

Mongolia national day

Great development challenges, rewards await

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AMBASSADOR OF MONGOLIA

It gives me great pleasure to address the readers of The Japan Times on the occasion of the National Day of Mongolia. During this time of the year the centuries-old Mongol Naadam Festival is held in Mongolia.



Two decades have passed since Mongolia embarked on the path of democracy and a market-oriented economy as the year of 2010 commemorates the 20th anniversary of democracy in Mongolia. And over this relatively short period of time we have undergone extensive changes in all socioeconomic spheres, and achieved certain success in undertaking simultaneous transitions politically and economically.

Today Mongolia ranks as one of the richest countries in Asia, as well as in the world, in terms of the variety and value of its mineral resources.

More than 7,500 occurrences of 80 different minerals, including copper, gold, silver, uranium, fluorspar, zinc, phosphate, iron ore, thermal and coking coal have been discovered, of which around 1,170 deposits are being exploited.

In 2008, the Parliament of Mongolia endorsed the Comprehensive National Development Strategy based on the Millennium Development Goals, in which enhancing economic growth through the development of strategic deposits and the application of high technology, the rationalizing of the economic structure, and the building of financial capacity and resources to create a knowledge-based economy was defined as the development strategy for the mining and heavy industry sector.

The overall contribution of the mining sector to the national economy, demonstrated by its increased share in gross domestic product, has been steadily growing. In 2002, the share was 10.1 percent whereas it reached 22.1 percent in 2009.

Meanwhile, 84.6 percent of exports were mining products and the share of mining products in industrial output alone totaled 65.4 percent, showing an increase by 20 percent over the past six years.

In October 2009, the government signed a long-term, comprehensive investment agreement with Ivanhoe Mines of Canada and British-Australian firm Rio Tinto for the construction and operation of the Oyu Tolgoi copper and gold mining complex, considered to be one of the largest copper-gold mine developments in the world, with reserves of 39 million tons of copper and 58.4 million ounces of gold. It will be the largest foreign investment ever in Mongolia.

The other giant deposit that has been attracting the interests of the world's biggest mining companies is Tavan Tolgoi, a state-owned, open-pit coal mine. The deposit is situated in the South Gobi with estimated reserves of 6.4 billion tons of coking and thermal coal. The government will be carrying out an open bid for the rights to

operate as subcontractors of the mine, in which the world's leading mining companies, financial organizations and consortiums of foreign countries have already expressed their interests and willingness to develop the Tavan Tolgoi coal deposit, and establish infrastructure thereof.

The government of Mongolia is open for investors to cooperate in exploitations, processing and development of other large deposits, and related infrastructures.

We look forward to the further enhancement of the friendly relations and cooperation between Mongolia and Japan. Our doors are always open for productive collaboration and I am convinced that our joint efforts will definitely make a contribution to the further strengthening of relations between our nations.

In conclusion, let me express my deep and heartfelt gratitude to The Japan Times and through it to all our friends in Japan who truly wish to expand ties and friendly relations with Mongolia.