

Ulaanbaatar
30.09.2008

Round table discussion on “Infrastructure Development Strategy of the South Gobi Region” organized jointly by Government of Mongolia and World Bank.

D.Battur, State Secretary of Ministry of Finance
Opening speech

Good morninig,
Ladies and Gentlemen and distinguished guests of this round table.

My sincere thanks to Mr. Arshed Sayed, Resident Representative, World Bank in Mongolia and staff for organizing this round table jointly with the Ministry of Finance.

All we know that full and effective use of mineral resources of South Gobi region of Mongolia in the domestic and international markets offers a great opportunity while it raises an urgent need for solution of many problems related to accelaration of economic growth and social development of the country in complex.

That is why Government of Mongolia sees this opportunity and needs as one of the key approach to the strategy on developing trade and economic cooperations between the regions and countries in the National Development Strategy up to 2021 and sets an objective to make major steps under the Government Action Plan for 2009-2011. Although the exploration of the mineral resource reserves found in the South Gobi region promises big economic returns, it can be implemented successfully if optimal solutions for many challenging issues related to water supply, road and transportation, energy, environment, social and cultural services, as well as production, marketing and sales are found for the interest of all stakeholders. We appreciate the effort of World Bank, one of the major donors to Mongolia, who pays special attention and focuses on these issues and has carried considerable research in some areas, organised consultations, roundtables and discussions bringing representatives of the Government, local authorities, citizens, entities and organisations together in order to identify urgent issues, potential problems and solutions for them to target the public attention and cooperation on these issues and problems. We support the effort of the World Bank to identify ways to solve these problems through participation of local administration and public based on their initiatives and ideas reinforcing local resources and needs at aimag and soum level. The objective of this round table organised jointly with Word Bank is to review our previous work and identify the further steps. As the Ministry of Finance is in charge of Government regional development strategy and economic and financial regulation for its implementation, it has a key role in it. You may recall that the Ministry of Finance made a comprehensive presentation on the”Government Investment Programs and Projects” in the Consultation Meeting on Strategies for Gobi Region infrastructure development organised in May of this year in Ulaanbaatar. It included detailed updates on ongoing activities and actions, short term investment policy in the Gobi region. For instance, the

presentation introduced a plan to complete the construction of two-chain high voltage lines for 220 kw electricity transmission with substations for 560 km in the route UB-Mandalgobi-Tavantolgoi-Ouytolgoi for 2008-2010, and 176 km long paved road from Choir to Sainshand road, 131 km long road from Sainshand to Zamiin Uud with the loan financing from ADB and South Korea for 2008- 2009 in order to establish the main external infrastructure to use mineral resources reserves of South Gobi Region with the investment of Development Fund of Mongolia. As of railway, our professional institutions has been conducting comparative research on economic feasibility of railway construction in two routes: Tavantolgoi-Ouytolgoi-Gashuun Sukhait (240km) Таv Tavantolgoi-Ouytolgoi-Zuunbayan /485 км./

We all give priority to establish reliable, prospective and effective road and transportation, energy networking to connect mineral resource deposits with domestic and international markets and use them in optimal manner. We think there is need to consider this objective in connection with regional development concept and regional developments Programs of Mongolia. Therefore I would like you to draw your attention to following aspects in your discussion.

First, it should meet demand and supply in the domestic and overseas market of mining products. As of the domestic market, in accordance to the Central and Eastern regions Development Programs to improve energy exchange and transportation between focal and main centers. On the basis of this, develop economy of Mongolia with integration of countries of Asia -Europe and Eastern North Asia through central and eastern regions, to get connected effectively with the inter-countries infrastructure and increase participation of Mongolia in international trade and transportation operations, including transits.

Second, To ensure the country and regional economic growth and ecological balance, process, transport and trade mineral resources in as environmenally friendly and less damaging to living as possible way. Therefore pay special attention to introduction of advanced technology and equipment infrastructure of exploitation, processing and transportation. It includes infrastructure of qualification and training of workforce, science & production technology and instruction too.

Third, establish an infrastructure basis to ensure integrated economy and social development of Gobi region. Firstly, to build modern towns which will attract bigger population based on the mining campuses and connect them with each other and other local settlements through modern production and service infrastructure. We believe that it offers better future if we connect deposits of Tavantolgoi-Ouytolgoi- Tsagaan suvarga and villages and towns based on these deposits with integrated infrastructure networking and set them up as a region of intensified development.

Thank you for your attention.