment has been prepared. ✓

Contact Details

Road Policy Implementation and Coordination Department,
Ministry of Road and Transport Development of Mongolia,
Uuganbayar Bud,
Phone # 976-62263187,
976-99031472

CONSTRUCTION OF CHOIBALSAN SOUM TO HAVIRGA PORT 125.5 KM ROAD PROJECT

Overview of the opportunity

KEY PROJECT FEATURES



MINISTRY OF ROAD AND TRANSPORT DEVELOPMENT

- **Purpose of the activities:** Construction work of 125.5 km paved road
- **Production and capacity**
 - Road length: 125.5km
 - Road category: III
 - Pavement type: Asphalt concrete
 - Road lane: 2
 - Road width: 11m
 - Carriageway width: 7m
 - Shoulder width: 2m (fastened shoulder of 0.5m in both sides)
- **Location:** The road starts from Kherlen soum of Dornod province and crosses the territory of Choibalsan soum of its province and ends to the Khavirga port, Mongolian border.

Project Outlook



FINANCIALS

- **Project duration:** 2020-2021
- **Total investment amount:** USD 51.8 million
- **Type of funding:** Foreign soft loan/grant or state fund/private sector fund

- **Total investment:** USD140.0 million
- **Payback period:** After 20 years

KEY INVESTMENT RATIONALE

- **Market analysis, target market**
- Creation of Eastern corridor to increase the transit volume of international transport
- Connection of Aimag center to border checkpoints for the growth of international trading
- Access to sea ports
- Support to regional and local economy

- **Payback period:** After 20 years
- **Return on investment:** The Feasibility Study has not been prepared.

COAL SUPPLY PRICE AN EXTRACTION COST

- **Negotiation with investor**
- Procurement of Civil work and Consultant
- Signing a contract
- Execution of construction work
- Handing over to the state commission

- **Legal environment:**
- According to Action plan of Government of Mongolia (2016-2020)
- According to Establishment of Economic Corridor
- According to "Development Road"

Supporting Documents

- Prepared detailed design for geology, geodesy and engineering. ✓
- The Feasibility Study has not been prepared. ✓
- The land permission to own and use of lands along the its road issued by the Governor Office of province. ✓
- The environmental impact assessment has been prepared. ✓

Contact Details

Road Policy Implementation and Coordination Department,
Ministry of Road and Transport Development of Mongolia,
Uuganbayar Bud,
Phone # 976-62263187,
976-99031472

CONSTRUCTION OF 160 KM ROAD PROJECT FROM KHERLEN SOUM TO KHAVIRGA PORT ROAD TO EREENTSAV PORT

Overview of the opportunity

KEY PROJECT FEATURES



MINISTRY OF ROAD AND TRANSPORT DEVELOPMENT

- **Purpose of the activities:** Construction work of 160 km paved road
- **Production and capacity:**
 - Road length: 160km
 - Road category: III
 - Pavement type: Asphalt concrete
 - Road lane: 2
 - Road width: 11m
 - Carriageway width: 7m
 - Shoulder width: 2m (fastened shoulder of 0.5m in both sides)
- **Location:** The road starts from Kherlen soum of Dornod province to Khavirga port direction road and ends to the Ereentsav port, Mongolian border.

Project Outlook



KEY INVESTMENT RATIONALE

- **Project duration:** 2020-2021
- **Project progress:** Prepared detailed design for geology, geodesy and engineering.

- **Total investment:** USD 67.5 million
- **Type of funding:** Foreign soft loan/grant or state fund/private sector fund
- **Payback period:** After 20 years

- **Market analysis, target market**
 - Creation of Eastern corridor to increase the transit volume of international transport
 - Connection of Aimag center to border checkpoints for the growth of international trading
 - Access to sea ports
 - Support to regional and local economy

Return on investment:
The Economic Internal Rate of Return /EIRR/ is 7.4% for this road as per Preliminary Feasibility Study which conducted in 2010 for the total 5572km road projects to connect Ulaanbaatar city with the center of provinces and center of provinces with the state border. The study was prepared 10 years ago and re-study is required.

Supporting Documents

- Prepared detailed design for geology, geodesy and engineering. ✓
- Preliminary Feasibility Study was prepared in 2010 and re-study is required. ✓
- The land permission to own and use of lands along the its road issued by the Governor Office of province. ✓
- The environmental impact assessment has been prepared. ✓

COAL SUPPLY PRICE AN EXTRACTION COST

- **Business strategy and implementation plan:**
 - Negotiation with investor
 - Procurement of Civil work and Consultant
 - Signing a contract
 - Execution of construction work
 - Handing over to the state commission

- **Legal environment:**
 - According to Action plan of Government of Mongolia(2016-2020)
 - According to Establishment of Economic Corridor
 - According to "Development Road"

Contact Details

Road Policy Implementation and Coordination Department,
Ministry of Road and Transport Development of Mongolia,
Uuganbayar Bud,
Phone # 976-62263187,
976-99031472

CONSTRUCTION OF CHOIBALSAN SOUM TO HAVIRGA PORT 125.5 KM ROAD PROJECT

Overview of the opportunity

KEY PROJECT FEATURES



MINISTRY OF ROAD AND TRANSPORT DEVELOPMENT

- **Purpose of the activities:** Construction work of 125.5 km paved road
 - Production and capacity:
 - Road length: 200km
 - Road category: III
 - Pavement type: Asphalt concrete
 - Road lane: 2
 - Road width: 11m
 - Carriageway width: 7m
 - Shoulder width: 2m (fastened shoulder of 0.5m in both sides)
- **Location:** The road starts from Baruun-Urt soum of Sukhbaatar province and ends to the Choibalsan soum of Dornod province.

Project Outlook



KEY INVESTMENT RATIONALE

- **Period of implementation:** 2020-2021
- **Project progress:** Prepared detailed design for geology, geodesy and engineering.

- **Market analysis, target market:**
 - Creation of Eastern corridor to increase the transit volume of international transport
 - Support to regional and local economy

- **Total investment:** USD 98.5 million
- **Type of funding:** Foreign soft loan/grant or state fund/private sector fund
- **Payback period:** After 20 years
- **Return on investment:** The Feasibility Study has not been prepared.

Supporting Documents

- Prepared detailed design for geology, geodesy and engineering. ✓
- The Feasibility Study has not been prepared. ✓
- The land permission to own and use of lands along the its road issued by the Governor Office of province. ✓
- The environmental impact assessment has been prepared. ✓

COAL SUPPLY PRICE AN EXTRACTION COST

- **Business strategy and implementation plan:**
 - Negotiation with investor
 - Procurement of Civil work and Consultant
 - Signing a contract
 - Execution of construction work
 - Handing over to the state commission

- **Legal environment:**
 - According to Action plan of Government of Mongolia (2016-2020)
 - According to Establishment of Economic Corridor
 - According to "Development Road"

Contact Details

Road Policy Implementation and Coordination Department,
 Ministry of Road and Transport Development of Mongolia,
 Uuganbayar Bud,
 Phone # 976-62263187,
 976-99031472

CONSTRUCTION OF ALTAI TO ULIASTAI 194 KM ROAD PROJECT

Overview of the opportunity

KEY PROJECT FEATURES



MINISTRY OF ROAD AND TRANSPORT DEVELOPMENT

- **Purpose of the activities:** Construction work of Altai to Uliastai 194 km paved road
- **Production and capacity:**
 - Road length: 194km
 - Road category: III
 - Pavement type: Asphalt concrete
 - Road lane: 2
 - Road width: 11m
 - Carriageway width: 7m
- **Shoulder width:** 2m (fastened shoulder of 0.5m in both sides)
- **Location:** The road crosses the territory of Gobi-Altai province, Taishir, Tsagaankhairkhan and Tsagaanchuluut soums of Zavkhan province.

Project Outlook



Supporting Documents

- Prepared detailed design for geology, geodesy and engineering. ✓
- Preliminary Feasibility Study was prepared in 2010 and re-study is required. ✓
- The land permission to own and use of lands along the its road issued by the Governor Office of province. ✓
- The environmental impact assessment has been prepared. ✓

COMPLETED & PLANNED TASKS OF THE PROJECT

- **Period of implementation:** 2020-2021
- **Project progress:** The Detailed engineering design has been made for Altai-Uliastai direction 138km asphalt concrete road and it is need to prepare detailed engineering design for the remaining 56km road and carry out construction of total road.

- **Market analysis, target market:**
 - Connecting the centers of Gobi-Altai and Zavkhan province with each other to provide opportunities to develop tourism and industry services in this region
 - Support regional and local economy

- **Total investment:** USD 94.6 million
- **Type of funding:** Foreign soft loan/grant or state fund/private sector fund
- **Payback period:** After 20 years
- **Return on investment:** The Economic Internal Rate of Return /EIRR/ is 8.6% for this road as per Preliminary Feasibility Study which conducted in 2010 for the total 5572km road projects to connect Ulaanbaatar city with the center of provinces and center of provinces with the state border. The study was prepared 10 years ago and re-study is required.

FINAL PRODUCTS

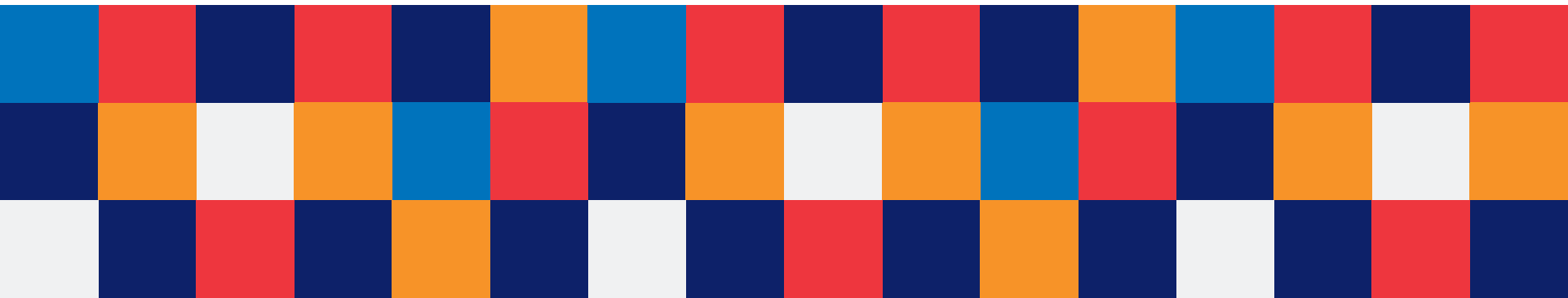
- **Legal environment:**
 - According to Action plan of Government of Mongolia (2016-2020)

- **Business strategy and implementation plan:**
 - Negotiation with investor
 - Procurement of Civil work and Consultant
 - Signing a contract
 - Execution of construction work
 - Handing over to the state commission

Contact Details

Road Policy Implementation and Coordination Department, Ministry of Road and Transport Development of Mongolia, Uuganbayar Bud, Phone # 976-62263187, 976-99031472

8. PROJECTS ON AGRICULTURE AND LIGHT INDUSTRY



SUPPORT FROM THE GOVERNMENT

- According to Corporate Income Tax, income generated from production and planting of the following products only shall be subject to 50% tax credit: grain, potato, vegetable; milk; fruits and berries; soiling crop.
- According to February 2017 amendments in Corporate Income Tax, taxpayer operating in the following sectors with annual taxable income not more than MNT 1.5 billion, only the income from activities of the following areas of operation will enjoy 90% tax discount:
 - ✓ Crop and livestock production, related support activities;
 - ✓ Food production;
 - ✓ Textile and clothing industry;
 - ✓ Manufacturing of construction materials.
- According to Investment Law, imported machineries and technical equipment may be exempted from customs duty, VAT rate may be zero rated during the construction works in following cases:
 - ✓ To build construction materials, oil and agricultural processing and export product plants;
 - ✓ To build plants to use Nano, bio and innovation technology;
 - ✓ To build power plant and railway.

MONGOLIA IN THE GLOBAL AGRIBUSINESS AND FOOD INDUSTRY

Mongolia is the **First** largest global Fine Animal Hair Exporter



\$235M

Mongolia



\$230M

China



\$16M

United Kingdom



\$9M

Iran

Mongolia is the **second** largest global Horse Meat producer



\$67M

Argentina



\$48.1M

Mongolia



\$42.7M

Canada



\$39.9M

Belgium

Mongolia is the **Fourth** largest Asian Wool Exporter



\$48.1M

Turkey



\$46.6M

China



\$21.1M

Malaysia



\$20.8M

Mongolia

Mongolia is the **Fourth** largest Asian Sheep and Goat Meat producer



\$235M

India



\$230M

UAE



\$16M

China



\$9M

Mongolia

Why to invest in Agribusiness and food industry

MARKET SIZE

- ✓ Rapidly growing local and regional demand
- ✓ Mongolia-Japan Economic Partnership Agreement /EPA/
- ✓ Generalized System of Preferences “GSP+” of European Union

ADVANTAGES

- ✓ Ecological clean environment
- ✓ Unique microclimate varying from cool and dry to warm humid
- ✓ Pure, rich and pesticide-free soil
- ✓ Cheap labor and low utility costs

MILK PROCESSING CLUSTER PROJECT | Comprehensive milk processing system in remote areas to supply the domestic milk demand

Overview of the opportunity

KEY PROJECT FEATURES

- **Description:** The project aims to establish comprehensive milk processing system by building 285 milk cooling dispensers, 50 small milk factories, 4 processing plants, a laboratory and warehouse covering 10 provinces. This will help reducing milk imports and supply the domestic milk demands. It will process 178.9 million litres milk and produce 5 different types of products.
- **Implementer:** Mongolian casein association
- **Location:** 108 soums in 10 provinces (Arkhangai, Khuvsgul, Khentii, Bulgan, Uvurkhangai, Bayankhongor, Selenge, Zavkhan, Tuv, Dornod)

FINANCIALS

- **Required total financing: MNT 117.0 billion**
 - Construction and equipment – MNT 57.0 billion
 - Turnover asset – MNT 60.0 billion
- Total revenue: MNT 350 billion
- Net income: MNT 210 billion
- Payback period: 3-10 years
- Return on investment: 3 years

PRODUCTS



Butter	7817 tons
Casein protein	5394 tons
Protein	1564 tons
Probiotic products	150 million pieces
Child supplement	45 million pieces

STATE SUPPORT

- Government Action Programs and Goals
- “Healthy food-Healthy Mongol”
- “First Campaign for Milk and Meat”
- “Industrialization 21:100”
- “Three Pillar Development Policy”
- “Guidelines for Developing Mongolia 2018-2021”
- “Investment Program of Mongolia 2016-2021”
- Included in the list of “First 10 Project Implementation” of MOFA

TECHNOLOGICAL SOLUTION

- The electricity is solved by the solar panel, and the “gray water” produced by the industry is filtered by biotechnology and “over-filters” method, it is projected to have no adverse environmental impacts such as absorption into soil as fertilizer.
- From the small factory in the soums to cooling milk to the processing plants, using the “micro”, “ultrasonic” filters and biotech technology for processing plants, we have planned and decided on technological solutions to meet the requirements of world standards for waste and processed products.

Project Outlook



Supporting Documents

Feasibility study	✓
Concept paper	✓
Land permission	✓
Infrastructure	✓
License, permit	✓
Contract	✓
Environmental study	✓
State support	✓
Purchase agreement	✓

Contact Details

Address: Mongolia, Ulaanbaatar, Songinokhairkhan district, 29th khoroo, Dragon district, 22 th floor 93 th
 Phone: 99187367
 e-mail: mongolcasein@gmail.com

ARIGU GROW AGRICULTURE PARK | Agriculture park for sheep feedlot, meat production and meat export

Overview of the opportunity

KEY PROJECT FEATURES

- **Description:** The project aims to increase current capacity of meat export by providing health guaranteed, disease-free animal driven products, carcass and meat from healthy compartment zone which animals are fed in and isolated from diseases.
- **Implementer:** Arigu Grow LLC is meat production, meat export and agriculture consulting company which is established in 2014 and currently cooperating with Jarvis Mongolia on meat plant project in several different location.
- **Location:** Lun soum, Tuv province

- **Project duration:** 2019-2024
- **Phase 1** - Completed 100%: Obtained 100 hectare of land in Lun soum of Tuv province for feedlot and healthy zone project. Formed a task group to develop a project.
- **Phase 2** - Planned: Basic infrastructure to be built and remodel a land for next phase. Recruiting and training herders.

• **Total investment:** \$10m

PROJECT EXPECTED OUTCOME AND DEMAND

- Meat export capacity of Mongolia will increase
- Overgrazing of pasture will decrease
- Create 100-200 jobs in rural areas and developing a soum area
- New system in both veterinary sector and animal movement control
- Deliver the new technology that can guarantee health of animals despite of disease outbreak
- Establish a demo park
- Set a new standard for food safety

PLANNED TASKS

- Feasibility study of "Arigu Grow Agro Park" project started in 15th October 2018 and ended in 28th June 2019.
- Architectural layout will be established for park model.
- Environmental assessment has been started to be done by three domestic companies.
- Initial contract on sheep supply and feeding will be done;
- Construction of Slaughter house and cooking plant.

TECHNOLOGICAL SOLUTION

Can feed 90,000 sheep/y



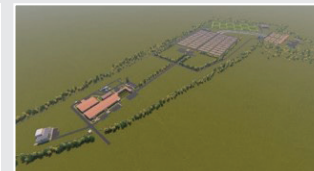
Carcass production 6400 t/y



Production value/ 20,5 mill/\$



Project Outlook



Supporting Documents

Feasibility study	✓
Concept paper	✓
Land permission	✓
Infrastructure	✓
License, permit	✗
Contract	✓
Environmental study	✗
State support	✗
Purchase agreement	✗

Contact Details

Project manager 89090060
 #106, River Garden 314,
 Great Mongolia State street,
 Khan-Uul District, 17032, UB,
 Mongolia

EMEELT LIGHT INDUSTRY TECHNOLOGY PARK | Light industry technology park with advanced technologies

Overview of the opportunity

KEY PROJECT FEATURES

- **Description:** The project aims to establish technology park that substitutes imports and produce export-oriented products with the capacity of 22.4 thousand tons of cashmere and 8.3 million tons of leather. It will support sustainable regional development and increase Mongolia's competitive advantages.
- **Project Duration:** 2019-2024
- **Implementer:** "Emeelt Light Industry and Technology Park" a locally owned enterprise
- **Location:** The location of the project will be implemented 30km away from the central point of Ulaanbaatar city, across from the Argalant-Emeelt residential zone, "Shar Khutsiin khooloi" and will consist of 160 hectares in 13th khoroo, Khan-Uul district.

PLANNING

- Innovation and research zone - 11.05 hectares
- Industrial zone - 66.33 hectares
- Green facility zone - 25.55 hectares
- Infrastructure and engineering pipeline zone - 41.57 hectares
- Transport, logistics and warehouse - 15.5 hectares

FINANCIALS

- Total financing amount: \$323.9 million
- IRR: 4.10%
- Payback period 13.5 years
- Infrastructures investment - \$ 148.8 million
- Blueprints investment-\$1.6 million
- Factories investment - \$ 173.5 million

PARK INFRASTRUCTURE



Wastewater treatment plant
20,000 m3/day
3 hectare area
\$28.33 million



Thermal power plant 103 MW
4.5 hectare area
\$17.96 million



The railway 8.3 km
\$10.48 million



Internal paved road
18.38 km
\$7.55 million



Internal engineering network/tunnel system
\$ 25.24 million



2.2 km power grid line 110/35/10 kV substation
1.1 hectare area
\$3.36 million



Dam
7.1 km
\$6.95 million



Green facilities
\$0.13 million



Logistic hub
\$18.02 mill



Technological water supply 5.64 km
\$2.12 million

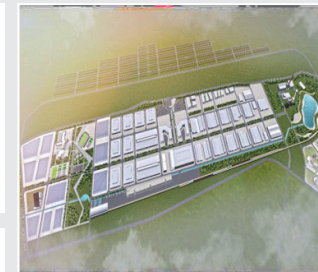


Drinking water supply 19 km
\$2.37 million



Other buildings and facilities
\$26.04 million

Project Outlook



Supporting Documents

Feasibility study	✓
Concept paper	✓
Land permission	✓
Infrastructure	✓
License, permit	✓
EPC Contract	✓
Temporary electricity supply during construction	✗
State support	✓
Purchase agreement	✓

Contact Details

Address: Sukhbaatar Street,
4th floor, Chingeltei district,
Ulaanbaatar city, 8/5 building
305, 410
Phone: 70100711, 77111299
E-mail: info@emeeltpark.mn
Website: www.emeeltpark.mn

Overview of the opportunity

KEY PROJECT FEATURES

- **Description:** The mission of the NITPCM is to develop the exemplary modern industry technology park with the nature and business friendly environment and to make a significant contribution to the development of Mongolian national building materials industry. The projects aims to establish construction materials production technology park to reduce the imports of construction materials and supply the domestic demands.
- **Production and capacity:** 40-50 most needed Construction material factories
- **Market analysis:** When the park is fully operational, Mongolia's construction materials will be 1.78 times higher, the Nalaikh district's production will increase by 32 times, and 70% of construction materials will be domestically produced.
- **Location:** Nalaikh district, 3rd khoroo , Ulaanbaatar city
- **Implementer:** Nalaikh industrial and technology park of construction materials

TASKS IMPLEMENTED










- Total investment – ₮ 94.3billion
- Duration: 2014-2024
- Project period: 10 years

FACTORIES PLANNED

- LED light factory
- Artificial rock factory
- Steel factory
- Copper wire factory
- Wool insulation factory



EXPECTED OUTCOMES OF THE PROJECT

								
Railroad 12 km	Water supply 8.96l/sec 2 wells	Road 29 km	Substation 2X16 KW 2.69km	Thermal plant 26 MW	Green facility 30 percent of the area	IT 18.6 km internal	Waste recycling plant	Wastewater treatment 26 MW

EXPECTED OUTCOMES

- The project will create 1500 jobs.
- The production of domestic construction materials will increase 1.7 times.
- The cost of construction would decrease.

Project Outlook



Supporting Documents

Feasibility study	✓
Concept paper	✓
Land permission	✓
Infrastructure	✓
License, permit	✓
Operating license	✓
Environmental study	✓
State support	✓
Purchase agreement	✓

Contact Details

NITPCM CEO Sosor Batjargal
 N.Purevsuren
 Phone:94945065, 75751001,
 91912380
 e-mail: park@nad.gov.mn,
 batja_sl@yahoo.com

“BAGANUUR INDUSTRIAL AND TECHNOLOGY PARK” COMPLEX

Overview of the opportunity

KEY PROJECT FEATURES

- **Description:** Establishing complex plants with clustering structure where eco-friendly, hi-tech, import substituting and export oriented products shall be produced. Rendering marketing support to the Small and Medium Enterprises. Participation in the social and economic development of the region creating work places. Carrying out science based projects researches, innovation, incubator and scientific activities.
- **Implementer:** “Baganuur Industrial and Technology Park” Location: 3rd khoroo, Baganuur district, Ulaanbaatar city

- **Period of implementation:** Establish the Baganuur Industrial and Technology Park in 2016-2025 and furthermore conduct continuous operations pursuant to progressive development strategy. **Production and capacity:** In the 6 locations-total land area of 414 hectares owned by BITP:
- In the heavy industrialization zone: produce diesel fuel, gasoline, bitumen and distilled water deeply processing brown coal. Total lignite resources - 812,0 million tons.
- In the light industrialization zone: deeply process wool and cashmere and produce all types of insulation materials and sewing products through clustering structure.
- Plants and nanobiotechnology industrialization zone: cultivation and processing of rare medicinal herbs in the greenhouse sand plantation conditions and production of livestock based organic and health supplementary products.

PROJECT PROGRESS

- Park`s infrastructure construction shall be completed in 2019-2021. Started activities such as attracting investment for the plants which shall be established in compliance with the Feasibility study and receiving projects.

MARKET ANALYSIS TARGET MARKETS

- Our main target is to provide the domestic market that is 100% dependent on the import with quality products with tax exemption.
- At present, diesel fuel is of high cost in the domestic market. Many types of light and food products are being imported and sold at high prices. It is utmost crucial to develop modern production complex using domestic raw materials and rich mineral resources.

BUSINESS STRATEGY, IMPLEMENTATION PLAN

- Developed and follows Mid-term /2018-2021/ and Long term /2021-2025/ development strategy that covers sustainable and continuous operation of the BITP. It includes:
- Infrastructure construction shall be commenced in 2019.
- In 2019, start selection of the projects that shall be implemented by investment.
- Implement progress policy for human resource, techniques and technology as well as that shall impact regional development.

Project Outlook



Supporting Documents

Feasibility study	✓
Concept paper	✓
Land permission	✓
Infrastructure	✓
License, permit	✓
Operating license	✓
Environmental study	✓
State support	✓
Purchase agreement	✓

Contact Details

Choijsiuren Elbegsaikhan,
Chairman, “Baganuur Industrial
and Technology Park” Locally
Owned State Budget Enterprise,
Tel: (976)-99118735
www.baganuur-itp.mn,
email: baganuuritp@gmail.com

“BAGANUUR INDUSTRIAL AND TECHNOLOGY PARK” COMPLEX

Overview of the opportunity

LEGAL ENVIRONMENT

- -Law on Legal status of the Industrial and Technology Park
- -Citizens representatives meeting resolution No.122, dated 03 July 2015 for establishment of the “Baganuur Industrial and Technology Park”
- - Land ownership circular No.447 of the Capital city Governor to let BITP ownership of 403,3 hectares of land
- - Circular No. 757 of the Capital city Governor, of 2016, for approving Structure and number of vacations for BITP
- -Resolution No. 2016/01 of the Government of Mongolia to grant special permit to BITP for running activities as park

INFORMATION ON REQUESTED INVESTMENTS

- Type of funding: Budget of the State and capital city, foreign and domestic loans and assistance, concession contracts
- Investment amount: Infrastructure construction of the Park`s outside engineering - 42,0 million US\$.
- Payback period: 6-8 years depending on the Park`s development
- Return on investment: It is possible to invest into the Park`s infrastructure construction through concession contract.

Project Outlook



Supporting Documents

Feasibility study	✓
Concept paper	✓
Land permission	✓
Infrastructure	✓
License, permit	✓
Operating license	✓
Environmental study	✓
State support	✓
Purchase agreement	✓

Contact Details

Chojjilsuren Elbegsaikhan,
Chairman, “Baganuur
Industrial and Technology
Park” Locally Owned State
Budget Enterprise,
Tel: (976)-99118735
www.baganuur-itp.mn,
Email: baganuuirtp@gmail.
com

"KHOVD ECO CEMENT" PROJECTAL PLAN

Overview of the opportunity

KEY PROJECT FEATURES



- **Description:** The aim of this project is to support regional development policy of Mongolia by providing cement products at nation wide level of pricing as a result reduce cost of construction and enhance living standards.
- **Developer:** Western Hold Co.,Ltd.
- **Location:** Nearly to "Shokhoit" limestone deposit as its legal holding, Buyant soum, Khovd province which is the Centre for the Development of the western region of Mongolia.

- **Project duration:** 2018-2020
- **Capacity:** Production: 250,000 tons per annual production with OPC 32.5 42.5 52.5 cement.
- **Type of funding:** Equity and loan
- **Investment amount:** about 60 million dollar
- **Payback period:** 6 years
- **Return on investment:** 23%

ONGOING PROCESS

- **In 2017:** Made geological survey on the deposit of "Shokhoit" and got approval of legal license holder. Got land permission of the Plant Site. Finalized the Feasibility Study of the Project. Made short list of equipment manufacturer.
- **In 2018:** Signed Contract on the Equipment Supply of the Project. Completed Geological Survey, the Detailed Environmental Assessment and Design.
- **In 2019:** Start construction and erection.

BUSINESS STRATEGY AND IMPLEMENTATION PLAN

- The most important raw material of a cement plant is limestone, so we are the owner of "Shokhoit" limestone deposit which is one of the richest and qualified deposit of Mongolia. We plan a strategic policy for meeting cement demand fully for the western region with international standards.

MARKET ANALYSIS, EFFECT TO ECONOMY

- Supply the cement needs of western 5 provinces of Mongolia firstly and furthermore export to the bordering cities of the Russian Federation. The cement demand of western region of Mongolia has been increasing gradually such as 70K tons in 2011 , 146,7K tons in 2014 and 220K tons in 2016.
- Currently, the consumers of the western regions of Mongolia buy cement at the price of 2 times more expensive than in Ulaanbaatar and the other regions.
- We offer cement to the consumers of the western regions at the equal price like the other regions and provide it sustainability. Following the establishment of the cement plant, many business opportunities such constructing, supplying raw materials, catering, clothing and transporting e.g., to subcontractors and small and medium enterprises. Besides, the Project shall create 250-350 workplaces, increase tax revenue, decrease housing cost and save transportation cost directly.

Project Outlook

- The Government Resolution #.335 in 2015: Provide all types of supports to the 250,000tpa cement plant of Western Hold Co.,LTD in Buyant soum, Khovd province of Mongolia.
- The Economic Recovery Program of Mongolia 2016-2020 approved by the Parliament of Mongolia: "Supports by policy with the domestic plants which are producing construction materials as replacing importing goods, especially supporting the cement plant in western region"
- The Government Action Plan for 2016-2020: Industrialization Program 21/100 "Completing a Cement Plant in Khovd Province by 2020"

Supporting Documents

Concept paper	✓
Feasibility study	✓
Project layout	✓
Land Permit	✓
Infrastructure	✓
Licenses & permits	✓
EPC contract	✓
Environmental assessment	✓
Purchase agreement	✓

Contact Details

Address: Western Hold Co., Ltd.
Amarsanaa street-1 , Jargalant Soum,
Baatarkhairkhan District, Khovd
Province of Mongolia Contact Person:
D.Darkhanbayar
Mob: 99066458
email: darkhanbayarr@westernhold.mn

WORKING GROUP OF PROJECT PITCHBOOK

CONTACT INFORMATION:

Full name/Position	E-mail	Telephone
Prepared by Uranzaya Jadamba Officer of Investment Promotion Division	uranzaya.j@nda.gov.mn	+976 261589
Reviewed by Munbat Lhagvaa Head of Investment Policy and Coordination Department	munbat.l@nda.gov.mn	
Tsend-Ayush Bayarsaikhan Head of Investment Promotion Division	tsendee.b@nda.gov.mn	
Tsetsegmaa Dashnyam Senior officer of Investment Promotion Division	tsetsegmaa.d@nda.gov.mn	+976 264174



Phone: (+976) 51-264174

Email: info@nda.gov.mn; info@investmongolia.gov.mn

Web: www.nda.gov.mn; www.investmongolia.gov.mn