Central Asia Regional Economic Cooperation (CAREC) Investment Forum 2015
Summary of Proceedings
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Presenter 7: Ms. Gulmira Aubakirova, Chief Expert, Sectorial Policy and Analysis Division, Economic Integration Department, Ministry of Investments and Development, Kazakhstan

Presenter 8: Mr. Mederbek Aliev, Head of the Investors’ Support Division, Investment Promotion Agency, Ministry of Economics, Kyrgyz Republic

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Presenter 2: Mr. Steve Potter, Executive Director, Wagner Asia Group

Presenter 3: Mr. Loic Popiel, Representative in Asia of the Power System & Transmission Engineering Centre (CIST), Electricité de France (EDF)

Presenter 4: Mr. Chuluuntsen Otgochuluu, Chief Economist, Managing Director (Office of the CEO), Erdenes Mongol LLC

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Executive Summary

The Asian Development Bank, Erdenes Mongol LLC, and the Business Council of Mongolia worked together to organize the Central Asia Regional Economic Cooperation (CAREC) Investment Forum, which took place on 24 September 2015 in Ulaanbaatar, Mongolia. The forum was the first-ever conference to focus on the investment environments in the CAREC countries. More than 300 high-level government officials and business leaders from 26 countries attended the event to share their insights on how to make effective investments within the region. Mongolian Prime Minister Chimed Saikhanbileg gave the keynote address, which contained the message that “Mongolia is back in business” and is a good destination for foreign investment.

The main topics discussed during the conference were: (i) generating a recipe for success in the CAREC region that will focus on identifying and making good investments, (ii) exploring the investment environment and policies in CAREC member countries, and (iii) investing in a regionally connected Mongolia. In addition, the forum attendees shared their experiences and expectations on how to manage investments in Mongolia.

Mongolia sits atop huge mineral resources worth an estimated $1 trillion–$3 trillion, with coal, copper, and gold comprising the principal reserves. Bolstered by these large stockpiles of resources and immense inflows of foreign direct investments (FDI) into the mining sector, Mongolia has been one of the fastest growing economies in the region.
### Abbreviations

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<th>Abbreviation</th>
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<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<td>ADBI</td>
<td>ADB Institute</td>
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<td>CAREC</td>
<td>Central Asia Regional Economic Cooperation (Program)</td>
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<td>CWRD</td>
<td>Central and West Asia Department, ADB</td>
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<td>CIS</td>
<td>Commonwealth of Independent States</td>
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<td>FDI</td>
<td>foreign direct investment</td>
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<td>MOF</td>
<td>Ministry of Finance (People’s Republic of China, Mongolia)</td>
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<td>NFP</td>
<td>national focal point</td>
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<td>PPP</td>
<td>public-private partnership</td>
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<td>PRC</td>
<td>People’s Republic of China</td>
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<td>SMEs</td>
<td>small and medium-sized enterprises</td>
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<td>USAID</td>
<td>United States Agency for International Development</td>
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<td>XUAR</td>
<td>Xinjiang Uygur Autonomous Region</td>
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### Participants:
There were approximately 150 participants, including international private investors, attendees from carrier and forwarding associations, high-level government officials from the member states of the Central Asia Regional Economic Cooperation (CAREC) Program, representatives of multilateral development partners, and members of Mongolia’s business community.

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<thead>
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<tr>
<td>9 a.m.–9:30 a.m.</td>
<td><strong>Registration</strong></td>
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| 9:30 a.m.–9:40 a.m. | **Conference Opening and Program Overview: Objectives of the Forum**  
Master of Ceremonies (MC): Mr. Cameron McRae, President, Institute of National Strategy |
| 9:40 a.m.–10 a.m. | **Welcoming Remarks**  
Mr. Ayumi Konishi, Director General, East Asia Department, Asian Development Bank (ADB), on behalf of Mr. Sean O’ Sullivan, Director General, Central and West Asia Department, ADB  
Mr. Bayanjargal Byambasaikhan, CEO of Erdenes Mongol LLC and Chairman of the Business Council of Mongolia |
| 10 a.m.–10:15 a.m. | **Panel 1: Recipe for Success in the CAREC Region**  
Prominent international and national investors share their insights on how to identify and make good investments, using selected case studies on logistics, agribusiness, infrastructure, information technology (IT), mining, and renewable energy involving CAREC member countries, including Mongolia.  
Moderator: Mr. Cameron McRae, President, Institute of National Strategy  
Presentation on investing in CAREC countries and connecting economic centers, by Mr. Naoyuki Yoshino, Dean, ADB Institute (ADBI)  
The panel highlighted key factors that contribute to private sector-led growth, which include infrastructure development, investment in human capital, seamless connectivity, strengthened governance, and the promotion of competitiveness and innovation. Support for equitable growth and protection of the environment are also key for the sustainable development of countries. |
### Central Asia Regional Economic Cooperation (CAREC) Investment Forum 2015

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<td>10:30 a.m.–12 noon</td>
<td>Panelists: Top executives at companies that have invested in the CAREC region. These companies are based in Japan, the European Union (EU), the People’s Republic of China (PRC), and the United States (US).</td>
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<tr>
<td></td>
<td>(i) Mr. Naoyuki Yoshino, Dean, ADBI</td>
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<td>(ii) Mr. Hong Wei, Deputy Director General, Central and West Asia Department, ADB</td>
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<td>(viii) Mr. Steve Saunders, President, North America–Mongolia Business Council</td>
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<td>12 noon–2 p.m.</td>
<td>Working Lunch</td>
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<td>“Innovative Technologies and Innovative Finance Solutions for Mongolia.” Presentation by Erdenes Mongol LLC, CAREC Program</td>
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<td>2 p.m.–2:30 p.m.</td>
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<td>Mr. Chimed Saikhanbileg, Prime Minister of Mongolia</td>
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<td>2:30 p.m.–3 p.m.</td>
<td>Group Photo, Coffee/Tea Break</td>
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<td>3 p.m.–4:30 p.m.</td>
<td>Panel 2: The CAREC Region—Land of Opportunities</td>
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<td>Taking advantage of the presence of international investors, the speakers from the CAREC member states presented relevant details about their countries. The presentations addressed priorities and incentives for investment (five minutes for each presentation), and the speakers used the opportunity to share their countries’ experiences, with a view to attracting investments from foreign and domestic sources.</td>
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<td>Moderator: Mr. David Pilling, Asia Editor, Financial Times</td>
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<td>Panelists: Delegates from CAREC member countries</td>
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<td>(i) Mr. Yang Zhengwei, Director, Department of International Economic and Trade Affairs, Ministry of Commerce, PRC</td>
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<td>(ii) Dr. Delgermaa Banzragch, Senior Advisor to the Prime Minister of Mongolia</td>
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### Investment Forum Program

3 p.m.–4:30 p.m.  
(iii) Dr. Zaur Gardashov, Head of the Investment Promotion Department, Azerbaijan Export and Investment Promotion Foundation, Ministry of Economic Development, Azerbaijan  
(iv) Ms. Anjum Assad Amin, Additional Secretary of the Economic Affairs Division, Ministry of Finance, and CAREC National Focal Point, Pakistan  
(v) Mr. Lochin Fayzullozoda, First Deputy Chairman of the State Committee on Investments and State Property Management, Tajikistan  
(vi) Mr. Ahmad Monir Navied, Director General, Mortgage Department, Da Afghanistan Bank (Central Bank of Afghanistan)  
(vii) Ms. Gulmira Aubakirova, Chief Expert, Sectoral Policy and Analysis Division, Economic Integration Department, Ministry of Investments and Development, Kazakhstan  
(viii) Mr. Mederbek Aliev, Head of the Investors’ Support Division, Investment Promotion Agency, Ministry of Economy, Kyrgyz Republic  
(ix) Mr. Alisherbek Paygamov, Head of the General Information and Analysis Department, Ministry of Foreign Economic Relations, Investments and Trade, Uzbekistan

### Open Discussion

4:30 p.m.–4:45 p.m.  
Coffee/Tea Break

4:45 p.m.–5:45 p.m.  
**Panel 3: Investing in a Regionally Connected Mongolia**

International investors shared their experiences of doing business in Mongolia. The investors and policy makers in attendance examined opportunities and strategies for ensuring the establishment of an effective, sustainable, and conducive policy framework, as well as the removal of impediments to investment, for a Mongolia that would be well-connected within the CAREC region.

**Moderator:** Mr. Zorigt Dashdorj, Board Member, Mongolia Development Strategy Institute

**Panelists:** Representatives of major investment and trading firms from the PRC, EU, and the US

(j) Mr. Thierry Plaisant, General Director, AREVA Mongol  
(ii) Mr. Steve Potter, Executive Director, Wagner Asia Group  
(iii) Mr. Loic Popiel, Representative in Asia of the Power System & Transmission Engineering Centre (CIST), Électricité de France (EDF)  
(iv) Mr. Chuluuntseren Otgochuluu, Chief Economist, Managing Director (Office of the CEO), Erdenes Mongol LLC

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<td>(v) Mr. Badamdorj Jantsan, General Manager, Siemens Mongolia</td>
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<td>(vi) Mr. Maohe Chen, Chief Representative in Mongolia, China Development Bank</td>
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<td>5:45 p.m.–6 p.m.</td>
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<td>Mr. Ayumi Konishi, Director General, East Asia Department, ADB</td>
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<td>Mr. Cluluuntseren Otgochuluu, Chief Economist, Managing Director (Office of the CEO), Erdenes Mongol LLC</td>
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<td>6:30 p.m.–8:30 p.m.</td>
<td>Dinner was hosted by honored participants of the CAREC Senior Officials’ Meeting/Ministerial Conference and the Investment Forum from Erdenes Mongol LLC</td>
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<td>Venue: Sky Resort</td>
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<td>Located in Khurkheree Valley, Bogd-Khan Mountain, Ulaanbaatar, Mongolia.</td>
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As you know, ADB is a leader in promoting regional economic cooperation as a way to further economic development in Asia and the Pacific. The CAREC Program is a major part of our operations in support of regional cooperation. Since 2000, the program has mobilized investments totaling almost $28 billion for regional infrastructure in CAREC member countries. Therefore, it is only appropriate that the CAREC Program provide a platform for promoting greater investment in this region.

Of course, public investment and private investment are very different, and they serve different purposes. For example, there is the question of scale. The cumulative investments of the CAREC Program are quantitatively impressive, but small when compared with the holdings of cash and other investible liquid assets of some of the largest private companies in the world. According to an estimate by Fortune magazine in 2012, the readily investible liquid assets held by corporations in the United States (US) alone totaled more than $2 trillion. When you put together all the companies, small and large, across many countries, the point is self-evident: the scale at which private investment can operate is much larger than the scale possible for public investment.

Private investment also differs from public investment in that it can bring in new technology and new ways of doing things. Indeed, private investment can create new mindsets capable of sparking dynamic growth. These are critical inputs for the CAREC member countries, as they can aspire these countries to diversify their economic base and create high-productivity jobs. Public investments such as those under the CAREC Program have helped these countries improve their connectivity with the rest of the world, which is especially important for the landlocked countries in Central Asia. This is still a work in progress, however, and the efforts by CAREC member countries to spur dynamic growth, economic
diversification, and job creation will be constrained without large-scale and high-quality private investment.

Ladies and gentlemen, I do not need to tell you that private investment flows where there are returns. Of course, the returns will depend on innate economic and business potential, but they will also depend on a host of other factors, including the policy and regulatory environment, quality of governance, the existence of dynamic universities and research centers producing a skilled workforce, mature social institutions, good infrastructure, and macroeconomic stability. Some of these factors are enhanced by public investment, technical assistance, and capacity building in which development partners play an active role. Others are defined by government policies and by a government’s commitment to attracting private investment.

At the end of the day, it is the combination of all these factors and actors that will spark and sustain dynamic growth. This region certainly has intrinsic economic potential, with its abundant natural resources, skilled people, and governments willing to learn and to adopt sound policies for growth. Fostering a mutually beneficial partnership between the private and public sectors could go a long way toward turning this potential into effective private investment, job creation, economic diversification, and inclusive economic growth.

For this reason, we perceive a great value in calling attention to the attractive, lucrative, and mutually beneficial investment opportunities in the CAREC countries. This is a crucial role for ADB in the promotion of regional cooperation. Far more important than providing investment funding is serving as an honest broker between different stakeholders. The role of honest broker includes fostering dialogue and effective communication and promoting an understanding between the public and private sectors.

Today’s investment forum is a good opportunity for all of us to develop partnerships among the CAREC member governments, private sector investors, and multilateral and bilateral development partners. We all understand that such partnerships will be needed for improving the investment climate and for realizing the great business potential of CAREC markets.

To that end, I hope that the forum today will be fruitful, not just for providing information or fostering the exchange of information among participants—though these are very important means of exploring opportunities—but also for providing a chance for both public and private sector stakeholders, as well as development partners, to identify those areas in which more work must be done to strengthen partnerships for growth.

I look forward, therefore, to a day of active and constructive discussions among us.

With that, ladies and gentlemen, permit me now to introduce Mr. Byambasaikhan—CEO of Mongolia’s sovereign wealth fund Erdenes Mongol and chairman of the Business Council of Mongolia—to share with us his views on how best to invest in the emerging markets of the CAREC region.
Welcome and Opening Remarks

Bayanjargal Byambasaikhan
CEO, Erdenes Mongol LLC
Chairman, Business Council of Mongolia

Ladies and gentlemen, I welcome you to Ulaanbaatar and to the CAREC Investment Forum. I thank you for the kind introduction.

I see many familiar faces and friends in this room, Ayumi-san and I used to work together at ADB. And we’ve something in common: We both started there as young professionals. Ayumi-san has been at ADB for many years, but I left five years ago to return to Mongolia to work on various projects here, especially big infrastructure and mining projects, which will be discussed today.

I also see lot of friends from CAREC countries. I was involved with the CAREC Program for a number of years, particularly in the Energy Sector Coordinating Committee. In 2008, with the support of friends sitting in this room, the Mongolian legislature passed the CAREC Energy Strategy, which I believe is one of the essential strategies of the CAREC Program. So it is really nice to have everyone here.

As Cameron McRae said, we’ve had the first snow of the season, which in Mongolia means good things and good luck. We really hope that the discussions here will lead to actual business deals between companies that have come here from different parts of the world. We also hope that, throughout the day, we will be able to have various one-on-one discussions involving everyone present. I believe that we have a list of participants that will be handed out to everyone, so you will be able to find what or whom you are looking for.

So, ladies and gentlemen, it is no surprise why we’re holding this event here today. It is all about the competitiveness of Mongolian companies. Regional projects are also a very important means of improving the competitiveness of Mongolian businesses, and that is why we, on Ayumi-san’s initiative, agreed to hold this event today. I am hopeful, of course, that there will have more people coming in.

I had lots of calls last night from people stuck at Seoul airport. I understand that today the president of ADB and his delegation are also stuck at Beijing airport, and we hope they will be able to join us later.
Over the past few months, a group of us from Erdenes Mobile have been traveling across the world with Mongolian businessmen and our government leaders, including the prime minister. In particular, we went to the financial centers of the United Arab Emirates, US, and the United Kingdom (UK); and we visited Japan and our neighbors, the Russian Federation and the People’s Republic of China (PRC). In my view, the main objective was to deliver the message that Mongolia is open for business. Mongolia is back in business, reemerging as an investment center. And we’re ready to make important deals with our partners.

During 2010–2012, when Mongolia’s economic growth rate was high, I think some of us became a bit overconfident and, as a result, we’ve seen certain economic problems arise in Mongolia since then. But we can overcome these problems by focusing on infrastructure, especially large projects. Moreover, we can gain a competitive advantage in the mining industry, which is important to many of the countries represented here, through proper logistics and transportation facilities.

So that key message—that Mongolia is back in business—has been delivered all over the world. And I want to repeat that message here today. I think it is going to be the overall theme of the event.

Another message that we would like to convey is that we really think connectivity is important. We would like to highlight the fact that the lack of regional connectivity and regional infrastructure has been a constraint on the growth of Central Asian economies. If you look at the world competitive index published by Mongolia’s Institute of National Development, or at the annual competitiveness index published by another local group, the Economic Policy and Competitiveness Research Center, you will see that infrastructure is an area in which Mongolia is especially weak. I think this problem is common to all the countries in the CAREC region, so we will have to develop energy projects and transport projects to further trade among these countries. This is what the CAREC Program is for.

The CAREC Program has been operating since 2000, and Mongolia has been a member since the beginning. As Ayumi-san said, the reason we are involved in the program is the $28 million worth of regional projects that have been implemented so far. And I really hope that—with the support of ADB, the European Bank for Reconstruction and Development (EBRD), the World Bank, and other institutions cooperating with the CAREC Program—we will be able to start new projects in the coming years. Regional integration and economic cooperation are particularly important for landlocked economies like Mongolia’s. In the CAREC region, we have several other landlocked economies that share the same problems that we have.

So we all look at these regional projects from a shared perspective.

The other aspect I wanted to touch on today is the notion of the sanctity of contracts. This has been a point that we have wanted to highlight because confidence is very important for attracting foreign investment to any economy. A stable and transparent regulatory regime is essential. We all understand that, but in addition to the rule of law, the sanctity of contracts must be preserved.
In fact, I think that the sanctity of contracts should be a top priority for us all. We have seen cases in recent history in which big projects were delayed because of various misunderstandings among partners. And there were negative economic impacts that the businesses did not appreciate. One such case occurred in May of this year. The Mongolian government is a shareholder in a large world-class copper-gold mine called “Oyu Tolgoi.” Many of you will have heard the Oyu Tolgoi story before, but I would like to highlight it for the people who are here for the first time.

Located in our southern region, Oyu Tolgoi has represented a large investment, so far totaling $7 billion dollars. We have an open pit mine and a world-class watering concentrator operating at the moment. The main investor in Oyu Tolgoi is a company called “Turquoise Hill,” which is controlled by Rio Tinto, one of the largest mining companies in the world. As a shareholder in Oyu Tolgoi, the Mongolian government had several concerns about how the project was being managed, and the disputes related to these concerns lasted over two years.

As a result, the underground mining project was suspended. Mr. McRae here is actually a former CEO of Oyu Tolgoi. He is the one who got this project up and running. But the second phase of this project was delayed until May of this year, when the government agreed to Oyu Tolgoi’s underground financing and to a development plan including Rio Tinto and Turquoise Hill.

We are thus approaching the resumption of the underground mine development activities, and I am happy to tell you today that things are progressing. In particular, we are expecting the project financing to commence soon. This will be a $4.2 billion project-financing package, and it is my understanding that it is the largest package in the world for a mining project. We expect the signing and closure of the deal to occur this month.

The story of Oyu Tolgoi is an example of how the government can benefit when a decision is made to respect an investment agreement. This was a very important step on our part, as it has led not only to investment by Rio Tinto in Mongolia, but also to investments from other sources as well.

By preserving the sanctity of a contract, we agreed to follow what we had agreed to back in 2009. As Cameron mentioned earlier, one of the partners was Mr. Zorigt, who negotiated and signed the Oyu Tolgoi Investment Agreement back in 2009.

We are following what we have agreed to, and this will lead us to another $6 billion in investments over the coming years. Oyu Tolgoi will probably be the best and most competitive copper mine in the world in the very short term. Now you can see why the sanctity of contracts and connectivity are important.

We have a lot of mining resources in Mongolia, and we are well-known for these resources. How do you develop these resources in the most competitive way? We need infrastructure. We need power plants. We need infrastructure that will deliver products to customers. And we need real roads and logistics.
The other aspect of large mining businesses is financing. The cost of capital is important. Of course, marketing is important as well, particularly if you’re a landlocked country that is trying to reach international markets and secure international prices for your products. So, as I said, these are barriers that we share with the other CAREC economies, and they will be touched upon in today’s sessions.

With that, I would like to end my remarks. Once again, I would like to welcome all my friends and my former colleagues here. It is very good to see you all, and I think that you will have a very fruitful day. Please come to the dinner at Sky Resort, which is actually a ski resort. Today’s snow might be sign that we should fully utilize the resort’s facilities.

Ladies and gentlemen,

Welcome and thank you.
Session 1: Recipe for Success in the CAREC Region

The Main Objective of Session 1
Prominent local and international investors shared their insights on how to identify and carry out good investments, using selected case studies on logistics, agribusiness, infrastructure, information technology (IT), mining, and renewable energy in CAREC member countries, including Mongolia.

Moderator
Mr. Cameron McRae, President, Institute of National Strategy

Presenters
(i) Mr. Naoyuki Yoshino, Dean, ADB Institute (ADBI)
(ii) Mr. Hong Wei, Deputy Director General, Central and West Asia Department, Asian Development Bank (ADB)
(iii) Mr. Tumentsogt Tsevegmid, CEO, General Electric International Operations Mongolia LLC
(iv) Mr. Zhu Bangfu, Deputy General Manager, CIMM Group
(v) Mr. Allen Andersen, Senior Managing Director and Founding Partner, Peace Field Limited
(vi) Mr. Asim Buksh, Chairman, Buksh Energy Private Limited
(vii) Mr. Steve Saunders, President, North America–Mongolia Business Council
(viii) Mr. David Rohanna, Executive Director and CEO, Asia Pacific Investment Advisory Group (APIAG) Pte. Ltd.

continued on next page
Key policies that contribute to private sector investment, which, in turn, leads to economic growth in the CAREC countries, were highlighted during this session. These policies are: developing infrastructure, investing in human capital, building seamless connectivity, strengthening governance, and promoting competitiveness and innovation. Additionally, support for equitable growth and protection of the environment were taken into account as methods for leading countries along sustainable development paths.

Thinking regionally and acting in a coordinated manner, the CAREC countries share a long-term strategy for CAREC Program investment and for channeling that investment into specific sectors. Their programs in this domain are updated annually, and are open to all stakeholders. Included are mechanisms for cooperation among the multilateral development banks (MDBs) and with the private sector. The participation of the private sector has been increasing lately, and we hope that it will continue to grow sustainably. This is important for attracting investments to CAREC countries.

The demand for infrastructure investment is high, as is the importance of such investment for promoting conducive policies and the sanctity of contracts. There should be a transparent regulatory framework with clear policies that aim to open the doors to foreign direct investment (FDI), encourage public–private partnerships (PPPs), and find ways to make it easier to do business. It is also important that government policies and investments take long-term trends into account, rather than just being driven by short-term cycles.

Fostering unusual but beneficial partnerships between the private and public sectors could go a long way toward turning potential into effective private investment, thereby generating jobs, economic diversification, and inclusive economic growth. These partnerships will be necessary for improving the investment climate in the CAREC countries and for realizing the business potential of CAREC markets.

There is a big funding gap in Mongolia that needs to be filled by foreign private investors. The People’s Republic of China (PRC) is building an industrial arc for the country and an industrial platform for Chinese small and medium-sized enterprises (SMEs) interested in investing outside of the PRC.
Presenter 1: Mr. Naoyuki Yoshino, Dean, ADB Institute

The topic of my paper is infrastructure investment. Huge investment in infrastructure is needed in the CAREC region, but it is important to look at the impacts, not only of infrastructure investment as a whole, but of the various kinds of infrastructure, as they can affect a region in different ways.

First, I think that enhancing infrastructure investment will have huge macroeconomic benefits. It will create jobs for the region, especially near the newly developed infrastructure, as industry will seek locations there.

Economic growth can be made more equitable if infrastructure investment were distributed to many people, companies, or agencies. New infrastructure investment could foster competition, as more companies are attracted to the region. And, of course, when building infrastructure, we have to be very careful not to damage the environment.

Table 1: The Challenges and Enabling Factors of Infrastructure Investment

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Enabling Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhancing Infrastructure Investment and Financial Stability</td>
<td>Developing Infrastructure Finance</td>
</tr>
<tr>
<td>Maintain macroeconomic and financial stability</td>
<td></td>
</tr>
<tr>
<td>Create exchange rate mechanism</td>
<td></td>
</tr>
<tr>
<td>Recycle savings into Investments</td>
<td></td>
</tr>
<tr>
<td>Maintain fiscal soundness</td>
<td></td>
</tr>
<tr>
<td>Avoid future crises and contagion</td>
<td></td>
</tr>
<tr>
<td>Supporting Equitable Growth</td>
<td>Harnessing Human Capital</td>
</tr>
<tr>
<td>Improve income equality (Education, Tax System, Equal Opportunity)</td>
<td>Education and Training</td>
</tr>
<tr>
<td>Promoting Competitiveness and Innovation</td>
<td>Building Seamless Connectivity</td>
</tr>
<tr>
<td>Strengthen competitiveness of the agricultural sector, manufacturing</td>
<td></td>
</tr>
<tr>
<td>and services sectors, SMEs and large firms</td>
<td></td>
</tr>
<tr>
<td>Protecting the Environment</td>
<td>Strengthening Governance</td>
</tr>
<tr>
<td>Reduce CO2 emissions, Coal, Technology, Water supply, Sanitation</td>
<td>Institutional Architecture</td>
</tr>
</tbody>
</table>


The components of industry and economic performance are labor, private capital, and infrastructure. It is a given that physical infrastructure is critical, but so is soft infrastructure, most notably the educational system because it affects an economy’s ability to harness human potential.
There are other issues to consider. For example, exports and imports enhance aggregate demand; that is why it is so important to create seamless connectivity. Also important is transparency with regard to the performance of infrastructure investment and how the money is spent.

Figure 1 demonstrates how infrastructure investments shift aggregate supply to the right (i.e., increase it) because production capacity is enhanced; private sector activity could also be increased. At the same time, investment, exports, and imports are enhanced by higher aggregate demand. Good infrastructure will increase both aggregate supply and aggregate demand, thereby spurring economic growth while stabilizing inflation.

Figure 1: The Effects of Infrastructure Investment on Aggregate Supply and Demand

AD = aggregate demand, AS = aggregate supply, E = equilibrium point, P = price, Q = quantity, RI = regional integration.


In summary, the development of infrastructure will have a big impact on the region. Attracting investment and promoting labor participation will also enhance economic growth.

It should be noted that the method of financing infrastructure is also important. There are four ways to finance infrastructure: (i) allocating funds from the current government budget, (ii) using short-term financial instruments such as domestic savings (including postal savings), (iii) using long-term financial instruments such as pension funds and insurance products, and (iv) turning to overseas investors.

Too great a reliance on public funds will create or exacerbate a government budget deficit. The CAREC countries should instead encourage a growth in domestic savings, and utilize these, along with long-term financial instruments and investment from overseas. One advantage of overseas investment is that it can foster better governance of investment implementation. After all, transparency is vital. Yet too great a dependence on overseas investors will generate a huge debt that will burden future generations. The optimal choice would thus be a combination of all four methods.
When considering the impacts of infrastructure investment, there are both the macroeconomic and microeconomic impacts to consider. First, the macroeconomic side: Figure 4 shows the results of a case study in Japan on infrastructure investment in manufacturing, while Figure 5 does the same for the service industries. The left side of each figure presents the data for 1990, and the right side for 2010. The numbers along the vertical axis stand for the economic growth, in terms of trillions of yen, that was generated by ¥1 trillion of infrastructure investment. The bars represent Japan’s 11 regions, such as Kanto, which includes Tokyo; Kinki, which includes Osaka; and Tokai, which includes the city of Nagoya. The sections within the bars represent the sources of investment funding, with the gray sections representing the government; the black, local private investors; and the gray-and-white, foreign investors.
A comparison of the left and right sides of figures 4 and 5 reveals that, for both the manufacturing and service sectors, ¥1 trillion in infrastructure investment had a much bigger impact in 1990 than it did in 2010. The impact of infrastructure investment on both sectors thus varied depending on when the investment occurred, and the impact was generally greater in the 1990s than later on. But the impact of infrastructure investment also varied depending on where the investment occurred. One can see from figures 4 and 5 that the impact of the same ¥1 trillion investment varied from region to region in both 1990 and 2010.

Why is there so much variation from region to region? The answer lies in the indirect effects of public investment. Figure 6 captures the ratio of private capital to public capital in Japan’s regions. The vertical axis measures the marginal productivity of public investment. The horizontal axis shows the ratio of private capital invested in a region to public capital by showing the relative amount of private capital compared with a “1” value of public capital. The vertical red line in the figure indicates the point at which the ratio of private capital to public is 1:1; at any point to the right of this line, there is more private capital than public, and to the left of that line, there is more public capital than private.
What’s the difference between the two sides? In the case of the region to the right of the vertical red line, infrastructure investment has often induced private activity. For instance, if a highway has been completed, many private companies will come into the region. Then employment is created by the arrival of these companies, an indirect effect of the infrastructure investment. The new construction of a railway will also generate private economic activity in a region, and this, too, will boost employment. Private economic activity is also important in maintaining the productivity of infrastructure investments.

This was the case of Thailand during the 1970s and 1980s, when the agriculture sector benefited from infrastructure investment. But during the 1990s, the maintenance of manufacturing plants generated even more impact. So, the effects of infrastructure investment will differ from country to country, and from sector to sector.

Table 2: The Effectiveness of Infrastructure Investment in Thailand, 1971–2012

<table>
<thead>
<tr>
<th></th>
<th>Private Capital</th>
<th>Public Capital</th>
<th>Direct Effects</th>
<th>Indirect Effects</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Capital</td>
<td>Labor</td>
<td>Capital</td>
<td>Labor</td>
</tr>
<tr>
<td><strong>Agriculture, Forestry, Hunting, and Fishing</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1971–1980</td>
<td>0.971</td>
<td>0.778</td>
<td>0.086</td>
<td>0.618</td>
</tr>
<tr>
<td>1981–1990</td>
<td>0.912</td>
<td>0.516</td>
<td>0.107</td>
<td>0.323</td>
</tr>
<tr>
<td>1991–2000</td>
<td>0.859</td>
<td>0.101</td>
<td>0.068</td>
<td>(0.059)</td>
</tr>
<tr>
<td>2001–2012</td>
<td>0.814</td>
<td>(0.185)</td>
<td>0.018</td>
<td>0.293</td>
</tr>
<tr>
<td><strong>Manufacturing</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1971–1980</td>
<td>0.710</td>
<td>0.526</td>
<td>0.191</td>
<td>0.111</td>
</tr>
<tr>
<td>1981–1990</td>
<td>0.623</td>
<td>0.426</td>
<td>0.163</td>
<td>(0.004)</td>
</tr>
<tr>
<td>1991–2000</td>
<td>0.554</td>
<td>0.409</td>
<td>0.135</td>
<td>0.190</td>
</tr>
<tr>
<td>2001–2012</td>
<td>0.631</td>
<td>0.902</td>
<td>0.173</td>
<td>1.081</td>
</tr>
</tbody>
</table>
Microeconomic Impacts of Infrastructure Investment

With regard to the microeconomic impacts of infrastructure investment, I will now present four examples. For each one, we looked at the method applied and determined whether or not the targeted region or regions had been impacted positively by infrastructure investment. The first example is a highway, the Southern Tagalog Arterial Road, constructed in Batangas Province, in the Philippines.

![Figure 7: The Southern Tagalog Arterial Road, Philippines](source: Asian Development Bank Institute.)

In this case, we also looked at the impact of the highway on business taxes, property taxes, and highway tolls. The results were very interesting. We found that the highway brought substantial benefits to Batangas Province within 3 or 4 years. It attracted companies to the region, thereby spurring the local economy and boosting the taxes collected from the business sector. Of course, the revenue from road tolls also increased, and the revenue from property taxes rose in certain areas.

![Table 3: The Effects of the Southern Arterial Road on Three Urban Areas in Batangas Province, Philippines, 2010–2014](source: Asian Development Bank Institute.)
The case of Uzbekistan’s railways is slightly different from that of the road in the Philippines. Infrastructure investment in the expansion and upgrading of the railway system had positive impacts on all of the regions of Uzbekistan, rather than just one province, though the areas surrounding two stations experienced the greatest benefits of all.

**Table 4: The Economic Effects of Infrastructure Investment in Uzbekistan’s Railway System**

<table>
<thead>
<tr>
<th>Regions</th>
<th>Outcome</th>
<th>Prerailway Period</th>
<th>Postrailway Period</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonaffected group</td>
<td>GDP growth rate</td>
<td>8.3</td>
<td>8.5</td>
<td>0.2</td>
</tr>
<tr>
<td>Affected group</td>
<td>GDP growth rate</td>
<td>7.2</td>
<td>9.4</td>
<td>2.2</td>
</tr>
</tbody>
</table>

GDP = gross domestic product.

Note: The prerailway period was before the rehabilitation and expansion of Uzbekistan’s railway system. The postrailway period began after completion of the work on the rail system.


The third example is the expansion in 2006 of a railway line in the People’s Republic of China (PRC), specifically, a new stretch running from Golmud, in Qinghai Province, to Lhasa, in Tibet. In this case, no private businesses were involved in the construction of this new railway line, and the impact of the new line on the private economic activity has not been significant so far. It is very important that efforts be made to attract private companies. However, the benefits may well be seen with the development of tourism in the region.
The fourth example is the completion of the Japanese bullet train line on the island of Kyushu. The southern section of this new line opened in 2004, but it was with the opening of the northern section in 2011 that the economic impact became significant, as some of the largest cities were now connected. During 2011–2013, the island started attracting tourists and new private companies, and it will be very important to encourage further economic activity with the help of funding from overseas investors and/or the local private sector.

At the same time, the company operating this railway line should provide bonuses for any of its employees who come up with incentives for the public to use the railway. And bonus payments for the employees who run the railway infrastructure will create indirect effects, such as benefits to local manufacturing, agriculture, and commerce.

Public-Private Partnerships

I would next like to address the theme of public-private partnerships (PPPs), which involve risk sharing between the public and private sectors. PPPs offer several advantages: They can cut costs, thereby reducing the strain on government budgets, and can increase revenue through the benefits of private resources and management. PPPs can also prevent political intervention, as private companies will also have a say in investment implementation. And there could be a bonus for the employees who operate the infrastructure in the form of higher pay.

Many infrastructure projects could be initiated with PPPs, as these projects utilize domestic savings through bank loans to private companies, and they could include the creation of long-term life-insurance and pension funds for the employees. Moreover, there would be important indirect benefits from PPP infrastructure projects, such as the boost they would provide to tourism, manufacturing, agriculture, and the service industries.

Risks Associated with Infrastructure Investments

Whether in the form of PPPs or not, infrastructure investments are not without their disadvantages. There would still be risk, even if it is shared between the public and private partners. This risk could include too much reliance on overseas funding, with the resultant debt creating a burden for future generations. There is also the question of whether it would be better to finance infrastructure investments through loans or investments, and whether a project would be bankable or not. Finally, the political risk would have to be considered, as well as the operational risk, demand risk, inaccuracies in ex-post risk measures, maintenance risk, and the risk of earthquakes and other natural disasters.

Local Infrastructure

So far, this discussion has focused on big infrastructure projects: a highway and three railways. Local infrastructure, such as wind-power and solar-power facilities, tend to be financed by local investors rather than by big institutions. As shown in Figure 11, safe investments, including those in small and medium-sized enterprises (SMEs) with good credit, would generally be financed by local banks, using funds from bank depositors. Riskier borrowers are generally financed by investors through investment trust funds.
This completes my presentation. The main conclusion is that, all things considered, it is very important to construct good infrastructure.

Cameron McRae:

Yoshino-san highlighted the key factors that contribute to investment in the private sector and assist in growing countries’ gross domestic products (GDPs). Specifically, the points that he raised were the importance of developing infrastructure, investing in human capital, building connectivity, strengthening governance, and promoting competitiveness and innovation. We also need to acknowledge the importance of supporting equitable growth, especially through foreign direct investments, and of protecting the environment. Konishi-san and Mr. Byambasaikhan have also highlighted the importance of the role of economic growth and the sanctity for contracts. Now, I will hand over the podium to our next speaker, Hong Wei.

Presenter 2: Mr. Hong Wei, Deputy Director General, Central and West Asia Department, ADB

I am very pleased to be here. First of all, the CAREC countries offer lending opportunities for investors. Many of these countries are at the early stage of development, so their potential for growth is very high. Many of them have become “middle-income countries,” with some of them showing impressive economic growth of about 5% on average per year. Their current investment conditions remain very strong. Secondly, as Mr. Byambasaikhan mentioned, infrastructure is one of the binding connections...
for economic growth in the CAREC countries. For example, the Asian Development Bank (ADB) estimated that a reliable power supply in Pakistan could expand that country’s annual GDP by 2%. The electricity supply in Afghanistan is certainly another priority for development.

Additionally, connectivity in these countries remains very low. As Mr. Byambasaikhan mentioned, improving the power supply and connectivity in this region is extremely important. Not only physical connectivity, but also economic connectivity, will enable us to reduce costs and time, thereby creating investment opportunities in services and manufacturing.

The keys to success for investment in CAREC countries are:

(i) **Thinking regionally and acting in coordination.** Mr. Byambasaikhan and Mr. Naoyuki Yoshino, dean of the ADB Institute (ADBI), mentioned earlier the reasons why investments generate economic benefits beyond the borders of the countries where they took place. These benefits could be enhanced by thinking and planning from a regional perspective. In fact, the positive impacts of investments would dramatically increase.

We have a long-term strategy for CAREC investments, including investment programs for specific sectors, and these investments and programs are updated annually. Information about them is available to all stakeholders. Also, we have a cooperation mechanism with the other multilateral development banks and with the private sector. The participation of the private sector has recently increased, and we hope this trend will continue at a sustainable level. This will be important for attracting investments to the CAREC countries.

(ii) **Public-private partnerships.** The demand for infrastructure investment is high. For instance, ADB has estimated that about $800 billion per year will be needed for the Asia and Pacific region until the year 2020. The ADB energy sector program that runs until 2020 has identified projects totaling an estimated worth of more than $43 billion.

(iii) **Conducive government policies.** As mentioned by Mr. Byambasaikhan, a transparent regulatory framework with clear policies would open the door for foreign direct investment (FDI), as would easier methods for doing business and a strong rule of law.

(iv) **Development of the financial sector.** Mr. Yoshino mentioned in his presentation that the high rate of savings in some of the CAREC countries indicate the need for long-term financial options. The development of a bond markets, insurance, and pension funds will become necessary as well.

Finally, ADB has been working with the CAREC countries for many years, and has been operating its CAREC Program for over 15 years. We are certainly interested in continuing the progress made under the CAREC Program, and we are ready to receive proposals for projects in the CAREC region.

Thank you.
Presenter 3: Mr. Tumentsogt Tsevegmid, CEO, General Electric International Operations Mongolia LLC

I am delighted to represent General Electric (GE) and the CEO club. The CAREC Investment Forum is an extremely timely and important conference, and I am happy to be a part of it. I would like to share with you the current opportunities for GE and the challenges it faces in Mongolia, as well as how we’ve contributed to Mongolia’s growth. I think that, from our perspective, Mongolia is at a very important stage of transformation. As you may know, Mongolia has a large territory and a small population. It was an agricultural economy until 2000. Since then, Mongolia has transformed itself into a mining-based economy.

Figure 12: Technological Innovation in Mongolia: The View from General Electric

Source: GE (Mongolia).

In 2011, GDP growth was 17.5%, thanks to megaprojects such as Oyu Tolgoi. In 2014, however, growth slowed down to 7.8%, clearly demonstrating the country’s dependence on mining exports and commodity prices.

Mongolia’s economy is driven by two key factors: mining and urbanization. Projects already identified in the areas of mining, infrastructure, industry, and urbanization are expected to cost Mongolia $65 billion by the year 2030. Only 10% of this basis investment will be made.
by the government or financed by sovereign bonds, leaving a big financial gap that will have to be filled by foreign private investors.

I think that Mongolia has been quite active in many regional initiatives, including those in the CAREC region and Northeast Asia, as well as the Silk Road project, which is led by the PRC and the Russian Federation. Mongolia is keen to become a big, powerful player in each. To that end, it plans to develop the Asia super grid and GobiTech renewable energy projects. Mongolia has also been ambitious in its efforts to foster cooperation with the other CAREC countries. In addition, it plans to build 1,200 kilometers of railway lines and to double its current power capacity within 10 years.

GE is a technology company that works on big infrastructure projects in such areas as power, transportation, railways, and healthcare. We truly see greater opportunities for projects because Mongolia has a bright future, with its young democracy and transparent democratic system.

Presenter 4: Mr. Zhu Bangfu, Deputy General Manager, CIMM Group

Just two weeks ago, the Annual Meeting of the New Champions was held by the World Economic Forum in Dalian, PRC. After attending that meeting, I came straight here specifically for this investment forum, which is a great one for Mongolia and the CAREC countries.

I want to share the following: There are positive changes occurring in the PRC. First of all, we are building an “Arc of China,” a global industrial platform for Chinese SMEs that is strongly supported by the local and central governments. Chinese companies, especially the SMEs, are not only selling their products, they are leading the way toward a diversified world economy. Moreover, they are ready to invest in countries located along the Silk Road and in other regions.

The second change is that our government is promoting the development of thousands of SMEs operating within the Chinese market, and is now encouraging Chinese SMEs to seek out opportunities in the CAREC countries, as well as in other countries that are suitable for investment in infrastructure, energy, and industries of all kinds.

The third change is in the banking and financial systems in PRC. They are now supporting our SMEs by giving them financial backing for businesses and investments abroad. All of these real changes help SMEs to venture out of PRC into other countries; relocate their factories there; and build new infrastructure based on a variety of arrangements, including the turnkey PPP model. Over the past 20 years, CIMM Group has completed many projects in India and the Russian Federation. Not only do we work with big state-owned enterprises, we are now also focusing on encouraging millions of SMEs with capital, technology, and management skills to relocate their factories and/or invest in Mongolia and other CAREC countries.
Now that we have this platform, another goal is to help public service organizations execute their projects and guarantee investments in SMEs.

During the past 10 years, we have experienced a lot of problems when implementing projects, including barriers maintained by the CAREC countries. The Arc of China platform will provide guarantees in over 20 countries, in such fields as public services, policy support, financial support, and professional networking. The platform invites Chinese companies to invest in the CAREC countries. It also invites companies in the CAREC countries to seek partnerships in PRC so that they can execute infrastructure and energy projects together.

**Presenter 5: Mr. Allen Andersen, Senior Managing Director and Founding Partner, Peace Field Limited**

I am thankful to be here with all of you today. If I asked how many of you have ever heard of Peace Field, I think maybe two hands would go up. My purpose for being here today is not to promote Peace Field, but I will describe some of my background in developing economies, and talk for 30 seconds about Peace Field, an organization in which very seasoned financial and executive professionals come together for the purpose of helping companies throughout Asia raise gross capital and resolve financial issues.

In Mongolia, we are focusing right now on helping some companies raise gross capital and assets, resolve some stressed-asset issues, and provide support for other infrastructure.

We were also just in the PRC, completing a transaction in Xinjiang with a local financial institution. Mr. McRae asked today if, with all the bad news going on in the world—the market center collapsing, depressed commodity prices, infrastructure stresses—we could find a positive message to give. The positive message I would like to give concerns the benefits of looking at and investing in long-term trends, rather than in short-term cycles.

If I can use a metaphor, you all know what a Polaroid camera is. Polaroid cameras give you a great picture of things as they appear at a specific time and place. Sometimes, as we study companies, governments, or personal relationships, we tend to make decisions based on Polaroid shots. What I have learned over time is that, while building companies, making investments, making friendships, and making decisions, you need to use a video camera. You need to do the research, go back and understand the history, see what the structure is, and then figure out what the long-term investment trends are.

Let me quickly share three examples of my experiences in Asian countries. I lived in Taipei, China in 1971 and 1972. At that time, I could live comfortably there, although “comfortably” might not be the right word, for $100 dollars a day. It was a very basic economy. None of the industries in Taipei, China today were there back then. Now, 45 years
later, I'm an investor and advisor in Taipei, China. Its industrial norms could never have been imagined 45 years ago.

My experience working for Peace Field in Xinjiang clarified for me the importance of investing with a modern perspective regarding returns. The company we partnered with was the first company in the region to acquire a business license. At the time, Xinjiang had a population of maybe 150,000 people, and there were practically no businesses. We invested in some local industries, importing 80% of the raw materials and selling 100% of the products within the Chinese market. These were the very early days of the development of Xinjiang's economy and of the Chinese economy as a whole. In fact, the book explaining Chinese investment laws to foreigners totaled only four or five pages. But during that time, I saw the country change dramatically, and it is still moving forward.

I first came to Mongolia in 2003, and continued to visit frequently before moving here in 2007. I lived here until 2010, and have returned many times since then. When I began living here, my thoughts were, “I’ve seen this video before.” I wanted to be part of what was happening in Mongolia because I had seen similar changes in Taipei, China, which had been relatively undeveloped in the early 1970s, when I lived there. I could see that the same development patterns in Taipei, China; the Republic of Korea; Japan; and most recently in the PRC would likely occur in Mongolia as well. My perspective is based on what I have learned from observing four decades of economic development in other Asian countries, as it may also apply to the CAREC region, including Mongolia.

I think that people are able to look at the countries in the CAREC region and understand what has happened there: where the region was, and where it is now. And if they observe the process of economic development that the region is going through, they will fully appreciate the opportunities and the promise of the CAREC region.

Thank you.

**Presenter 6: Mr. Asim Buksh, Chairman, Buksh Energy Private Limited**

First of all I would like to thank the prime minister of Mongolia and Mr. Byambasaikhan for inviting me here, and for making this investment forum possible. I think that it’s a great step toward bringing everybody together and ensuring that, together, we can make doing business in the CAREC region more profitable and beneficial.

Buksh Group is one of the leading corporations in Pakistan’s retail market, renowned for its distinguished history in pioneering and creating the benchmark for retail standards in Pakistan. Our dynamic group portfolio includes many successful business and industry ventures, with exclusive representation for numerous premium international brands.
We focus on the luxury retail market, renewable energy, microfinance, automotives, and home automation. Buksh Energy is a national leader in the provision of “turnkey” energy management solutions. We provide clean, renewable energy to financial institutions, SMEs, and private residences at a lower cost than they would pay for energy from any other source. We are also turnkey project developers of large-scale independent solar power producers, and of wind, waste-to-energy, and hydropower plants.
Apart from Mongolia and Pakistan, we are currently focusing on North Africa because there are relevant initiatives in that region. For instance, Morocco expects to export €3 trillion worth of renewable energy by 2030. But the CAREC region has potential as well, especially given its location between two huge energy markets—the Russian Federation and the PRC. That includes Mongolia, which has about 300,000 megawatts of annual wind power potential and approximately 15,000–20,000 megawatts of solar potential. Mongolia could start earning billions of dollars in the next three years by exporting energy to these two countries.

Buksh intends to set up independent-power-producer projects in Mongolia. According to Mr. Byambasaikhan’s speech on the sanctity of contracts, every government that has applied this concept to its energy sector has benefited, though only if it also had a policy of declaring its tariffs. As long as government policies are clear, and investors know that their money is going to be safe, renewable energy investments will rise to substantial levels, bringing tremendous benefits.

My final point concerns clean energy, which today is not just environmentally friendly, but also extremely profitable. Obviously, we all understand that there are new requirements, but in Mongolia’s case, Power Plants Number 1, 2 and 3 should be replaced by clean energy facilities. In Mongolia, our goal is to install wind and solar projects by 2020 that will total 500 megawatts per year. Our overall goal is to install facilities that will total 5,000 megawatts in the five countries in which we are currently active. The map in Figure 15 gives the breakdown.

Figure 15: Buksh Energy’s Project Targets through 2020

MW = megawatts.
Good morning ladies, gentlemen and distinguished guests. I want to thank the sponsors and individuals for inviting me to sit on this panel. Today I’m going to talk about three different areas of investment in the CAREC region. Basically, I’m going to focus on what the case for investment is and the hard qualifications.

I’ve been in private sector investment for the past 15 years, and I am glad that I have been responsible for investment profiles as well as for making investments monetarily.

I think there should be a strategy for achieving progress that would utilize more extensive experience, knowledge, and understanding of energy and natural resources. I’m going to just say a little bit about the issues and fundamentals that we at APIAG Holdings Pte. Ltd. adhere to. First, we look at geology, resources, and methods of raising quality. We look into the exploitation process, noting that one of the primary drivers of operational expenditure is management. We look at transportation and infrastructure logistics, and at the management team and how that team functions, including how well it executes. We would like to stress the importance of this throughout all the stages of a project and through the quantitative risk analysis.

Next, regarding the overarching principle, we point to the key issues, and what we look for is stability. Several speakers today mentioned the key issues, including the sanctity of contracts, infrastructure, transparency, etc., which are all components of stability that we looked for in the jurisdictions where we have invest.

Those factors are important today to any investor. First of all, a game-changing regulatory environment depends mostly on its utility within today’s economies and markets. What investors primarily look out for are the up-front capital costs, the difficulty of sourcing and finding projects and deposits, and the procedures for advancing a project. Finally, and most important, we think there should be increased competition.

Let’s get away from the path followed by mineral resource-based economies everywhere else around the world. It is a matter of how you manage those resources and benchmark them to a realistic market.

Thank you.
Presenter 8: Mr. Steve Saunders, President, North America–Mongolia Business Council

Cameron asked me today to share some perspectives from the North American viewpoint. What are Canadian and American companies going to look at in terms of opportunities in the CAREC region? I would suggest four points. One is optics. The second is political stability, which was covered by the previous speaker. The third is transparency and genuine openness to foreign direct investment (FDI), and the fourth is a rational and predictable legal environment.

I think that CAREC projects in the field of optics, by any objective measurement, offer significant opportunities for American and Canadian traders and investors.

If CAREC projects are perceived to be primarily for the benefit of the Russian Federation or the PRC, that will influence some American investors. And this subject will be high on the agenda when President Xi Jinping makes his state visit to the United States. The American business community generally hopes for an improvement in the bilateral commercial and investment climate. But there are American and Canadian companies that are not going anywhere in the Russian Federation and might decide against investing in the PRC, but that are looking for genuine new opportunities. I think that part of the problem with CAREC projects is that they do not indicate the possible ways in which American and Canadian companies could participate.

The first thing I learned about economics is that capital is a coward. Capital is not a pioneer. Capital is not the Lone Ranger. Capital wants to go where it’s warm and comfortable, and where there is love and protection. But in this case, the important thing is for the CAREC countries and CAREC projects to (i) offer enriching possibilities and (ii) counter any adverse perception that investments in these countries and projects would ultimately serve the interests of the Russian Federation and the PRC.

The confidence of investors is largely unmeasurable. There are a lot of logarithms and mathematics that you can go through to try to quantify that level of confidence. But Mongolia has discovered this, and has made good progress in addressing the unquantifiable. Whether something is a good investment or not is generally decided based on the gut feelings of the people in the front office and on the board of directors. The main question is will there be a reasonable return on an investment.

As for political stability, I don’t think it requires any further comments from me.

With regard to transparency and openness to FDI, I think it has to be remembered that, of all the member countries of the Organisation for Economic Co-operation and Development (OECD) that subscribe to the OECD bribery code, the most draconian,
fiercest, most relentless, and heaviest enforcers in the world are Canada and the United States. There are senior executives serving jail time, and the prosecutions have multiplied. There is no such thing for Canadian and American companies as special conditions in this or that country; there are no special conditions in Azerbaijan, Canada, the PRC, or Mexico that would allow an American or Canadian company to play faster. And this relates to the larger issue of transparency. American and Canadian corporations are growing increasingly more skeptical of investment in any country where you have to have a good friend in the government in order to succeed. Transparency also means open tenders.

There are many countries that have denied themselves the benefit of the best product at the cheapest price because their tender processes are neither open nor transparent. For that reason, there are trade and investment framework agreement talks around the world. The US government has regularly campaigned for countries to join a transparency-of-procurement code. Every day in developing countries, there are special "needs" for huge megaprojects that suddenly appear with the bidders and financing all in place. Then you have American or Canadian investors scratching their heads and saying, “Did I miss a memo?” The answer is no, there was no memo.

Mongolia is an emerging success at establishing a rational legal environment. You know, when I went to Hong Kong, China; the Hong Kong, China government feared that the large number of foreign corporations that had their regional headquarters there would exit, and that a great deal of manufacturing services would migrate to other places. That has largely proven not to be true. And when you ask the companies that stayed in Hong Kong, China why they did so, the answer is usually the juridical system.

To conclude, I can say that the opportunities for Canada and the Unites States to provide FDIs to the CAREC countries are considerable, but a vision of the possibilities has to be communicated.

Thank you.

Open Discussion 1

Cameron McRae: Thank you, Steve. To start, I would like to ask what would be the impact of the CAREC “One Belt, One Road” program? And I am going to direct this question first to our Asian Development Bank (ADB) colleague.

Hong Wei: Thank you. We are aware of this regional initiative to promote the divisional operations. We will share the same cost until we believe we can work together. We also believe that the CAREC Program is a functional and proven platform that we can coordinate with under these initiatives to make more investments and to make things start quickly.

Tumentsogt Tsevegmid: I think that mechanisms such as the CAREC Program are extremely important to the region because all the countries have significant differences in
their skills, political systems, and capabilities. That is why I think the CAREC mechanism ensures that government participation really helps to limit some of the differences among the legal systems or among the institutional and regulatory frameworks, and really gives investors the confidence to invest and coordinate.

Cameron McRae: The second most popular question is how to differentiate investments in rail and road projects that are economically viable from those that are only aspirational. I think that Yoshino-san’s presentation this morning actually raised this issue of infrastructure investments being justified by the likely returns on investment after project completion, rather than by the existence of a solid business plan.

Hong Wei: Whenever we talk about infrastructure projects, we have to think of the many benefits. A lot of infrastructure projects have taken a long time to realize. The provision of long-term lending is one reason for that. Another reason is the fact that you need a whole network to play together to generate the kind of impact desired. Also, some of the investments may not be economically viable on their own, but once you complete the whole network of investments, they generate enough benefits. That is why we evaluate the risks in countries, and when the economic benefits are less clear, we use more concessional resources to generate those benefits.

Zhu Bangfu: My additional explanation is that many of the Chinese provincial governments are now negotiating and preparing special infrastructure funds, especially with companies participating in the Arc of China platform or that are investing overseas, in CAREC countries, or in “Second World” countries. The infrastructure projects may not be very cost-effective, but these local funds and other funds can provide a kind of compensation for the investors. And the investors in the PRC, mostly in the private sector, are aware of this situation, so the government supports investments in foreign projects.

Cameron McRae: Two more questions before we go to lunch: If the quality of governance is low in CAREC countries, how can the region attract more private investment? And should we not prioritize reforms and governance so that investments may follow?

Asim Buksh: I think this forum, for example, is excellent because we have talked a lot about how the governments need to play their role. I think what could be discussed more during today’s forum is what the private sector’s role is going to be when the government policy is in place.

In my opinion, without the private sector playing an extremely active role, no amount of government policies will take us anywhere. The private sector has to play its role, and the investments have to come from the private sector because it is not the government’s job to make those investments. So, I think the more the private sector is a part of forums like this, the more involved the private sector will be in infrastructure projects. It is true that, in many countries, including the PRC and the US, the government provides stability, but it is the private sector that has to take the risks.
Photo Gallery: Business Networking, Promotion, and Interviews
Introduction of the Keynote Speaker

Mr. Bayanjargal Byambasaikhan
CEO, Erdenes Mongol LLC
Chairman, Business Council of Mongolia

Ladies and gentlemen, it is a great pleasure to introduce Prime Minister Chimed Saikhanbileg. For those of you who are familiar with current events in Mongolia, Prime Minister Saikhanbileg is one of the key reasons why we have been able to reboot the big economic projects in Mongolia over the last 10 months. The prime minister has been traveling all over the world to deliver one message on behalf of the Mongolian business community. “Mongolia is open for business.”

I would like to introduce Mr. Prime Minister Saikhanbileg.

I have known the prime minister since 1997, when he was appointed as the minister of science technology and education of Mongolia. I was a very young staff member at the ministry back then. Prime Minister Saikhanbileg signed my scholarship to study at George Washington University, and that is how I left the country in 1998. Then the prime minister followed me to George Washington University a few years later. So, we share a common alma mater.

Recently, we’ve also shared a hobby. The prime minister, as many of you have heard, is a powerlifter. And I’ve been trying to catch up to him over the last few years. With that, I would like to invite H.E. Mr. Chimed Saikhanbileg to the stage.
Keynote Address by the Prime Minister of Mongolia

“Better Connectivity for a More Integrated CAREC Region and Greater Diversification of the Mongolia Economy”

H.E. Chimed Saikhanbileg
Prime Minister of Mongolia

Thank you, Mr. Byambasaikhan, for your introduction. It seems like an introduction not for this forum, but for championship games or a tournament.

First of all, the Government of Mongolia and Erdenes Mongol have prepared well for this event by ordering our first snow for the 2015–2016 season. Some of you may enjoy the cool weather in Ulaanbaatar. And honorable ministers, distinguished business leaders, ladies, and gentlemen, it is my great pleasure to extend a warm welcome to you all on behalf of the Government of Mongolia and myself, and we wish you all a pleasant stay in Ulaanbaatar. I would like to express my sincere thanks to Erdenes Mongol, ADB, and all the other parties for organizing the CAREC Investment Forum. The CAREC Program has played an increasingly important role in promoting economic cooperation in Central Asia, regional economic development, and poverty alleviation.

Great achievements have been attained in promoting regional transportation and trade facilitation, as well as improvements in the regional investment environment and cooperation in regional projects. These achievements have proven that this program is an effective platform for regional economic cooperation. Mongolia is strongly committed to the CAREC Program. We are of the view that deeper regional cooperation and integration will drive the country’s economic diversity and development.

ADB has been Mongolia’s true development partner. It’s technical and financial cooperation for the past 3 to 5 years has been valuable in improving infrastructure, providing finance, and bettering our citizens’ living standards. We believe that this investment forum, organized in honor of the CAREC Program’s annual meeting, can serve as a platform for engaging private sector investors from the national, regional, and international stages, and introduce them to regional economic cooperation in Central Asia and to CAREC Program initiatives. The private sector will help our member countries fill in the gaps in investment and utilize our shared knowledge, experience, and expertise.

The Investment Forum may create an opportunity for CAREC member countries to learn about each other’s successes, as well as lessons on how to improve the investment climate, unlock the potential for private sector participation, and attract private sector investment to the region.

Ladies and gentlemen, the Mongolian government strives to take the country’s economy on a sustainable development path by strengthening its macroeconomic policies and
by implementing major national projects in various sectors, including the priority areas outlined by the CAREC Program.

Mongolia’s mineral resource wealth is estimated at $1–3 trillion. Coal, gold, and copper are the main reserves. Mongolia has been one of the world’s fastest growing economies, thanks to this treasure chest of mineral resources and the foreign direct investments (FDIs) that flow into the mining sector.

In recent months, I have traveled together with Mongolia’s business leaders to the financial centers of Japan, the United Arab Emirates, the United States, and the United Kingdom. I’ve also visited our neighbors, the PRC and the Russian Federation. I traveled with the one main objective of leading the investment community back to Mongolia. I told them that Mongolia is back in business, that the country is serious about investment, and that we are serious about the sanctity of our contracts.

Mongolia is now proving through its actions—rather than just through its political rhetoric—that it is a reliable partner for business. Although it’s a simple message, many of you in this room know that there is a real complexity lying just under the surface of that message. It is no secret that the past few years have been challenging for Mongolia. We did not sustain the economic boom experienced from 2010 to 2012. With the end of the commodities supercycle, much of the excitement in the investment community lessened. There are many reasons why this happened.

I know that many of you will appreciate that in a democracy—and Mongolia is a vibrant democracy—it is not always easy to get directly to where you want to go. But when we make mistakes, we are quick to correct them. My government’s priority from day one has been the economy, not the elections. As prime minister, I have considered it my priority to get Mongolia back in business.

We have passed progressive legislation to encourage investment in energy and infrastructure megaprojects. These are at the heart of the country’s economy.

We have also reached an agreement with Rio Tinto and Turquoise Hill to advance the underground development phase of Oyu Tolgoi, a world-class copper and gold mine. We have sanctified the Oyu Tolgoi Investment Agreement, which established the mine as a benchmark for foreign investment in Mongolia. We have acted on principle and in good faith.

I hope that the Oyu Tolgoi project financing will close next month, so that the 2,000 jobs to be created under this project will become a reality for those who are waiting to be employed.

Early this year, Mongolia adopted a Comprehensive Macro Adjustment Plan to address today’s short-term economic challenges and to create long-term development opportunities. The plan calls for actions to enhance the investment climate, facilitate inflows of FDIs, and promote exports. These days, the government is also negotiating with an investment consortium for the Tavan Tolgoi coking coal mine, one of the world’s largest untapped coal deposits, with estimated reserves of about 6.4 billion tons. The government
has closely engaged with the private sector through public-private partnerships (PPPs) in infrastructure and social services to mobilize our resources, knowledge, and expertise. The Investment Law, along with the rules for procurement found in the Concession Law, has created a fairly level playing field for foreign and domestic private sector parties. We have so far prepared 77 concession projects, 10 of which are already underway. The remaining projects are awaiting their investors.

The Government of Mongolia adopted its 2015–2016 privatization programs, which aim to achieve the full or partial privatization of selected state-owned enterprises. Major power stations, coal mines, the Mongol Post, and Mongolian Telecommunications are slated for privatization. Mongolia welcomes foreign participation in these efforts.

The Government of Mongolia also plans to reorganize Erdenes Mongol, the host of this forum, into a holding company similar to the world-leading company Temasek, in Singapore. Erdenes Mongol will manage the government's stakes in sectors of industry and major development agencies at home, as well as investments abroad. The company will be committed to improving the living standards of Mongolians, as well as adhering to best international business standards and practices. It will strive for transparency and strong corporate governance.

I have not yet achieved everything I would like, but this is a marathon, not a sprint. And I say to you this afternoon that it is really important that we focus on where we need to go, rather than where we have come from.

At the outset, I want to highlight two key themes.

The first is the need for regional connectivity. Energy, transport, and infrastructure bottlenecks remain a key barrier to competitiveness for Mongolian businesses. This is evident from the annual competitiveness reports published by the IMD World Competitiveness Center, the Economic Policy & Competitiveness Research Center (based in Mongolia), and the World Bank (specifically, its “Doing Business” series).

Infrastructure bottlenecks are also the main obstacle to regional integration. Regional connectivity projects still account for only a fraction of total investment. Providing intra-regional connectivity for a continent as large and as diverse as Asia is not easy. Nor is it simply a matter of identifying projects. Planning for ownership support and resource mobilization needs to be done at the local, national, subregional, and regional levels.

CAREC initiatives help the region increase trade and attract investment. Through investments in and the completion of regional projects, we are striving to make Mongolia a hub for investors. The role of international financial institutions remains critical to the success of these projects and, ultimately, to the competitiveness of the Mongolian private sector.

The second theme comprises the “sanctity of contracts” and “rule of law.” I want to make the argument that these two concepts are key to attracting foreign investment. More than ever before, the investment environment in Mongolia is a welcoming one. Through years of experience with international investors, we have come to understand the importance of the
sanctity of contracts. Mongolia is committed to honoring its contracts. We realize that the sanctity of contracts entails a culture of commitment. Through our observance of contracts in good faith, I believe that Mongolia could be able to internationalize and develop its economy, achieve prosperity, and qualify as a well-governed society.

To give investors a greater sense of protection, we want to create a safe haven for foreign investors. We’ve also amended our laws and policies to create the required environment for future growth in Mongolia. We are restoring confidence and are allowing Mongolian and foreign investors to work as partners in realizing the country’s development objectives and vast inherent potential.

For my concluding my remarks, I would like to wish you all productive discussions and to extend my sincere appreciation to all the CAREC countries, ADB, and other international development partners for your close cooperation.

I trust that you will now share my enthusiasm for the tremendous opportunity for investment in Mongolia.

Mongolia is open for your business.
Session 2: The CAREC Region—Land of Opportunities

The Main Objective of Session 2
The purpose of this session was to give the representatives from the CAREC members five minutes to present their country-specific investment opportunities, priorities, and incentives for investment.

Moderator
Mr. David Pilling, Asia Editor of Financial Times Business

Presenters
(i) Mr. Yang Zhengwei, Director, Department of International Economic and Trade Affairs, Ministry of Commerce, PRC
(ii) Dr. Delgermaa Banzragch, Chief Advisor to Prime Minister of Mongolia
(iii) Dr. Zaur Gardashov, Head of the Investment Promotion Department, Azerbaijan Export and Investment Promotion Foundation, Ministry of Economic Development, Azerbaijan
(iv) Ms. Anjum Assad Amin, Additional Secretary of the Economic Affairs Division, Ministry of Finance, and CAREC National Focal Point, Pakistan
(v) Mr. Lochin Fayzullozoda, First Deputy Chairman, State Committee on Investments and State Property Management, Tajikistan
(vi) Mr. Ahmad Monir Navied, Director General, Mortgage Department, Da Afghanistan Bank (Central Bank of Afghanistan)
(vii) Ms. Gulmira Aubakirova, Chief Expert, Sectorial Policy and Analysis Division, Economic Integration Department, Ministry of Investments and Development, Kazakhstan
(viii) Mr. Mederbek Aliev, Head of the Investors' Support Division, Investment Promotion Agency, Ministry of Economy, Kyrgyz Republic
(ix) Mr. Alisherbek Paygamov, Head of the General Information and Analysis Department, Ministry of Foreign Economic Relations, Investments and Trade, Uzbekistan

Summary of the Key Notes and Open Discussion
The second session included the following themes: characterizations of the current economic conditions and investment structures of CAREC countries; the policies and actions implemented by each country’s government to attract foreign investment, including foreign direct investments (FDIs); the challenges faced by each country in attracting FDI; each country’s priority sectors for FDI; and the investment opportunities and incentives countries can offer investors.
I would like to give you an overview of foreign direct investments (FDIs), including the FDI regime in the PRC. The PRC started making its transition from a planned economy to a market economy that utilized FDIs in 1978. FDIs grew rapidly in the PRC from 1978 to 2009, especially in the export economy. FDIs in PRC reached $100 billion in 2008, the year of the global economic crisis. But despite the difficulties experienced worldwide, the PRC continued to see growth in FDIs. In fact, the government estimated that the PRC had taken in $119.6 billion in FDIs that year. And in 2014, the PRC became a top destination for FDIs for the first time.

According to statistical reports, the PRC is still a top priority choice for FDIs in the developing world. Moreover, the PRC has tried to optimize its FDI strategy and make a greater effort to attract FDIs into the service industry. In 2014, FDIs in the service industry surpassed 55% of total FDI. And the government has gradually promoted the transfer of FDI inflows to inland cities in the eastern regions.

Over the past 30 years, the PRC has never delayed the implementation of any of its measures to reform its FDI regime. These reforms have aimed to improve the transparency, stability, and predictability of the legal and market frameworks in the PRC as a means of attracting more foreign investment.

PRC’s measures to reform its FDI regime have focused on five areas:

(i) eliminating unnecessary market access restrictions (e.g., the amendment of the Catalog for the Guidance of Foreign Investment Industries in 2015),
(ii) accelerating reforms of the administrative examination and approval system (e.g., the abolishment or delegation of about 800 items within 8 legal batches between 2013 and 2015),
(iii) promoting investment facilitation,
(iv) taking an active role in attracting investment, and
(v) concluding more bilateral investment agreements (e.g., PRC–United States and PRC–European Union).

The PRC launched new negotiations with the United States and the European Union in 2014 to ensure the protection of FDIs in the PRC. This will help FDIs play a role in developing PRC, which continues to set up FDI areas. The government is drawing up a single foreign investment law derived from the three existing laws for foreign businesses and enterprises, with the aim of creating a fair environment for both foreign and domestic investment.
Note: ADB recognizes “China” as the People’s Republic of China.
A. BRIEF INTRODUCTION

- Keep a momentum of rapid development in the 30 years (1978-2008)
- Continue fast growing even after the financial crisis (2009- now)
- Optimize the mix of foreign investment e.g. an increase of FDI into the services sector,
- In 2014, China was estimated to have attracted $119.6 Billion of FDI and became the top destination for FDI at the first time.

1978-2008

Data Source: National Bureau of Statistics of China
Red Line indicates the foreign capital actually utilized,
Blue Line indicates the FDI actually utilized,
Unit of Measurement: FUK $
B. THE BASIC FRAMEWORK OF CHINA’S FOREIGN INVESTMENT REGIME

- The Tendency of the Reform

To improve the transparency, stability, and predictability of the legal and market environment for China to attract more foreign investment.
OPTIMIZE THE MIX OF FOREIGN INVESTMENT

The Proportion of the Foreign Capital Utilized in the Service Sector, China

Data Source: Statistical Bulletin of China’s Service Industry Attracting Foreign Investment

B. THE BASIC FRAMEWORK OF CHINA’S FOREIGN INVESTMENT REGIME

- The Key Measures:
  1. Eliminate the unnecessary restrictions on the market access;
     - e.g. Catalogue for the Guidance of Foreign Investment Industries (amended in 2015)
  2. Accelerate the reform of the administrative examination and approval system;
     - e.g. abolished or delegated around 800 items in 8 batches in the past 2 years
  3. Promote investment facilitation;
  4. Take an active part in attracting investment;
  5. Reach More Bilateral Investment Agreements;
     - e.g. China-USA, China-EU
B. THE BASIC FRAMEWORK OF CHINA’S FOREIGN INVESTMENT REGIME

The Way of the Future

- Make *Foreign Investment Law*, to create a fair environment for inward and domestic investment;
- Deepen the reform of the government administration,
  - Pre-establishment national treatment;
  - Negative list approach;
  - Post-establishment supervision;

C. THE ADVANTAGES OF CHINA TO ATTRACT THE FOREIGN DIRECT INVESTMENT

- The labor advantage of China shifts from low cost to well skilled.
- The industry chain, supply chain and logistic chain are much more completed.
- The doing business environment is favorable.
- The legitimate rights and interests of foreign invested enterprises are protected better.
D. CHINA’S EXPERIENCE

- Improve the legal and market environment continuously;
- Take an active part in facilitating investment;
- Provide good infrastructure and service;
- Create more advantages to attract investment.
- ...
Today, I would like to give you an overview of Mongolia. The territory of our country comprises 1.6 million square kilometers, and the 3 millionth citizen was born early this year. Mongolia made its transition both to a market economy and a democracy, like most of the other CAREC countries, 25 years ago. It is worth noting that the economy experienced rapid growth in 2011 and 2012.

A major factor contributing to the 2011–2012 growth was the rise in the prices of minerals and a rapid increase in FDI. At that time, Mongolia was the fastest-growing economy in the world. With 17% growth in 2011, our country was at the center of the world’s attention. However, the truth is that today our growth rate has dropped to 4.5% because the prices for minerals have declined, and there has been a halt in investment.

The Government of Mongolia is well aware of the need to move forward with its megaprojects. It is therefore essential to work with foreign investors. Last May we approved Oyu Tolgoi’s development plan for an underground mine, and agreed to move the project forward with the investor, Rio Tinto. We are confident that the development of other megaprojects will follow.

In addition to mining, Mongolia needs significant investment in energy, railways, coal-gasification, a new airport, roads, industry, and agriculture. There are many megaprojects in need of development in Mongolia. We are pursuing the following policies to attract investors:

(i) zero customs duties on imports of machinery and equipment for heavy industry,
(ii) support for the issuance of land-use permits for industrial purposes, and
(iii) visa facilitation and training.
Presenter 3: Dr. Zaur Gardashov, Head of the Investment Promotion Department, Azerbaijan Export and Investment Promotion Foundation, Ministry of Economic Development, Azerbaijan

Today, Azerbaijan’s economy is quite competitive on the international level, a fact that is reflected not only in the level of foreign investment, but also in our significant trade growth. According to the latest report on global competitiveness, we have led the countries of the Commonwealth of Independent States (CIS) for the sixth consecutive time. We are also in first place in terms of macroeconomic stability and inflation.

The diversification of the country’s economy is a necessary condition for macroeconomic stability and long-term economic growth. Diversification has therefore been a top priority in the government’s agenda over the past decade. As a result, the oil industry’s share of GDP has been growing gradually since 2012. The oil industry’s growth was close to 10% in 2014.

Azerbaijan’s strategic location gives it an advantage. Energy and transportation play an important role in both the national and regional economies. Our numerous oil and gas pipelines ensure other countries’ energy security. The construction of a transport corridor will be completed by the end of this year. This corridor will connect the railway transportation systems in Asia and Europe, and will allow some countries to shorten their delivery times to one-quarter of what they are now. All these achievements would have been impossible without the active engagement of foreign private investors. Today, Azerbaijan’s government authorities provide more than 450 administrative and information services electronically to businesses and to the public.

Azerbaijan has created a legal framework that offers guarantees for investors, institutional support, government services, a competitive tax regime, and easy terms for the creation of new businesses. Total investment was $200 billion during 1995–2014, of which $105 billion came from local investors and $95 billion from foreign investors. The oil industry represents 38% of foreign investment, while other sectors comprise the remaining 62%.

Azerbaijan aims to double its annual GDP to $13,000 per capita, move to an innovation-based economy, increase competitiveness through diversification, establish an export-oriented economic model, and increase the export volume of non-oil products and services to $1,000 per capita by 2020.
Azerbaijan’s priority sectors are tourism, information and communication technology, agriculture and the food industry, and manufacturing. There are special zones, including Sumgait Chemical Industrial Park, Balakhani Eco-Industrial Park, and Mingechaur Industrial Park, which are overseen by the Ministry of Economic Development; and Shamkir Agropark and Pirallahi High-Tech Park, which are overseen by the Ministry of Communications and High Technology.
Characteristics of economy

- Stability
- Favourable business and investment climate
- Private sector
- Clear vision for future

Economic stability: Competitiveness

1st among CIS countries (6 times running)

38th among 144 countries

8th among 144 countries in terms of stability of macroeconomic environment

Source: World Economic Forum

2nd fastest growing economy among 179 countries for GDP per capita growth in 2001-2010

Source: The Economist

Other indicators (place among 144):

- Inflation – 1st
- Macroeconomic environment – 9th
- Government budget balance – 15th
- General government debt – 12th
- Labour market efficiency – 33rd
- Capacity for innovation – 43rd
- Technological readiness – 56th
Economic stability: GDP Growth

Structure of GDP

2nd fastest growing economy among 179 countries for GDP per capita growth in 2001-2010

Source: The Economist
Favorable business environment
 Doing Business Report 2015

In the top 10 of the best reformers!

15th among the 50 most successful countries in reducing the distance from the "forward line" for the period since 2005.

Some indicators:
- Company Registration - 12
- Registration of real estate - 10
- Enforcing Contracts - 31
- Paying Taxes - 33

Developed legal framework

Guarantees for investors

Institutional support mechanisms

Government e-services

Competitive tax regime

Easy business start-up
Investments to economy 1995-2014

- Total Investments 200 bln. USD
- Non-oil sector 62%
- Oil sector 38%
- Domestic 105 bln. USD
- Foreign 95 bln. USD

Our vision of the future

- Priorities:
  - Competitiveness
  - Transport, transit and logistic infrastructure
  - Human capital
  - ICT and information society
  - Balanced development of regions
Azerbaijan 2020: the vision of the future

- Doubling GDP
- Reaching GDP per capita level to 13,000 USD

Azerbaijan 2020: the vision of the future

- Moving to innovation based economy
  - Increasing competitiveness through
  - Diversification
Azerbaijan 2020: the vision of the future

- Establishing export-oriented economic model
- Increasing volume of export to 1,000 USD per capita for non-oil products and services

Priority sectors

- Tourism
- Information and communication technology
- Agriculture and food industry
- Manufacturing
Special zones

Sunqury chemical industrial park — total area: 295 ha
Balakhani electro-park — total area: 55 ha
Minjakhyar industrial park — total area: 53 ha

Parks accommodate for intensive light industry.

Priority products: Chemicals used in agriculture, construction, packaging and automotive industries, textile products’ production, waste recycling and production.

Key advantages: All utilities provided by plug and play concept, availability of low-cost raw materials, Tax holidays for 7 years.

Shamli Agro Park — total area: 150 ha

Priority products: Agricultural products and food processing.

Key advantage: Technology parks; all utilities provided by plug and play concept, availability of low-cost raw materials, and export support; tax and duty incentives.

High tech park — total area: 3 thousand sq.m in Baku and 50 hectares on the island Fuzuli.

Priority products: Technologies used in agriculture, construction, packaging and automotive industries.

Key advantage: All utilities provided by plug and play concept, availability of low-cost raw materials, Tax holidays for 7 years.

*Institutedoretical and practical parks/institutions specialized in ICT.

Thank you for the attention!

Azerbaijan Export and Investment Promotion Foundation (AZPROMO)

Baku Business Center
32, Neftchiler ave., Baku, Azerbaijan
www.azpromoirelaz
www.azprom어서]
Tel: (+99412) 598 01 47/48;
Fax: (+99412) 598 01 52
office@azpromoirelaz
Presenter 4: Ms. Anjum Assad Amin, Additional Secretary, Economic Affairs Division, Ministry of Finance, and CAREC National Focal Point, Pakistan

Pakistan's population is almost 200 million, about 70 million of which are young and vibrant. GDP growth is 2.2% and projected to reach 7.7%. Pakistan is ranked as having the second largest salt reserves in the world. It is ranked third for the size of its copper reserves, and fifth for its gold and iron ore reserves. It is also the largest cotton producer, with the world’s third largest spinning textile market; the third largest wheat producer; fifth largest wool producer; and the 11th largest rice producer in the world.

We would like to invite investors from all over the world to come and explore the opportunities in all these sectors. Pakistan's investment policy is defined by ownership, so there are no restrictions on the transfer of capital, profits, and dividends. It provides a 25% tax credit for initial depreciation on machinery, tax exemptions on plant and machinery imports, and equal treatment for local and foreign investors.

All sectors are open to investment, with up to 100% foreign ownership opportunities. Visas are issued to investors from 69 countries upon arrival, branch and liaison offices are allowed, and there are special economic zones with industrial clusters. The government's investment policy is also defined by protection for foreign direct investments (FDIs). Bilateral investments and double taxation agreements have been made with a number of countries.

FDIs grew from a total of $6.1 billion in 1980 to $30 billion in 2000. One recent development in Pakistan that will create a great opportunity for investors from all over the world is the PRC–Pakistan Economic Corridor. This project will be funded by investments totaling $45 billion, and is expected to be completed by 2030. Countries can improve infrastructure by developing networks for travel by air, railway, road, and sea, and by developing facilities for direct communications.

A new phase of geoeconomic engagement under the CAREC Program will strengthen regional connectivity and economic integration for 3 billion people — in the CAREC region and around the world. This planned phase will support CAREC's existing initiatives (i.e., corridors 5 and 6), and will entail a change in Pakistan's economic landscape that will generate significant benefits for the region in terms of trade facilitation, communications, and energy.

Industries that offer investment opportunities in Pakistan include energy, mining, agriculture, automobiles, textiles, and leather. Pakistan also has mineral reserves worth $3 trillion, including zinc, carbon, gold, and copper.
BUSINESS CLIMATE AND INVESTMENT OPPORTUNITIES

INVESTMENT FORUM
24 September 2015
Ulaanbaatar, Mongolia

ECONOMIC OUTLOOK

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>186 million</td>
</tr>
<tr>
<td>Net FDI (2013-14)</td>
<td>$1.6 billion</td>
</tr>
<tr>
<td>Trade</td>
<td>$67 billion</td>
</tr>
<tr>
<td>Remittances</td>
<td>$16 billion</td>
</tr>
<tr>
<td>GDP Growth</td>
<td>4.2%</td>
</tr>
<tr>
<td>Foreign Exchange Reserves</td>
<td>$18.5 billion</td>
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<tr>
<td>Per Capita Income</td>
<td>$1513</td>
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<tr>
<td>Inflation (CPI)</td>
<td>4.8% from 8.7%</td>
</tr>
<tr>
<td>Karachi Stock Exchange</td>
<td>36,000 points</td>
</tr>
<tr>
<td>Baseline Profitability Index (BPI) 2015:</td>
<td>Ranking increased (58 from 97) among 110 countries</td>
</tr>
</tbody>
</table>
VARIOUS RESERVES OF PAKISTAN

- 2nd largest salt reserves
- 3rd largest copper reserves
- 3rd largest spinning textile market
- 4th largest milk producer
- 4th largest cotton producer
- 5th largest gold reserves
- 5th largest coal reserves
- 5th largest iron ores
- 8th largest wheat producer
- 11th largest rice producer

INVESTMENT POLICY

Ownership

- No restriction on remitting capital, profits & dividends
- 25% tax relief on initial depreciation on machinery and exemption of taxes on import of Plant and Machinery
- Same treatment for local and foreign investments
- All sectors open to investments
- Up to 100% foreign ownership
- Visa on arrival for 69 countries
- Branch & Liaison offices are allowed
- Industrial Clusters (SEZ)
INVESTMENT POLICY

Protection

- Protection of FDI via acts of parliament (Acts 1976 & ’92)
- Bilateral Investment Treaties
- Double Taxation treaties

TOTAL INVESTMENT TRENDS
(BILLION US$)

Source: SBP & Economic Survey 2014-15
CHINA PAKISTAN ECONOMIC CORRIDOR (CPEC)

- A new phase of geo-economic engagement to strengthen regional connectivity and economic integration for 3 billion people of the region particularly and the world at large.
- Supports CAREC existing initiatives specially corridor 5 and 6.
- CPEC would be completed by 2030 in different phases of short term, medium term and long term periods.
- Entails a change in the country’s economic landscape; with deeper implications for the region in trade facilitation, communication, energy and communication.
OPPORTUNITIES FOR INVESTMENT

- ENERGY SECTOR (POWER, OIL AND GAS)
- MININES AND MINERALS
- AGRICULTURE
- AUTOMOBILE
- TEXTILES SECTOR
- LEATHER INDUSTRY

Thank You
Presenter 5: Mr. Lochin Fayzullozoda, First Deputy Chairman, State Committee on Investments and State Property Management, Tajikistan

Tajikistan is a country that provides favorable operating conditions and protection for investors. It offers advantages such as political and legal stability, a favorable geographical location, an abundance of minerals, and a cheap and skilled labor force. Promoting international trade is a top priority for the government's investment policy. Inspection facilitation, fee and payment reductions, protection of property rights, and a better registration system have all been included in government reforms.

The required number of steps for creating small and medium-sized enterprises (SMEs) has been reduced from 30 to just 3. The required number of payments, including construction fees, has fallen from 800 to 86. The growing proportion of businesses with foreign investors has resulted in increased production of domestic goods and more revenue for the government. Average economic growth has been 5% since 2010—one of the best rates in the region.

Foreign and local investors together established about 400 enterprises in 2014, creating more than 4,000 jobs. Five agreements with foreign investors have been signed over the past two years, and they are projected to attract $1.6 billion and create 4,000 jobs in the medium term. The government has invested in 55 projects with an estimated total value of $2.2 billion; these projects are underway with support from international financial institutions, particularly the Asian Development Bank (ADB).

More than $2.6 billion has been spent on government transportation and energy projects. The government pays significant attention to foreign direct investments (FDIs) and has discussions with interested foreign investors. We have made double-taxation agreements with 25 countries, and mutual-promotion and protection-of-investment agreements with 36 countries. Tajikistan is prepared to approve investment regulations in line with international standards, including the protection of investors’ rights, the right to private property, and the repatriation of profits.

A working group has been set up to build a hydropower station with an investment of $400 million. Tajikistan has the potential to become a large electricity producer, providing 5.3 billion kilowatts of electricity per year. As of now, it uses only 6% of its capacity. Domestic energy production will serve as the foundation for the development of Tajikistan’s economy, particularly the industrial sector.
Tajikistan is a resource-rich country. More than 600 mineral deposits have been discovered, and they are ready for development. We have large deposits of gold, silver, coal, and other minerals that could attract more investors. International experts estimate that there are 4.3 billion tons of gold reserves in Tajikistan, and 320 million tons have been confirmed. We produce up to 20 tons of gold per year.

The climate is favorable for agriculture, and Tajikistan is a major cotton producer. The country grows 400,000 tons of cotton a year, though processing only 15%–20% of it. We thus have a lot of potential for investment. In addition, Tajikistan offers ecotourism.

Tajikistan is open to hosting the next CAREC meeting, and will be inviting investors. I would like to take this opportunity to invite you all to the second investment meeting, which will be held in Dushanbe on 14 October 2015. Tajikistan is a good neighbor, reliable partner, and an open economy.
INVESTMENT DRIVERS

Political and Socio-Economic Stability;
Diverse Investment Opportunities;
Regulation framework development;
Strategic Geographic Location;
Natural Resource Endowment;
Favorable business climate;
Open Trade Regime.

Measures on improvement of investment climate and business development

- Improvement of Legislation on Investment
- Development of Infrastructure
- Development of Public-Private Dialogue at a National and Regional Level
- Establishment of the Entrepreneurship Support Fund
- Establishment of Council and Center on Implementation of PPP Projects
- Development and Implementation of Programs, Concepts and Strategies on Business and Investment Development
Progress Achieved (1)

- Integration into the global economy: WTO Accession, Ratification of NY Convention and Apostille Convention, Progress on regional projects like CASA1000, Railway of Turkmenistan-Uzbekistan-Tajikistan, Gas Pipeline of Turkmenistan-Uzbekistan-Tajikistan-Kyrgyzstan-China, network of regional automobile highways
- Cutting red tape: Reforms to laws on permits, permits system, inspections, taxation and tax administration, activity of the “Single Window” on registration of business, import and export transactions, visa, registration of property, etc.
- Financial market development: establishment of a privately operated credit bureau, initiation of a sovereign credit rating, development of secondary market for securities and stock exchanges, liberalization and diversification of the insurance sector

Progress Achieved (2)

- Establishment of favorable investment basis: creation of four free economic zones, development of a Public Private Dialogue, adoption of laws on investments, investment agreement, concession, product sharing agreement, Public Private Partnership, state protection and support of entrepreneurship and etc.
- Increasing knowledge on Tajikistan investment opportunities among investors: establishment of agency on investment promotion and cooperation with investors, arrangement of a number of regular business-forums of the business circles of Tajikistan and foreign countries
- Simplification of state regulation of economy: Liberalization of most sectors for attraction of investment
Recognition of Tajikistan as a top reformer country

Adoption of a Number of Action Plans on Improvement of the Country Indicators in International Ratings, including the Doing Business Report of the World Bank.

Tajikistan is a top reformer country in 2010, 2011 and 2015

- Resolving Insolvency
- Starting a Business
- Dealing with Construction
-Enforcing Contracts
-Trading Across Borders
-Paying Taxes

STABILITY

- Model of political stability;
- Robust economic growth: average annual GDP growth rate - 7.4%;
- Sound macroeconomic management;
- Relative resilience amid global economic crisis.

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>GDP in market prices (US$ millions)</td>
<td>583.6</td>
<td>594.6</td>
<td>407.6</td>
<td>594.6</td>
<td>524.6</td>
<td>759.6</td>
<td>854.6</td>
<td>907.5</td>
<td>907.5</td>
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<tr>
<td>GDP Growth trend (%)</td>
<td>7.0</td>
<td>7.8</td>
<td>7.6</td>
<td>7.9</td>
<td>6.4</td>
<td>7.4</td>
<td>7.5</td>
<td>7.4</td>
<td>6.7</td>
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<tr>
<td>GDP per capita (US$)</td>
<td>464.4</td>
<td>514.9</td>
<td>770.9</td>
<td>468.1</td>
<td>745.0</td>
<td>468.9</td>
<td>943.7</td>
<td>390.9</td>
<td>333.2</td>
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<tr>
<td>Foreign trade turnover (US$)</td>
<td>3128.4</td>
<td>4019.3</td>
<td>4641.3</td>
<td>3179.9</td>
<td>3851.6</td>
<td>4963.3</td>
<td>3338.1</td>
<td>5224.7</td>
<td>5633.5</td>
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<tr>
<td>Inflation rate (%)</td>
<td>12.5</td>
<td>13.7</td>
<td>22.2</td>
<td>28.2</td>
<td>12.1</td>
<td>21.3</td>
<td>13.9</td>
<td>4.3</td>
<td>7.4</td>
</tr>
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</table>
TRENDS

Dynamics of the GDP for the 2008-2014 (billion somoni)

Dynamics of the Foreign Investment in 2008-2014 USD (million)

Republic of Tajikistan – Full Member of the International Community

<table>
<thead>
<tr>
<th>No</th>
<th>Organization Name</th>
<th>Headquarters</th>
<th>Entrance date</th>
<th>Name</th>
<th>Headquarters</th>
<th>Entrance date</th>
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<tr>
<td>2</td>
<td>OPEC</td>
<td>Vienna</td>
<td>02.03.1962</td>
<td>FAO for Agricultural Development</td>
<td>Rome</td>
<td>02.10.1944</td>
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<tr>
<td>6</td>
<td>Organization of Islamic Conference</td>
<td>Jeddah</td>
<td>01.12.1989</td>
<td>Universal Postal Union</td>
<td>Bern</td>
<td>16.06.1994</td>
</tr>
<tr>
<td>7</td>
<td>International Cooperation Organization</td>
<td>Tehran</td>
<td>21.05.1988</td>
<td>International Organizations on Space Communications (COSPAR)</td>
<td>Moscow</td>
<td>10.11.1994</td>
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<tr>
<td>11</td>
<td>International Bank for Reconstruction and Development</td>
<td>New York</td>
<td>05.06.1993</td>
<td>United Nations Food and Agriculture Organization</td>
<td>Rome</td>
<td>12.11.1993</td>
</tr>
<tr>
<td>12</td>
<td>International Finance Corporation</td>
<td>New York</td>
<td>04.06.1993</td>
<td>UN Industrial Development Bank</td>
<td>Vienna</td>
<td>05.02.1993</td>
</tr>
<tr>
<td>15</td>
<td>World Meteorological Organization</td>
<td>Geneva</td>
<td>09.08.1993</td>
<td>World Youth Organizations</td>
<td>Vienna</td>
<td>30.02.1995</td>
</tr>
</tbody>
</table>
Guarantees to Investors

- Equal rights of domestic and foreign investors
- Legal protection of investors. Guarantee of noninterference of Government in business
- Right of using and transferring abroad revenues and incomes (no exchange problem)
- Free property and information move (in/out)
- Intellectual Property Rights
- Right to use natural resources

Preferences for Investors

**Income tax exemption:**

- For 2 years, with investment amount between $200K and $500K;
- For 3 years, with investment amount between $500K and $2 mln.;
- For 4 years, with investment amount between $2 mln. and $5 mln.
- For 5 years, with investment amount of over $5 mln.

**VAT and customs duties exemption:**

- Technical equipment and components;
- Goods for projects endorsed by the Government of Tajikistan;
- Goods for construction of Hydro-power stations and very important objects for Tajikistan;
- Goods for start ups doing full-cycle processing of cotton.
Session 2: The CAREC Region—Land of Opportunities

Free Economic Zones

Forms of investment cooperation

- Concession Agreement
- Public Private Partnership
- Investment Agreements
- Production Sharing Agreement
Central Asia Regional Economic Cooperation (CAREC) Investment Forum 2015

Mining Sector Investments

Gem and semiprecious stones

Agro Processing

- **Opportunity:** up to 20 percent of agricultural products are lost due to lack of storage and processing capacity;

- **Market:** CIS Countries and European Union;

- **Preferences:** Program of Export Promotion for Tajikistan until 2015.
Tourism

- Eco-Tourism;
- Health & Spa;
- Mountain Hiking & Hunting.
- Developing Tourism Infrastructure

Thank you for your attention!
Presenter 6: Mr. Ahmad Monir Navied, Director General, Mortgage Department, Da Afghanistan Bank (Central Bank of Afghanistan)

Afghanistan’s gross domestic product (GDP) grew from $2.2 billion in 2002 to $22.0 billion in 2014. The total investment is estimated at $10,492,462,396, 82% of which is local investment and 18% foreign direct investment (FDI). Economic growth is expected to slow down in the medium term due to declining international military and aid expenditures. Factors such as regulation, inconsistency, weaknesses, corruption, and lack of enforcement create a high level of risk that discourages investors and entrepreneurs.

There is a shortage of reliable data on the investment climate. The bad news is that Afghanistan’s overall ranking was 183 out of 189 countries in the World Bank’s Doing Business 2015. Further, its ranking was 189 for protecting minority investors, 185 for dealing with construction permits, 184 for trading across borders, 183 for enforcing contracts, 183 for registering property, and 159 for resolving insolvency.

The good news is that it was ranked 24 for starting a business, 79 for paying taxes, and 89 for getting credit. In Transparency International’s Corruption Perceptions Index 2014, Afghanistan’s overall ranking was 172 out of the 174 countries. However, the government has streamlined investment licensing, reducing the time needed to get an investment license from 8 to 4 days during 2003–2012, and then from 4 days to 8 working hours during 2012–2015. And investment license renewals take only three hours.

There is a growing recognition by the new government and its international partners—such as the Department for International Development of the United Kingdom (DFID), the Swedish International Development Cooperation Agency (SIDA), and the United States Agency for International Development (USAID)—of the need to prioritize investment-climate reform as a way to stimulate growth and increase investment. The mission of the Afghanistan Investment Support Agency (AISA) is to strategically promote Afghanistan as an attractive investment and business destination and to accelerate economic growth through sustained industrial development.

The Afghanistan Investment Climate Facility Organization (Harakat) aims to remove or reduce regulatory and institutional barriers to doing business in Afghanistan. Harakat, the Afghanistan Chamber of Commerce & Industries (ACCI), and AISA are all working on specific reform projects. The Investment Climate Reform Roadmap and public-private dialog have emerged as the key mechanisms for coordinating and addressing investment-climate issues.

The effort to engage stakeholders is ongoing, including those of the Office of the President of Afghanistan. Harakat’s focus is on the establishment of one-stop shops for a more efficient delivery of public services to businesses, electricity sector reform, protections
for investors, easier access to finance, and a public–private partnership (PPP) regulatory framework.

PPPs are seen as one of the only viable options for mobilizing private-sector investment in infrastructure and for delivering public services, given that international aid spending is declining and government resources remain limited. Telecommunications, home mortgages, banking, insurance, agribusiness, transportation, construction, manufacturing, mining, and higher education are the priority sectors for investment in Afghanistan.

The challenges we are facing are security, corruption, uncertainty, poor physical infrastructure (roads, railways, energy, finance, insurance, skilled labor, and technical know-how), a large informal economy, a criminal economy (narcotics, monopolies, and smuggling), an immature private sector, low business confidence (on the part of investors, traders, and the general public), and the challenges that confront any landlocked country.

Afghanistan has shown some progress, such as the political will for passing investment-climate reforms; the streamlining of the licensing process for businesses; and a reduction in the amount of money lost due to corruption and of the opportunities for corruption. It also offers several advantages, such as a large, young educated labor force; access to a competitive market for medium-sized enterprises; the potential for regional integration; investment incentive packages; and expanded access to regional markets for the private sector.
Overview

- Current State of Investment Climate of Afghanistan
- Recent Developments: Investment Climate Reform Roadmap
- Challenges
- Opportunities

Afghanistan’s GDP Grew from $2.2 in 2003 to $22 in 2014

GDP GROWTH RATE

Source: World Bank
Investment Climate: Where We Are Now?

Current Situation:
- Economic growth slowing down in the medium term due to declining expenditure by international military and aid spending.
- Private sector impressions: a combination of factors, including regulatory gaps, inconsistencies, weaknesses, corruption and enforcement issues, creating high level of risk that act as discouragement for investors and entrepreneurs.
- Shortage of reliable or independent data on investment climate; existing data (including the World Bank DBI and Transparency International’s Corruption Index) reinforce the private sector’s impressions.

World Bank Doing Business Index 2016:
- Overall: Afghanistan ranked 183 out of 189.
- The bad news: protection for minority investors: 189; construction permits: 185; international trade: 184; enforcing contracts: 183; property registration/transfer: 183; solving insolvency: 159.
- The good news: Starting business: 24; Paying tax: 79; Getting credit: 89.

Transparency’s Corruption Perceptions Index 2014:
- Places Afghanistan 172 out of the 174 countries assessed.
World Banking Doing Business Index 2015: Afghanistan’s Overall Ranking: 183

World Bank Doing Business Indicator – South Asia

*Source: World Bank*
Streamlined Investment Licensing

2001–2012: Reduced the number of days to issue investment license from 5 days to 4 days

(2012–2015) Decreasing the number of days to issue investment license from 4 days to 8 working hours

Investment licenses are renewed in 3 hours

Recent Developments:
Investment Climate Reform Roadmap

- Growing recognition by the new government and its international partners (DFID, SIDA, USAID) to prioritize investment climate reform to stimulate growth, increase investment

- AISA’s mission is to strategically promote Afghanistan as an attractive investment & business destination and accelerate economic growth through sustained industrial development

- Harakats mission is remove or reduce regulatory and institutional barriers to doing business in Afghanistan

- Harakats Investment Climate Organization, Afghanistan Chamber of Commerce and Industries (ACCI) and Afghanistan Investment Support Agency (AISA) working on specific reform projects

- Investment Climate Reform Roadmap and Public Private Dialog emerging as the key mechanisms for coordinating and implementing the investment climate issues; engagement with the Office of the President of Afghanistan and stakeholders ongoing

- Harakat is focusing: one-stop shops for delivering government services to business more efficiently, electricity sector reform, protection of investors, easier access to finance, the regulatory framework for Public-Private Partnerships (PPP)

- PPP is seen as one of the only viable options in mobilizing private sector investment in infrastructure and public service deliveries as the international aid spending reduces, government’s resources are limited
PRIORITY SECTORS FOR INVESTMENT

• Telecommunication
• Housing/ Mortgage
• Banking
• Insurance
• Agribusiness
• Transportation
• Construction
• Manufacturing
• Mining
• Higher Education

Challenges:
- Challenging security
- Corruption
- Uncertainty
- Poor Physical Infrastructure (Roads, Railways, Energy)
- Limited Access to Finance, Insurance, Skilled Labor, Technical Know-How
- Large Informal Economy
- Criminal Economy (Narcotics, Monopoly, Smuggling)
- Nascent Private Sector
- Low Business Confidence (Investors, Traders, General Public)
- Immature Private Sector
- Land Locked Situation

Opportunities:
★ Political Will for Investment Climate Reforms
★ Streamlining Business Licensing to Reduce Costs and Opportunity for Corruption
★ Large Young Population (with Better Education Quality) as Labor Force
★ Access to Market for Medium Enterprises with Competitive Advantage
★ Regional Integration (RECCA, CAREC, TAPI, CASA 1000, TUTAP)
★ Government Considering Investment Incentive Package
★ Expanding Private Sector’s Access to Regional Markets and Increasing to Private Sector to Private Sector Trade and Investment
Presenter 7: Ms. Gulmira Aubakirova, Chief Expert, Sectorial Policy and Analysis Division, Economic Integration Department, Ministry of Investments and Development, Kazakhstan

Kazakhstan was ranked 50th on global competitiveness in 2014–2015, ahead of the India, the Kyrgyz Republic, the Russian Federation, and Ukraine. Kazakhstan’s priority industries include metallurgy, chemicals, agriculture, petrochemicals, oil refining, machinery, electrical equipment, agricultural machinery, railway machinery, mining equipment, oil production equipment, oil-and-gas refinery equipment, construction materials, and food.

Since 2014, Kazakhstan has provided new incentives, such as visa-free entry and work permits, to facilitate foreign investment. It also offers tax exemptions, including a zero corporate income tax (for 10 years), land tax (10 years), and property tax (8 years). And it reimburses up to 30% of the actual cost of installation,
construction, and equipment acquisition, without VAT and excise tax, based on supporting documents and expert opinion—unless the costs exceed those set out in the initial project document.

Kazakhstan provides stability in its tax legislation, except for VAT and excise taxes, which are subject to investment contracts. The Investment Ombudsman ensures the protection of investors’ rights and legitimate interests. Kazakhstan’s geographic position makes it a natural crossroad for major transit corridors from the east to the west and from the north to south.

The Western Europe–Western China International Transit Corridor passes through the territory of Kazakhstan. It allows cargo shipment from the People’s Republic of China (PRC) to Europe in 10 days. The flight times from Kazakhstan to most European destinations average five hours.
GLOBAL COMPETITIVENESS INDEX RANKINGS

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Switzerland</td>
<td>6.70</td>
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<tr>
<td>2</td>
<td>Singapore</td>
<td>6.60</td>
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<tr>
<td>3</td>
<td>USA</td>
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<tr>
<td>4</td>
<td>France</td>
<td>6.45</td>
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<tr>
<td>5</td>
<td>Germany</td>
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<tr>
<td>6</td>
<td>Japan</td>
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<td>50</td>
<td>Kazakhstan</td>
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<td>53</td>
<td>Russia</td>
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<td>55</td>
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<td>70</td>
<td>Ukraine</td>
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<td>856</td>
<td>People's Republic</td>
<td>3.75</td>
</tr>
</tbody>
</table>


NATURAL RESOURCES

Kazakhstan in the world ranking for reserves

Kazakhstan in the world ranking for production

Priority sectors

1. Metallurgy
   1. Ferrous metallurgy
   2. Non-ferrous metallurgy

2. Chemical Industry
   3. Agricultural chemistry
   4. Production of chemicals for industry

3. Petrochemical industry
   5. Oil production
   6. Petrochemical industry

4. Machinery
   7. Manufacture of motor vehicles
   8. Electrical equipment
   9. Agricultural machinery engineering
   10. Railway machinery engineering
   11. Mining equipment
   12. Oil producing equipment; oil and gas refining equipment

5. Production of construction materials
   13. Production of construction materials

6. Food Industry
   14. Food production

NEW INCENTIVES (since 2014)

FREE ENTRY

Visa-free entrance

Visa-free entrance for citizens of USA, Great Britain, Germany, France, Italy, Malaysia, Netherlands, UAE, South Korea, Japan for the period from 15 July 2014 till 15 July 2015 if the stay does not exceed 15 days (general application).

+ 10 new countries

FREE WORK PERMITS

Foreign labor

Without permit

for the duration of construction + 1 year after commissioning of the investment project for those with investment contracts
NEW INCENTIVES (since 2014)

Incentives for priority investment projects*

**TAX EXEMPTIONS:**
- Corporate income tax (10 years)
- Land tax (10 years)
- Property tax (8 years)

**CASHBACK ON INVESTMENTS**

Reimbursement up to 30% of the actual expenses for installation and construction works and equipment acquisition without value added tax and excise on the basis of supporting documents, but not exceeding the cost of expenses provided by preproject documentation having the conclusion of state expertise.

*Offers for priority investment projects:
- matching the List of Priority Activities (approved by the Government)
- newly created legal entities with investments of more than 2 million MCI (MCI - monthly calculated index, approved by the law on the national budget)

NEW INCENTIVES (since 2014)

Incentives for priority investment projects*

**STABLE LEGISLATION**

Stability of tax legislation for all taxes except VAT and excise (subject to investment contract)

**STRONG PROTECTION OF INVESTOR'S RIGHTS**

Ombudsmen’s Office
For ensuring protection of the rights and legitimate interests of the investors, the investment ombudsman:
1) considers addresses of investors on issues arising during the implementation of investment activity and gives recommendations for their solution, including interacting with government bodies;
2) assists investors in solution of arising issues in extrajudicial and prejudicial procedures.

*Offers for priority investment projects:
- matching the List of Priority Activities (approved by the Government)
- newly created legal entities with investments of more than 2 million MCI (MCI - monthly calculated index, approved by the law on the national budget)
**Infrastructure**

**LOCATION AND INFRASTRUCTURE**

- The Kazakhstan’s geographical position makes it a natural crossroads for major transit corridors from East to West, from North to South.
- The transcontinental automobile road corridor “Western Europe – Western China” passes through the territory of Kazakhstan. The corridor will allow to deliver freights from China to Europe in 10 days.
- There is a territory with population of more than 3.3 bln. people within a radius of 2 thsd. km (1,243 miles) from Kazakhstan.
- The flight time from most European destinations is five hours.
**Useful Links**

- Ministry of Investment and Development of the RK
  [www.mir.gov.kz](http://www.mir.gov.kz)

- e gov
  [www.egov.kz](http://www.egov.kz)

- National Export and Investment Agency
  «KAZNEX INVEST»
  [www.kaznexinvest.kz](http://www.kaznexinvest.kz)

- National Investment Internet Resource
  [www.invest.gov.kz](http://www.invest.gov.kz)

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**Ministry of Investment and Development of the Republic of Kazakhstan**

- **Thank you for your attention**
Presenter 8: Mr. Mederbek Aliev, Head of the Investors’ Support Division, Investment Promotion Agency, Ministry of Economics, Kyrgyz Republic

In terms of macroeconomic conditions, the Kyrgyz Republic’s gross domestic product (GDP) has grown 3.5 times over the past decade. The financial crisis did have negative impacts on our GDP in 2009, but the economy recovered quickly and the growth continued. According to the official forecast, the GDP will be $13.7 billion in 2017. The government has been working to create a favorable business climate and, as a result, foreign investment has increased more than four times since 2005.

Official statistics indicate that the unemployment rate averaged 8.5% over the past five years; but it has fallen by 0.8% to 7.7%, and is expected to fall further in the years to come, with a drop to 7.1% in 2016.

Another economic advantage for the Kyrgyz Republic is its location at the center of the Eurasian continent, which enables it to access large markets in neighboring countries. The Kyrgyz Republic occupies a strategic position between the Commonwealth of Independent States (CIS) and the Asia-Pacific Economic Cooperation (APEC) community, and is on one of the main transit routes through Central Asia. The Kyrgyz Republic builds relations of mutual trust with the other countries in the region, and with distant countries as well. Goods from the Kyrgyz Republic access markets with a total population of more than 2 billion people.

The Kyrgyz Republic is planning to enter the Customs Unions of Belarus, Kazakhstan, and the Russian Federation, a move that will facilitate the entry of Kyrgyz goods into these large markets, thereby making investments in manufacturing extremely profitable. In addition, the Kyrgyz Republic has a most-favored-nation treatment regime, provides equal conditions for foreign and local businesses, and grants investors the right to access international arbitrage.

In terms of foreign investment, Kyrgyz Republic enables exports; the repatriation of investment, property, and profit; compensation for losses; protection from the expropriation of investments, property, and information; freedom of monetary operations; protection of the investor’s rights to his or her investment; access to all industries; engagement in the privatization and acquisition of shares in local companies; opportunities to work with the government under public–private partnerships (PPPs); and the freedom to set up enterprises.
Free economic zones allow a favorable position for the promotion of cross-border trade. The entities in these zones trade with 68 countries, exporting goods to 27 of them. Trade turnover grew three times in 2 years, totaling $347 million in 2012. In terms of international trade, the Kyrgyz Republic was the first among the CIS countries to join the World Trade Organization (WTO), which it did in 1998. Today, it has the most liberal trade conditions in Central Asia.

The Kyrgyz Republic’s trade turnover has surpassed its GDP over the past decade, which is an indication of economic openness. In 2013, the Kyrgyz Republic traded with 145 countries, exporting to 82 of them, including both neighboring and distant countries. Two large markets, Dordoi and Kara-Suu, are the major trading centers of Central Asia; they are also re-export centers for goods from the People’s Republic of China (PRC) to Kazakhstan, the Russian Federation, Tajikistan, Uzbekistan, and other countries.

According to the World Bank report Doing Business 2013 and the Heritage Foundation’s 2014 Index of Economic Freedom, the Kyrgyz Republic was a leader in the region in 2013 on the following criteria:

(i) paying taxes,  
(ii) ease of doing business,  
(iii) labor market freedom,  
(iv) trade freedom,  
(v) investment freedom, and  
(vi) financial freedom.

The major economic sectors in the Kyrgyz Republic include mining, tourism, construction, agriculture, the sewing industry, transportation, and electric power. The country is rich in minerals and is known for its gold and rare metals. The mining industry is comprises gold, nonferrous metals, coal, oil, and gas, as well as minerals used in the construction and chemical industries. Total investment amounted to $217.6 million in 2010–2013.

There are 10 factors contributing to successful investment in the Kyrgyz Republic:

(i) macroeconomic stability and growth over the next three years,  
(ii) strategic locations and potential penetration of foreign markets,  
(iii) beneficial cooperation with international organizations,  
(iv) visa-free access to 61 countries,  
(v) the lowest tax rates in the region,  
(vi) free international trade,  
(vii) cheap skilled labor,  
(viii) free economic zones with tax and customs preferences,  
(ix) the fact that it is the easiest place in the region to do business, and  
(x) cheap electricity.
Invest in Kyrgyz Republic

Investment Promotion Agency
under the Ministry of Economy of
the Kyrgyz Republic

INTRODUCTION TO THE KYRGYZ REPUBLIC

GENERAL INFORMATION

- Official name: Kyrgyz Republic
- Form of government: Parliamentary republic
- Language: Kyrgyz (official), Russian (official)
- Currency: KGS, 1 USD = 54.39 KGS, 1 Euro = 68.89 KGS
- Financial and cultural centers: Bishkek city and Osh city

- Capital: Bishkek
- Total territory: 190,800 sq. km
- Population: 5.8 million
- Average age: 27 years
- Time zone: UTC+6
- Climate: Moderate continental
GDP of the country has grown 3.3 times within the last 10 years. Financial crisis has negatively influenced upon GDP of 2009, but economy of the country quickly rehabilitated and continued its growth, in accordance with the official forecast the GDP will be 13.76bn. USD in 2017.

PER CAPITA GDP (in USD)

State growth fulfilling standards at the index of dynamically developing economics.

FOREIGN DIRECT INVESTMENTS INFLOW (MLN. USD)

The Kyrgyz Republic makes efforts for creation of favourable business climate. Owing to this, efforts the volume of the foreign investments for the last 10 years has increased more than in 4 times.

UNEMPLOYMENT LEVEL (%)

Due to the data of official statistics, the average unemployment level for the last 5 years is at the level of 8.5 %. In 2013 it fell by 0.8 % to the level of 7.7 %. It is planned that the general level of unemployment will be reduced in the following years and will be 7.1 % in 2016.
Central Asia Regional Economic Cooperation (CAREC) Investment Forum 2015

**Basic Macroeconomic Indices**

**Foreign Direct Investments Inflow (mln. USD):**

- Owing to this effort, the volume of the foreign investments for the last 10 years has increased more than 4 times.

**Unemployment Level (%):**

- The data of the official statistics show that the average unemployment level for the last 5 years is at the level of 8.5%. In 2013, it fell by 0.8% to the level of 7.7%. It is planned that the general level of unemployment will be reduced in the following years and will be 7.1% in 2016.

**Strategic Location and Beneficial Co-operation**

**Access to External Markets:**

- The Kyrgyz Republic is in the center of the Eurasian continent and has an advantageous geographical location that makes it possible for it to access to large markets of the neighboring countries. The Republic takes a strategic position between the Commonwealth of Independent States and Asian-Pacific Economic Cooperation Society, being the one of the main transport nodes through Central Asia and the Republic builds mutual relations not only with the countries of the region but also with the far abroad countries.

- Goods from the Kyrgyz Republic have the access to the markets with populations of more than 2 mln people.

- The Republic is planning to enter the Customs Union of Russia, Kazakhstan and Belarus that will facilitate the entry of the goods to the large market. As a result, investments to manufacturing will be the most profitable.
**STRATEGIC LOCATION AND BENEFICIAL CO-OPERATION**

**THE REPUBLIC IS THE PARTICIPANT OF THE FOLLOWING INTERNATIONAL ASSOCIATIONS:**
- Multilateral Investment Guarantee Agency (MIGA)
- International Development Association (IDA)
- The Shanghai Cooperation Organization (SCO)
- The United Nations
- The World Trade Organization (WTO)

**THE KYRGYZ REPUBLIC APPLIES THE FOLLOWING TRADE REGIMES:**
- The countries of the WTO
- The most favored nation treatment
- The Least Developed Countries

**FAVOURABLE INVESTMENT CLIMATE**

**LIBERAL LEGISLATION**
- Most favored nation treatment regime
- Equal conditions for activity of foreign and local companies
- Right of access of the investors to international arbitration
- Guarantees of exporter repatriation of investments, property and information outside the Kyrgyz Republic
- Guarantees of protection from expropriation of investments and compensation of losses to the investors
- Freedom of monetary operations, etc.
- Wide protection of foreign investors rights by law on investments of the Kyrgyz Republic
- Access to all sectors of economics
- Participation in privatization, purchase of shares and securities of Kyrgyz companies
- Opportunities of wide cooperation with the state under the law on state and private partnership in the Kyrgyz Republic, guarantees of profit and fiscal preferences under the creation and operation of the state objects
- Freedom of choice for forms and objects of investments
CHEAP AND QUALIFIED LABOR FORCE

WAGES
Average monthly wage in 2013 was 235 USD.

<table>
<thead>
<tr>
<th>Economic Activity</th>
<th>Monthly Wage (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial activity</td>
<td>429</td>
</tr>
<tr>
<td>Transport and communication</td>
<td>334</td>
</tr>
<tr>
<td>Electricity, gas, and water supply</td>
<td>280</td>
</tr>
<tr>
<td>Mining industry</td>
<td>290</td>
</tr>
<tr>
<td>Real estate operations</td>
<td>227</td>
</tr>
<tr>
<td>Manufacturing industry</td>
<td>208</td>
</tr>
<tr>
<td>Construction</td>
<td>168</td>
</tr>
<tr>
<td>Hotels and restaurants</td>
<td>137</td>
</tr>
<tr>
<td>Agriculture</td>
<td>100</td>
</tr>
<tr>
<td>Fishing and fishing Industry</td>
<td>65</td>
</tr>
</tbody>
</table>

Average monthly wage of small businesses in the territory of the Kyrgyz Republic (USD)

Average monthly wage of small businesses throughout the Republic in 2013 was 116 USD. However, wages in all regions besides Bishkek City were significantly lower than average in the Republic.

CHEAP AND QUALIFIED LABOR FORCE

There are 55 higher schools and 241 elementary and secondary professional educational institutions functioning in the Kyrgyz Republic. 45,400 specialists of elementary and secondary educational levels and 41,300 specialists of high educational level have been graduated during the past year only.
CENTRAL ASIA REGIONAL ECONOMIC COOPERATION (CAREC) INVESTMENT FORUM 2015

TRADE OASIS IN CENTRAL ASIA

INTERNATIONAL TRADE

The Kyrgyz Republic was the first country among the C5 countries to join the WTO in 1996. For now, the Kyrgyz Republic has the most liberal trade conditions in Central Asia.

During the last 10 years, the Kyrgyz Republic has been increasing the GDP level and the economy has grown.

The Republic traded with 145 countries worldwide; exported goods to 82 countries in 2013. Export was oriented both neighboring countries and far abroad countries.

Export and Import (million USD)

<table>
<thead>
<tr>
<th>Year</th>
<th>Export</th>
<th>Import</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>1536</td>
<td>1175</td>
</tr>
<tr>
<td>2004</td>
<td>1672</td>
<td>1330</td>
</tr>
<tr>
<td>2005</td>
<td>2638</td>
<td>1756</td>
</tr>
<tr>
<td>2006</td>
<td>3523</td>
<td>2020</td>
</tr>
<tr>
<td>2007</td>
<td>4061</td>
<td>2356</td>
</tr>
<tr>
<td>2008</td>
<td>4087</td>
<td>2191</td>
</tr>
<tr>
<td>2009</td>
<td>3774</td>
<td>3699</td>
</tr>
</tbody>
</table>

TRADE OASIS IN CENTRAL ASIA

MAJOR TRADE JUNCTIONS

Two large markets Dordoi and Kapa-Cuu are major trade centers in Central Asia. These markets are re-export centers of goods from China to Tajikistan, Uzbekistan, Kazakhstan and Russia and other countries.

Dordoi Market: a point of exit via the market, where goods come to the Kyrgyz and the Kazakh markets.

According to WTO data, there are 80,000 people living in the market area, or 2% of the population.

The market turnover is approximately 4 billion USD.

Kapa-Cuu Market: the major market in the South of the Kyrgyz Republic. It is an important center of Chinese goods in export to Uzbekistan and Tajikistan.

Employment is more than 14,000 people.

Annual turnover is more than 40 million USD worth of goods.

Invest in the Kyrgyz Republic
INVESTOR CONFIDENCE

EFFECTIVE INVESTMENTS IN THE KYRGYZ REPUBLIC SINCE INDEPENDENCE

Coca-Cola is the largest enterprise specializing in the production and distribution of alcoholic and non-alcoholic beverages. The Coca-Cola Company successfully operates in the country for more than 15 years.

Golden Tulip—-the first international business hotel in Kyrgyzstan.

Carmen Gold Inc. is one of the largest gold mining companies in the world operating at the territory of the Kyrgyz Republic since 1992.

Dzhein Kyrgyz International Bank was established in 1992. It is the first bank in the Kyrgyz Republic consisting of 100% foreign capital.

Warme Bill Dan is established in 1998. The company is a leader in the market of dairy production and child nutrition.

OG Company Qurommet Asia Ltd is the largest operator at wholesale and retail markets of oil products and lubricants, functioning since 2004.

Blessing is a large mobile operator of the Kyrgyz Republic with covered territory up to 95% of the country’s population.

The hotel “Frida Regency Fushch” is a five-star hotel in the heart of the capital.

Balkaa Investment Bank (CSC) is the first bank of the Republic which is one of the largest banks in the banking sector of the country.

COUNTRY’S ADVANTAGES IN THE REGION

According to the World Bank report on “Doing business” and International Index of Economic Freedom calculated by the Heritage Foundation research centre, in 2013 the Kyrgyz Republic is a leader among other countries in the region on the following criteria:

INDEX OF ECONOMIC FREEDOM

- Taxation system
- Ease of doing business
- Labor market freedom
- Favorable financial policy of the government

DOING BUSINESS

DOING BUSINESS 2014

Number of steps to open business:

Number of days necessary for property registration

The extent of rights protection in credit agreements (according to a 10-point scale)
The Kyrgyz Republic is one of the largest mineral deposits in Asia. The country is rich in mineral resources and is well known for its gold reserves and deposits of rare metals.

Currently, the mining industry is represented by the following sectors:

- **Gold:** More than 40 gold deposits have been explored in the country.
- **Non-ferrous metals:** There are 2 large deposits of antimony and 3 major deposits of tin and tungsten.
- **Coal:** Geologists estimate the reserves of coal reach 240 million tons, which makes it possible to begin work on their exploration and the construction of coal and byproduct plants.
- **Oil and gas:** 18 oil fields are known, 11 of which are developed at Mid-Aral, Aral, and Balkan oblasts.
- **Deposits of construction materials:** Hundreds of deposits of construction materials, mining, and chemical raw materials. Three operating cement plants with a capacity of 1.37 million tons per year, dozens of brick factories.

The level of investment inflow was 217.5 mln. USD from 2010 to 2013 and has a tendency of growth.
**ECONOMIC SECTORS: TOURISM**

- Over 67 thousand operating companies
- 5.2% of all workers of the country
- Exports of services is $60.0 million dollars, 7.8% of country's GDP
- More than 3 million foreign visitors in a year

**LARGE POTENTIAL OF THE INDUSTRY**

- Health tourism
- Extreme tourism
- Mountain tourism
- Diving
- Water tourism
- Sports tourism
- Cultural tourism (heritage)
- Business tourism
- Event tourism

Visa-free travel for 41 countries:

- Australia, Austria, Belgium, Brazil, and Switzerland, United Arab Emirates, France, Germany, Greece, Iceland, Italy, Japan, Canada, South Korea, Russia, Latvia, Lithuania, Luxembourg, Nepal, New Zealand, Norway, UAE, Poland, Portugal, Saudi Arabia, Singapore, Slovakia, Slovenia, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Kingdom, United States, Vietnam, and Zimbabwe.

Additional notes:

- Lake Issyk-Kul is the second largest alpine lake in the world
- The country is crossed by the Great Silk Road which attracts thousands of tourists
- The growing trend of outdoor tourism in the region in South Asia and India
- The rating of the Globe Sport international group of independent evaluators includes Kyrgyz Republic in a list of 16 countries to visit in 2014

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**ECONOMIC SECTORS: CONSTRUCTION**

The construction sector of the Kyrgyz economy has a high potential. The scale of construction in the Kyrgyz Republic increases every year.

- More than 700 operating companies
- Contribution to GDP of the country is 7.1%
- In 2013, the growth of the industry was 19%
- Forecast: in the next 3 years, industry growth will be 21%

**The structure of the construction costs (at cost):**

- Depreciation of fixed assets: 10%
- Other costs: 10%
- Material costs: 10%
- Labor costs: 15%
- Social insurance costs: 5%
ECONOMY SECTORS: SEWING INDUSTRY

Based on simplified taxation system, the industry actively developing in the last couple of years by using cheap raw materials.

- Increase in volume of output - 39% in 5 years.
- Output of products per year - 375 mln USD
- Employment in the sector - 90,000-150,000 persons
- Average monthly wages - 170 USD
- Export diversification - 90% of products go to markets of Russia, Kazakhstan and Europe.
- Clothes export - 2nd place by volumes after gold
- More than 35000 continuing companies
- There is a simplified taxation system based on patent

ECONOMY SECTORS: TRANSPORT

- Incomes from freight traffic activity in 2013 - 132 mln USD
- Cargo transportation volume in 2013 - 41 mln tonnes
- The most widespread cargo transportation type - motor, 39.4 mln tonnes in 2013

Graphs showing annual cargo transportation volumes (in mln tonnes): Air - 1.401, Railway - 6.011, Inland water - 0.44, Motor - 16.21, Total - 39.400
ECONOMY SECTORS: ELECTRIC-POWER INDUSTRY

Electric-power industry is a strategic branch for Kyrgyz Republic. Hydroelectric potential allows to provide electric power for both our country and nearest countries.

- Hydraulic power industry – 53% of total volume of energy resources
- There is 21% of the country’s GDP per sector
- 16% of industrial output volume of the country
- The sector provides 10% of incomes to the republican budget
- Hydroelectric potential of the country – 1431 bn kWh
- Country potential is engaged only for 8-9.5%

There is a big potential for development of small-scale and medium-scale power generation. Water resources of minor rivers are developed only for 3%.

WHY THE KYRGYZ REPUBLIC?

10 FACTORS OF SUCCESSFUL INVESTMENTS IN THE KYRGYZ REPUBLIC:

- Stable macroeconomic indicators and growth in the next 3 years
- Strategic location and potential of foreign markets
- Beneficial cooperation with international organizations
- Visa-free access to 61 countries
- The lowest tax rates within the region
- Free international trade
- Cheap and skilled labor force
- Free economic zones with tax and customs preferences
- The easiest place to do business within the region
- Cheap electricity
Investment Promotion Agency under the Ministry of Economy of the Kyrgyz Republic

One of the main activities of the Agency is foreign investment promotion.

How can Agency help you?

Consult
- General information
- Statistics
- Economic sectors review
- Legal advice

Communication
- Access to all governmental authorities of the Kyrgyz Republic
- Local Companies (business associations, private companies)

Support
- Support in difficult situations within the competence of the Agency
- Support of investment projects

Investment Promotion Agency under the Ministry of Economics of Kyrgyz Republic

Email: info@invest.gov.kg
Tel: +996 312 623 844
Address: 720002, Kyrgyz Republic, Bishkek, Chui ave, 106
Open Discussion 2

**People’s Republic of China (PRC):** The PRC has to find new resources and opportunities for development. As its economy slows down, foreign direct investment (FDI) may shift from PRC to other countries. The PRC itself is looking for new investment opportunities elsewhere in the world.

**Azerbaijan:** It is clear that Mongolia is now dependent on the PRC. It would be better if companies did their own processing. In this fashion, Mongolia could become less dependent on the PRC.

**Anonymous:** Investment is good for the CAREC countries, but at the same time, it is also important to attract investment to your own country.

**Tajikistan:** We have two main sectors that have competitive advantages—energy and mining. The energy industry is most beneficial and addresses the great demand for electricity. What we are trying to do is supply it ourselves.
Session 3: Investing in a Regionally Connected Mongolia

<table>
<thead>
<tr>
<th>The Main Objective of Session 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>International investors attending the forum shared their experiences of doing business in Mongolia, and policy makers as well as investors examined the opportunities and strategies for ensuring an effective, sustainable, and conducive policy framework, while removing impediments to investment in a Mongolia connected to the rest of the CAREC region.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Moderator</th>
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</thead>
<tbody>
<tr>
<td>Mr. Dashdorj Zorigt, Board Member, Mongolia Development Strategy Institute</td>
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<table>
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<tr>
<th>Presenters</th>
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</thead>
<tbody>
<tr>
<td>(i) Mr. Thierry Plaisant, General Director, AREVA Mongol</td>
</tr>
<tr>
<td>(ii) Mr. Steve Potter, Executive Director, Wagner Asia Group</td>
</tr>
<tr>
<td>(iii) Mr. Loic Popiel, Representative in Asia of the Power System &amp; Transmission Engineering Centre (CIST), Electricité de France (EDF)</td>
</tr>
<tr>
<td>(iv) Mr. Chuluunseren Otgochuluu, Chief Economist, Managing Director (Office of the CEO), Erdenes Mongol LLC</td>
</tr>
<tr>
<td>(v) Mr. Maohe Chen, Chief Representative in Mongolia, China Development Bank</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Summary of the Key Notes and Open Discussion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two key initiatives aimed at increasing the competitiveness of the Tavan Tolgoi deposit, located in Mongolia, are the development of a connecting railway and the promotion of an investor-friendly legal environment. Actions to help foster equitable growth and protect the environment are also important.</td>
</tr>
</tbody>
</table>

Building the railway from Tavan Tolgoi to the Chinese border would be the best way to save time, reduce costs, increase volume, and improve the competitiveness of Mongolia’s coal market. At the same time, it is the best-known method of protecting the fragile ecosystem of the Gobi desert. |

The demand for investment in railway infrastructure is high, but Mongolia needs to create a better legal environment in order to attract more investors. |

After a prolonged debate, the Government of Mongolia has decided to build a railway to the Chinese border utilizing global-standard narrow-gauge tracks. |

The aim is to create local demand for infrastructure development and to implement large-scale projects to develop energy resources for export. |

Fostering beneficial partnerships between the private and public sectors can go a long way toward turning economic potential into effective private-sector led investment, thereby generating jobs and economic diversification, and fostering inclusive growth. |
These partnerships will be needed to improve the investment climate and realize the business potential of the CAREC markets.

Mongolia’s banking system needs more liberalization and less regulation, and investors should be given more freedom.

There should be a transparent regulatory framework with clear policies that will open the doors for foreign direct investments (FDIs) and offer ways to do business more easily. Mongolian law should be based on this framework.

Presenter 1: Mr. Thierry Plaisant, General Director, Areva Mongol

Good afternoon. I have worked in this region, specifically in Kazakhstan and Mongolia, for 15 years, and I would like to explain to you the financial situation here. My presentation today is about engineering operations and how they can be used effectively.

We’ve opened 56 central offices in such countries as Egypt and Kazakhstan, with an interest in five major resources in Cameroon, Canada, Kazakhstan, and Tajikistan. For Kazakhstan, we’ve established a dedicated fund totaling $503,000 for valuating resources.
AREVA is for entire nuclear cycle, from uranium mining to used fuel recycling, including nuclear reactor design and operating services.

AREVA’s share ownership is particularly stable. The French government holds 86.52% of AREVA’s share capital directly or indirectly as of Dec. 31, 2013.

Uranium Production in 2014 (tU)

- Canada: 9,134 tU (16%)
- Kazakhstan: 23,127 tU (41%)
- Niger: 4,057 tU (7%)
- Namibia: 3,255 tU (6%)
- Australia: 5,001 tU (9%)

5 largest producers:
- KazAtomProm: 25%
- Cameco: 16%
- AREVA: 13%
- ARMZ: 12%
- Uralsnab: 10%

2014 Production: ~56,000 tU
Top 5 countries = ~80% of the world production

Sources: AREVA and World Nuclear Association
Central Asia Regional Economic Cooperation (CAREC) Investment Forum 2015

AREVA Mining Business Line - one of the pillars of AREVA

8059 tons of Uranium
(AREVA’s consolidated financial share)
5 operating sites in 3 countries:

- **Canada**
  - McLean (43B units)
  - McArthur 2,338 tU
  - Cigar Lake
- **Kazakhstan**
  - Katco 4009 tU
- **Mongolia**
- **Niger**
  - Semair 2,750 tU
  - Cominak 513 tU
- **Namibia**
  - Imouraren (project)
- **Gabon**

1.3 billion € turnover
16% of AREVA’s turnover
4952 employees

*Operated by CARECO; AREVA’s consolidated financial share in 2013 total production = 1,144 tU
** AREVA’s consolidated financial share in 2013 total production = 1,508 tU
***Initial workforce managed by AREVA (regardless of AREVA’s state in mining joint ventures)

Market demand for uranium

Supply / Demand balance (’000 tU/yr)

- **Demand**
  - Demand to be covered by new mining projects
  - Mines under construction
  - Production from existing mines
  - Secondary* sources of supply

**New mines will be needed to meet demand in 2020**

*Secondary resources: Uranium from dismantled Russian and US weapons put on the civilian market (HEU); materials recovered from used fuel, and salable uranium stocks by the DOE

Source: INEA
AREVA in Mongolia: Uranium exploration for 19 years

- 1996: Creation of COGEGOBI for uranium exploration in Mongolia
- Zuuvch Ovoo (55,000 tU) makes Mongolia ranking at the 11th in the world with known recoverable reserves of uranium.

- Oct 2013: Mongolia’s state owned Mon-Atom and AREVA Mongol’s shareholders’ agreement to establish joint venture AREVA Mines
- Nov 2013: Mitsubishi Corporation became 34% shareholder of AREVA Mongol after signing a cooperation agreement with AREVA in 2009
- AREVA Mines joint venture will mine Dulaan Uul and Zuuvch Ovoo uranium deposits
- COGEGOBI holds 19 exploration licenses in Mongolia in Sept 2015.

*Source: World Nuclear Association (Mongolia’s known recoverable uranium reserve 141,500 tU in 2013).

AREVA in Mongolia: Investment for 19 years

- Investment: more than 150 million USD since 1996
- Total Drilling ≈ 810,000 m in 1999 – 2014
- Social projects: More than 2 billion MNT spent for local projects since 2006.
- Two year -700K USD Veterinary project launched in Nov 2014.
Three things: mines must make profits efficiently, they must process their goods efficiently, and they must make their deliveries cost-effectively. Now, Mongolia is proving to be very capable at mining efficiently. It has many places with the ability to process raw materials. The oil industry here is an absolute world-class concentrative operation, producing the most efficient concentrate in the world. Mongolia also has the ability to at least process minerals; and it can deliver and utilize them. All of us in Mongolia have the ability to deliver goods effectively. We’re on track, but we’re still not as efficient as we could be.

Remember, the Gobi Desert is a fragile ecosystem. In many cases, transporting coal creates huge clouds of dust because the dust is kicked up by the coal trucks. This is exceedingly damaging to that environment. To make matters worse, the Gobi Desert is a very windy place.
Yet this is one of those rare cases for which there is a very simple solution. Mongolia must complete a railway project as quickly and cost-effectively as possible. The distance to the Chinese border is only 50 kilometers, so it could be easy to reach by rail. And we are talking about shipments costing only $6 or $7 per ton. By utilizing a transport system based on rail, Mongolia could become competitive in the global market.

However, this solution has been very difficult to realize. That is unfortunate, as a well-planned railway could also help prevent damage to the environment, and ensure that wildlife could continue using the centuries-old migration paths.
CAREC INVESTMENT FORUM
Ulaanbaatar, September 23rd, 2015
S.J. (Steve) Potter
Managing Director, WAE LLC

Business Environment

Copper & Gold Prices

Metallurgical Coal Price

Crude Oil & Iron Ore Prices

GDP Growth of China

- The commodity markets are cyclical
- Today we are at a low point on the cycle
- Mongolia is heavily dependent on China to buy its commodities
- Chinese Economy shifted to its next phase of growth—New normal
Business Environment

- For our business to be profitable requires mining fleets to be working.
- Today too many are idle or working at low utilization.

Solution

- Expensive: ($s/ton)
- Dangerous: (Driver Fatalities)
- Damaging: (Dust)
- Cheap: (cents/ton)
- Safe: (2 engineers vs. 130+drivers)
- Minimal Damage: (minimal dust)

✓ Mongolia can be competitive even when commodity prices are low, but lacks the right transport infrastructure.
✓ Politics & vested interest must be replaced by economic reality & commonsense.
Presenter 3: Mr. Loic Popiel, Representative in Asia of the Power System & Transmission Engineering Centre (CIST), Electricité de France (EDF)

Hello, ladies and gentlemen.

I’m going to present my company and our experience in Asia, speaking as best I can in my limited English. I will try to tell you about our company and what fields we can invest in. EDF (Electricité de France) is a state-owned company, but the state owns just 85% of its shares, and there is also an international group of investors. Its key activity is cultivating energy and building energy networks. We operate in the People’s Republic of China (PRC), other parts of Asia, Brazil, and France.

The challenge here is to provide a mix of energy types. Energy transmissions are coming from PRC, and we also have energy networks in Europe. With regard to our activities in the PRC and Mongolia, we have to talk about two projects. We operate in [the south part of the People’s Republic of] China, and invest in energy there. The southeast of Mongolia is rich in energy resources. So we are ready to cooperate with the government and to invest in this field. Thank you so much.
Moderator: Okay, We have heard from three companies, and we have three others here. But I think, we need to proceed to the questions now.

I would like to pose one question to the companies with long-term local operations. If you look throughout the region, there are gas pipes in Kazakhstan, Tajikistan, Turkmenistan, and Uzbekistan that travel to the PRC and the Russian Federation. Mongolia, however, is not connected. Let us remember that we have a vibrant democracy here, with an opposition party to counter the prime minister.

Steve, is it possible at all to have this infrastructure in Mongolia?

Steve Potter: I think the answer is yes. It is a case of whether a project’s fundamentals make economic sense. Then we have got to have the PRC and the Russian Federation working on particular projects in accordance with the law. Additional investment will be required, and then we can see the projects’ results.

I think that if you look at Mongolian law, in the last couple of years legislation has been amended so that policies are more positive for business. Legislation is one answer to great challenges, but I think that a developing country looking for investment in the field of mining needs to have good infrastructure. I am generally optimistic about the benefits that infrastructure can offer.

Government policy could allow developers to receive the initial investment required and to see the projects through.
EDF 2014 KEY FIGURES

- A world leader in electricity covering all activities
  - Generation (from nuclear to renewables),
  - Networks,
  - Sales and Trading

- A public service company
  - A listed company, with the State as major stakeholder (85%)
  - Aiming at fulfilling public services’ missions
  - A 12bn € investment plan to strengthen our assets and develop our activities
  - Provide cheap and secure energy

We are an international group

- European leader on the electricity market

- 39 M Clients
- 160 000 Employees
- 72.9 Bn € Sales
- 12 Bn € Investment
- 26 Presence in 26 countries

A CARBON FREE ELECTRICITY COMP

- A diversified mix making the Group the leader in low carbon energy

1st Nuclear
operator worldwide

- 74.8 GW of nuclear installed capacity
- 58 reactors in France, 15 in the US and 5 in the UK
- 3 EPR reactors, future construction

ENR
A key leader in the European renewable market

EDF Energies Nouvelles:
31.1% growth in 2015
GREEN BOND:
1.2bn € invested in ENR

of the EDF Group’s electricity output is carbon free
Business opportunities in Mongolia

Past experiences in Mongolia

- CHPS and Tavan Tolgoi power generation Project: Due diligence performed by EDF for these two projects.
- Bidding on “energy efficiency and urban environment project ( № 0649)”

Power Generation Investments in Mongolia

- Due diligence and opportunities studies for investment in Power generation are under EDF International Division located in Bangkok.
- EDF is not necessarily the main share holder but a significant industrial role is one of the key conditions in EDF’s investment (such as participation in design, or as owner Engineer during design and construction)

Power Transmission in Mongolia

- EDF-CIST, Transmission Engineering center; can provide technical assistance through consulting Services.
- EDF-CIST consulting services often provide the base line for further EDF investment.
CIST, serving the needs of diverse customers

Our activities in the Middle East

- **United Arab Emirates**
  - Manager of Doha Project
  - Substation construction
  - Interconnection of the Emirates
  - Extension of Dispatcher Center in Abu Dhabi and Al Ain
  - Sub project of Al JV
  - Supervision of the construction of the substations
  - in Doha (113 kV + 38 kV)
  - 132 kV Interconnector (Abu Dhabi - Al Ain), 38 kV transmission line (Abu Dhabi - Dubai)
  - and supervision of the construction of the substations
  - in Doha (113 kV + 38 kV)
  - 132 kV Interconnector (Abu Dhabi - Al Ain), 38 kV transmission line (Abu Dhabi - Dubai)

- **Qatar**
  - National Dispatching Centre supervision

- **Yemen**
  - Substations and distribution systems
  - Consultant services for National and Regional Dispatching Centers in Yemen

- **Oman**
  - Network study for the interconnection of Oman and the United Arab Emirates
  - Pre-feasibility study for the compensation
Our activities in Asia

CHINA
- EDF - China holding: Official representation, Nuclear activities (FRR), Non Nuclear activities (Thermal coal ultra super Critical)

MONGOLIA
- Prospect and bidding for energy efficiency and urban development project (TA 8649)

LAOS
- Transmission lines for hydropower from Thakhek 2 power plant

INDIA
- Technical assistance for national load dispatch centre

THAILAND
- Underground substation for NEA - Design and supervision ongoing

INDONESIA
- Study for the mg network around Jakarta

PAPOUASIA NEW GUYNEA
- Studies and engineering Austral - Papua New Guinea interconnection

A structure, developed over 30 years to answer EDF long term needs

Merci Thank you
Presenter 4: Mr. Chuluuntseren Otgochuluu, Chief Economist, Managing Director (Office of the CEO), Erdenes Mongol LLC

Erdenes Mongol is developing world-class mining, and we are working to achieve better performance that will contribute more to the Mongolian economy. We have to create value for our shareholders, but an issue of growing importance is transportation to the border with the People’s Republic of China (PRC). The Mongolian government has already made its decision about the railway from Tavan Tolgoi to the Gashuun Sukhait border-crossing point. We will build according to world standards, and that means narrow gauge rail to the Chinese border. Right now, what will make the Tavan Tolgoi deposit competitive is low costs. If we have a railway, the costs will decrease significantly, I would say by at least 50%, possibly 70%. Market research that we did a few years ago showed that if we had a railway, we could decrease our costs by about 70%. But it actually depends on the price and volume.

This will mean more business for the transporting companies. The market is here, and we have suppliers. If the mine is successful, the mining services could invest in transportation, and the operating companies would profit more.

Presenter 5: Mr. Maohe Chen, Chief Representative in Mongolia, China Development Bank

The China Development Bank is interested in these projects. The PRC and Mongolia are cooperative countries. Now, we are paying attention to some transborder projects.

Road infrastructure is limited in terms of how much can be transported. Also, we are very interested in free economic zones located at border-crossing areas where we can transport products to the sea. When we look at areas of interest for Mongolia, we see electricity, water, roads, and logistics. So we must finance the development of border-crossing points.
Open Discussion 3

**Moderator:** Let’s proceed to the next question. What should be the top three priorities for infrastructure in Mongolia? And how should the Government of Mongolia act?

**Anonymous:** There are some problems in developing infrastructure in Mongolia. The main problem is that the government wants to make decisions that are not appropriate for the country. We have to build 40 kilometers of road to access a deposit. That is very small. What we expect from the Mongolian government is it to secure strategic projects and implement efficient measures. It is important to determine specifications and start additional projects.

**Moderator:** Thank you. Could you tell me one priority that Mongolia should focus on first in order to connect its infrastructure to the infrastructure of neighboring countries?

**Steve Potter:** From the government side, we have three fears. The first concerns consistency in policy. Second is transparency in the decision-making process. The third concerns the existence of an efficient, functional mechanism to implement the entire process.

**Chuluuntseren Otgochuluu:** In addition to supporting the megaprojects, we have to improve competition. There is too much protection of the banking sector.

**Moderator:** We have highlighted three options. First, focus on local demand. Second, focus on export products, such as minerals, and for that infrastructure is needed to be competitive. Third, exploit Mongolia’s geographic location between the PRC and the Russian Federation, which is an advantage.

In conclusion, we see that we need precision, relevance, liberalization, and an openness to new ideas. We also need to free up tariffs and open up other markets as well.

Thank you very much.
Closing Remarks

Ayumi Konishi
Director General, East Asia Department
Asian Development Bank

Distinguished delegates, ladies and gentlemen:

Thank you very much for your kind participation in today’s Central Asia Regional Economic Cooperation (CAREC) Investment Forum. I hope you will all agree with me that we have had a long but productive day. And I want to say that your presence and contributions at this forum have helped make it a great success. Thanks for the efforts and contributions of everyone here. We have had very good, candid, and informative discussions. Before our forum officially closes, please allow me to share with you some of the key takeaways.

First, I hope that you all will agree with me in saying that the CAREC region is full of opportunities for business and investment. We have learned this from the representatives of the CAREC governments, which kindly shared with us information about the opportunities and priorities in each of their respective countries. We have also learned this from the investors attending the forum, who presented their experiences through real-life cases—many of which were very successful. While the opportunities in resource-based industries such as energy and mining are huge, there is an even greater need for investment in other sectors, such as infrastructure, manufacturing, agribusiness, tourism, logistics services, and more.

Most importantly, investors have shown a real interest in pursuing those opportunities. We are very happy to see an interest in further investment, and are grateful that the investors here have shared their perspectives, rather than keeping them as hidden secrets for themselves only!

Second, we all recognize that the environment for investment and doing business in the CAREC region is still less than perfect. There is still room for improvement. Meanwhile, we are also very much encouraged to see that the CAREC countries are seriously committed to making a genuine effort, and that progress is being made. His Excellency Prime Minister Saikhanbileg shared with us his insights about what the Government of Mongolia is doing to improve the investment climate. Representatives of other CAREC countries have also spoken very well about what measures—legal, political, and administrative—they are taking to create a more enabling environment for investment, and to make it easier to do business in general.

Third, I hope you will also agree that forging partnerships is a critical prerequisite for our future success. President Nakao highlighted how the Asian Development Bank (ADB) and other development partners are working with CAREC countries to foster more conducive investment climates. Indeed, attracting investment is all about entering into partnerships. ADB and other CAREC development partners are available to help ensure that such partnerships are fair and mutually beneficial for the investor and the investee countries.
We at ADB provide advisory services that the CAREC countries may need. We can provide expertise in modernizing the legal framework and minimizing potential misunderstandings and disputes. We can finance the adjustment costs associated with creating a more investment-friendly climate. We also bring with us the financial resources to help conclude concrete deals. And, of course, we make a special effort to promote public-private partnerships. We want to ensure that public–private partnerships will benefit all parties concerned: the host countries and the international investors.

Overall, I’m very much impressed by the candor you’ve shown in discussing the challenges we still face. I’m equally enlightened by the constructive approaches you have come up with to address those challenges. Most importantly, I think that all of us should be proud of the spirit of partnership that we have shared during today’s deliberations.

Before I conclude, let me, once again, express my sincere appreciation for the valuable contributions all of you have made. In particular, I want to thank our host country, Mongolia, for inviting us to Ulaanbaatar. I want to thank our co-organizers, Erdenes Mongol and the Business Council of Mongolia, for their wonderful arrangements. I also want to give my special thanks to our moderators for a job very well done and to the panelists for their insights and wisdom. Last but not least, let me also thank the secretariat and our interpreters for their hard work, without whom our forum wouldn’t have been such a success.

I look forward to seeing the continuing development of the CAREC countries with your participation.

Thank you very much.
Closing Remarks

Chuluuntseren Otgochuluu
Chief Economist, Managing Director
Erdenes Mongol LLC

Ladies and gentlemen, distinguished delegates,

We have reached the end of the CAREC Investment Forum, and it is my honor to provide some closing remarks.

I would like to express my sincere appreciation to all of you for your contributions and valuable input, and for your active involvement in the forum. I personally believe that this forum has given us a chance to address emerging regional investment matters and allowed us to build up a stronger network.

The accomplishments of this forum can be added to a long list of achievements in the history of regional cooperation. Today’s milestone achievement is that we have successfully built up a solid network for future regional cooperation. I would like to briefly review some of the main points aired during our meetings. The overriding messages are that:

(i) Mongolia is back in business, and is enthusiastic about inviting foreign investors and obtaining their investments.
(ii) There are many investment opportunities in the CAREC region, especially for the private sector.
(iii) With the creation of modern infrastructure, clear and well-implemented guidelines facilitating cross-border transportation and trade, and a strong political will to make this happen, the coming decade could be the most prosperous ever in the CAREC region.

On the Mongolian side, we are also exploring ways to improve our cooperation with foreign investors. Important lessons can also be learned from other parts of the region.

Erdenes Mongol is deeply committed to restructuring its businesses and developing major projects that will provide value to the shareholders. We are starting to operate as an independent investment company, with the ability to act as a commercial business and pay dividends to sovereign wealth funds.

Let me finish by thanking you all again for your participation in this forum. My deepest thanks goes to Your Excellencies, the Ministers, and Ambassadors, the heads of international organizations, the chief executives of national and international companies, and all the speakers and panel members. Their presence has been invaluable and, without any doubt, has helped make the event a great success.

We appreciate the support we have received from the members of the media in covering our activities. It is very important that the views expressed here be disseminated to a wider audience, and clearly this task has been placed in very capable hands.
This successful forum was the result of excellent cooperation among many parties. Special thanks are due to all those who have been involved in organizing the event and have made the forum possible through their contributions. I feel obliged to express my thanks to the Asian Development Bank, Erdenes Mongol, the Business Council of Mongolia, the organizing and technical committees, as well as all the members of the secretariat who contributed their time and effort to realize this success. Special thanks are also due to Mr. Cameron McRae.

We look forward to seeing you again, when we shall reconvene to discuss many other important topics concerning the CAREC region and its competitiveness.

Now, we would like you to enjoy the dinner and to continue developing connections with new friends, partners, and counterparts.

Thank you.

Mr. Cameron McRae: Thank you again to all of the staff, to the translators, ADB, Erdenes Mongol, and the Business Council. Please put your hands together for the staff. During the investment forum, I have seen a lot of great work being done, and I appreciate the lively discussions that have been generated. Of course, I appreciate any feedback from both staff and attendees. Erdenes Mongol, for us, has been a wonderful partner.

Thank you, everybody.
APPENDIX
List of Participants

I. Keynote Speaker
1. Mr. Chimed Saikhanbileg, Prime Minister, Government of Mongolia

II. CAREC Senior Government Officials
A. Afghanistan
2. Mr. Mahmood Baligh, Minister, Ministry of Public Works
3. Mr. Abdul Razique Samadi, CEO, Da Afghanistan Breshna Sherkat (DABS or Afghanistan National Electricity Company)
4. Mr. Mozammil Shinwari, Deputy Minister, Ministry of Commerce and Industry
5. Mr. Shafiq Ahmad Qarizada, Deputy Minister (Customs), Ministry of Finance
6. Mr. Mohammad Yamma Shams, General Director and CEO, Afghanistan Railway Authority
7. Mr. Ahmad Monir Navied, Director General, Mortgage Department, Da Afghanistan Bank (Central Bank of Afghanistan)

B. Azerbaijan
8. Mr. Samir Veliyev, Head of Administration, Ministry of Economy and Industry/Central Asia Regional Economic Cooperation (CAREC) National Focal Point (NFP)
9. Mr. Dilavar Farzaliyev, Head of the Department of International Relations, State Customs Committee
10. Dr. Zaur Gardashov, Head of the Investment Promotion Department, Azerbaijan Export and Investment Promotion Foundation, Ministry of Economic Development, Azerbaijan
11. Mr. Izzat Ismayilov, Head of Economic and Statistics Division, Ministry of Transport
12. Mr. Asaf Rzaev, Deputy Head, Energy Department, Ministry of Energy

C. People’s Republic of China
13. Ms. Zou Jiayi, Assistant Minister, Ministry of Finance (MOF)
14. Mr. Cheng Zhijun, Deputy Director General, Department of International Economic & Financial Cooperation, MOF, and CAREC NFP
15. Ms. Zhang Minwen, Director, Department of International Economic & Financial Cooperation, MOF
16. Ms. Liu Yan, Section Chief, MOF
17. Ms. Li Hongna, Section Chief, Department of International Economic & Financial Cooperation, MOF
18. Mr. Zhang Ji, Section Chief, Department of International Economic & Financial Cooperation, MOF
19. Dr. Xia Cheng, Director, National Development and Reform Commission
20. Ms. Xing Fangfang, Counsellor, Department of European-Central Asian Affairs, Ministry of Foreign Affairs
21. Mr. Yang Zhengwei, Director, Department of International Economic and Trade Affairs, Ministry of Commerce, PRC
22. Ms. Du Yi, Section Chief, Ministry of Commerce
23. Mr. Chang Junzheng, Vice Chairman, Inner Mongolia Autonomous Region
24. Mr. Zhang Hua, Director General, Department of Finance, Inner Mongolia Autonomous Region
25. Ms. Liu Xiaoli, Deputy Director, Department of Finance, Inner Mongolia Autonomous Region
26. Mr. Ailati Aishan, Secretary General, Government of the Xinjiang Uygur Autonomous Region (XUAR)
27. Mr. Xie Xuan, Deputy Director General, (XUAR)
28. Ms. Xia Shuhui, Deputy Director, (XUAR)

D. Kazakhstan
29. Mr. Almas Baitenov, Deputy Director, Department of Budget Investments and Public-Private Partnership, Ministry of National Economy
30. Mr. Satzhan Ablaliyev, Deputy Chairman, Road Committee, Ministry of Investment and Development
31. Mr. Nurkan Sadvakassov, Director, Compliance Department of Monitoring in accordance with the Requirements of Technical Regulations, Committee on Consumer Protection, Ministry of National Economy
32. Mr. Yerzhan Abdyrakhmanov, Head of Customs Control Division, State Revenue Committee
33. Ms. Gulmira Aubakirova, Chief Expert, Sectorial Policy and Analysis Division, Economic Integration Department, Ministry of Investments and Development

E. Kyrgyz Republic
34. Mr. Kylych Djakypov, Deputy Minister, Ministry of Economy, and CAREC NFP
35. Mr. Ulan Uezbaev, Deputy Minister, Ministry of Transportation and Communications
36. Mr. Aibek Kaliev, Deputy Minister, Ministry of Energy and Industry
37. Ms. Elnura Mambetzhunusheva, Deputy Head, Customs Control Department
38. Mr. Alibek Matiev, Leading Expert, Investment and PPP Department, Ministry of Economy
39. Mr. Mederbek Aliev, Head of the Investors’ Support Division, Investment Promotion Agency, Ministry of Economy, Kyrgyz Republic
40. Mr. Amangeldy Davletaliev, Senior Vice President, Chamber of Trade and Industry

F. Mongolia
41. Dr. Delgermaa Banzragch, Chief Advisor to the Prime Minister of Mongolia
42. Mr. Badamkhatan Gantulga, Director General, Development Financing and Debt Management Department, MOF
43. Mr. Buyantogtokh Nyamaa, Director General, Financial Policy Department, Ministry of Finance
44. Ms. Batsuuri Zoltuya, Director General, Trade Policy and Coordination Department, Ministry of Industry
45. Ms. D. Tanya, Director General, Trade Policy and Coordination Department, Ministry of Industry
46. Ms. Munkhshur Chimed, Officer, Trade Policy and Coordination Department, Ministry of Industry
47. Mr. Rentsendorj Onon, Acting Director General, Strategic Policy, Planning and Cooperation Department, Ministry of Roads and Transportation
48. Ms. E. Enkhmaa, Officer, Legal Division, Ministry of Roads and Transportation
49. Mr. Ulziikhutag Purevbaatar, Deputy Minister, Ministry of Energy
50. Mr. Purevjargal Tuvuudorj, Director General, Department of Strategic Policy and Planning, Ministry of Energy
51. Mr. D. Bekhbat, Vice-Chairman, General Customs Agency
52. Ms. S. Tuvshinbayar, Customs Officer, Customs Control Unit, General Customs Agency
53. Mr. Sangajav Bayartsogt, Head of the Cabinet Secretariat, Government of Mongolia
54. Mr. Dondogdorj Erdenebat, Minister, Ministry of Industry
55. Mr. Amarsanaa Harzaga, Ulaanbaatar Municipality
56. Mr. Khurelbaatar Bilguun, Project Consultant, Ministry of Finance
57. Mr. Enebish Munkhbleg, Renewable Energy Specialist, Ministry of Energy
58. Mr. E. Khosbayar, Government of Mongolia
59. Mr. Galsan Ganbold, Deputy Chief, Cabinet Secretariat, Government of Mongolia

G. Pakistan
60. Ms. Anjum Assad Amin, Additional Secretary of the Economic Affairs Division, Ministry of Finance, and CAREC NFP
61. Ms. Robina Ather, Additional Secretary, Ministry of Commerce
62. Mr. Nazir Ahmad, Joint Secretary, Ministry of Communications
63. Mr. Abdul Qadir Memon, Chief, Customs Wing, Federal Board of Revenue
64. Mr. Shahid Ahmad Vakil, Deputy Secretary, Economic Affairs Division

H. Tajikistan
65. Mr. Sherali Ganjalzoda, Minister, Ministry of Transport
66. Mr. Ilyosiddin Kamolitdinov, Advisor to the President of Tajikistan on Economic Issues
67. Mr. Lochin Fayzullozoda, First Deputy Chairman of the State Committee on Investments and State Property Management
68. Ms. Gulru Kayumova, Deputy Minister, Ministry of Economic Development and Trade
69. Mr. Mahmardzhakhzha Narzulloev, Head of Department, Ministry of Energy and Water Resources

I. Turkmenistan
70. Mr. Yoldash Sheripov, Minister, Ministry of Economy and Development, and CAREC NFP
71. Mr. Annachary Mulliyev, Head of the Department of Foreign Economic Relations, Ministry of Economy and Development
72. Mr. Mekan Dadyyev, Deputy Head, Economy and Finance Department, Ministry of Railway Transport
73. Mr. Dovletgeldi Rejepov, Deputy Head, Department of Foreign Economic Relations, Ministry of Trade
74. Mr. Dovran Geldiyev, Deputy Director, Turkmen Energy Construction Concern, Ministry of Energy

J. Uzbekistan
75. Mr. Shukhat Khayrullaev, First Deputy Chairman, State Customs Committee
76. Mr. Shaalim Shavakhabov, Head of the Uzbek Agency for Automobile and River Transport
77. Mr. Alisherbek Paygamov, Head of the Main Information-Analytical Department, Ministry of Foreign Economic Relations, Investments and Trade

K. Georgia (Observer)
78. Mr. Ilia Darchiashvili, First Deputy Minister, Ministry of Regional Development and Infrastructure
79. Mr. Mikheil Paatashvili, Head of Department, Ministry of Economy and Sustainable Development

III. Speakers and Panelists
80. Mr. Bayanjargal Byambasaikhan, CEO of Erdenes Mongol LLC and Chairman of the Business Council Mongolia
81. Mr. Tumentsogt Tsevegmid, CEO, General Electric International Operations Mongolia LLC
82. Mr. Zhu Bangfu, Deputy General Manager, CIMM Group
83. Mr. Allen Andersen, Senior Managing Director and Founding Partner, Peace Field Limited
84. Mr. Asim Buksh, Chairman, Buksh Energy Private Limited
85. Mr. Steve Saunders, President, North America–Mongolia Business Council, Inc.
86. Mr. David Rohanna, Executive Director and CEO, Asia Pacific Investment Advisory Group Private Limited
87. Mr. Thierry Plaisant, General Director, AREVA Mongol
88. Mr. Jantsan Badamdorj, General Manager, Siemens Mongolia
89. Mr. Steve Potter, Executive Director, Wagner Asia Group
90. Mr. Maohe Chen, Chief Representative in Mongolia, China Development Bank
91. Mr. Loic Popiel, Representative in Asia of the Power System & Transmission Engineering Centre (CIST), Électricité de France (EDF)
92. Mr. Chuluuntseren Otgochuluu, Chief Economist, Managing Director (Office of the CEO), Erdenes Mongol LLC

IV. Moderators
93. Mr. Cameron McRae, President, Institute of National Strategy
94. Mr. David Pilling, Asia Editor, Assistant Editor, Financial Times Business
95. Mr. Zorigt Dashdorj, Member of the Board, Mongolia Development Strategy Institute

V. Private Companies
96. Mr. Hitoshi Negishi, Deputy General Manager/Water Management and Research Division, CTI Engineering International Co., Ltd., Tokyo, Japan
97. Mr. Kazumasa Ito, Senior Technical Advisor, International Business Division, CTI Engineering International Co., Ltd., Tokyo, Japan
98. Mr. Susumu Ishimori, Executive Coordinator, Infrastructure Projects Business Unit, Mitsui & Co., Ltd., Tokyo, Japan
99. Mr. Shinsuke Moriya, Overseas Business Division, SB Energy Corp., Tokyo, Japan
100. Mr. Naoki Hisada, Ulaanbaatar Representative Office, Bank of Tokyo-Mitsubishi UFJ
101. Mr. Hiroto Fujiwara, General Manager, Ulaanbaatar Office, Sumitomo Corporation
102. Mr. Kuniharu Nakamura, Representative Director, President and CEO, Sumitomo Corporation
103. Mr. Masahiro Fujita, Representative Director, Senior Managing Executive Officer, Sumitomo Corporation
104. Mr. Qu Wu, Deputy General Manager, Power Construction Corporation of China, Ltd. (PowerChina)
105. Mr. Oyungegerel Adiya, Director of Policy, American Chamber of Commerce in Mongolia
106. Mr. Jackson Cox, Founder and CEO, Woodmont International
107. Mr. Nobuo Okada, General Manager, Liaison Office in Mongolia, Mitsui & Co., Ltd.
108. Mr. Tushig Dul, Director, N.A.R. LLC, Noble Group
109. Mr. Amar Hanibal, CEO, TenGer Capital
110. Mr. A. Monsor, CEO, UMC Alpha LLC, Ulaanbaatar, Mongolia
111. Mr. Dugersuren Bat-Ochir, President, Xacbank
112. Mr. Munkhtuvshin Tsagaan, Chairman of Board, Achit Ikht LLC
113. Mr. R. Erdenebileg, CEO, Gateway Development Mongolia
114. Ms. Chandraaval Burmaa, Consultant, Tarva Investment and Advisory LLC
115. Mr. Gavaa Otgonjargal, CEO, UMC Capital LLC
116. Mr. O. Erdem bileg, Chief Corporate Banking Officer, Golomt Bank
117. Mr. S. Tselmeg, Managing Director, Erdenes Mongol LLC
118. Mr. B. Ariunbold, Senior Managing Director, Erdenes Mongol LLC
119. Mr. Dambachultem Bailikhuu, Governance Advisor, Erdenes Mongol LLC
120. Ms. Erdene Rashmaa, Director, Financial Office, Erdenes Mongol LLC
121. Mr. Darambazar Soyol, Director, Erdenes Mongol LLC
122. Mr. Gantumur Ganzorig, Administrative Manager, Erdenes Mongol LLC
123. Mr. Tumur Bilgee, Director of Legal Affairs, Erdenes Mongol LLC
124. Ms. Ganbat Odontuul, Deputy CEO and Head of the Credit Department, Development Bank of Mongolia
125. Ms. Batbold. Khonkhontsetseg, Marketing & Research Officer, Trade and Development Bank of Mongolia
126. Ms. Zagdkhuu Narantuya, Member of the Board, Erdenes Mongol LLC
127. Mr. Ts. Nanzaddorj, Member of the Board, Erdenes Mongol LLC
128. Mr. D. Munkh-Erdene, Member of the Board, Erdenes Mongol LLC
129. Mr. B. Javkhlan, Member of the Board, Erdenes Mongol LLC
130. Mr. R. Erdeneburen, Member of the Board, Erdenes Mongol LLC
131. Mr. Jalavsuren Bat-Erdene, Member of the Board, Erdenes Mongol LLC
132. Mr. E. Batbayar, Member of the Board, Erdenes Mongol LLC
133. Mr. Davaasuren Artag, Member of the Board, Erdenes Mongol LLC
134. Mr. Damdin. Tsogtbaatar, President, of Mining and Engineering Association
135. Mr. D. Damba, Mongolian Professional Institute of Geosciences and Mining
136. Mr. Magvann Bold, CEO, TenGer Financial Group LLC
137. Mr. D. Enkhbold, Executive Director, Mongolian National Mining Association
138. Ms. Amarjargal Bayarmaa, Vice Director, BCM Energy and Environmental Working Group
139. Mr. Jim Dwyer, Executive Director, BCM Energy and Environmental Working Group
140. Mr. Hitoshi Negishi, Deputy General Manager, Water Management and Research Division, CTI Engineering Co., Ltd.
141. Dr. Kazumasa Ito, Senior Technical Advisor, International Business Division, CTI Engineering Co., Ltd.
142. Mr. Susumu Ishimori, Executive Coordinator, Infrastructure Projects Business Unit, Mitsui & Co., Ltd.
143. Mr. Naoki Hisada, Chief Representative, Ulaanbaatar Representative Office, Bank of Tokyo-Mitsubishi UFJ, Ltd.
144. Mr. Nobuo Okada, General Manager, Liaison Office in Mongolia, Mitsui & Co., Ltd.
145. Ms. Sarangua Davaadorj, International Consultant, Covington & Burling LLP
146. Mr. Matthew Bersani, Asia Managing Partner, Shearman & Sterling LLP
147. Mr. Andrew Ruff, Partner, Shearman & Sterling LLP
148. Mr. Anthony J. Steains, CEO, Comprador Limited
149. Ms. Nan Zhou, Executive Director, Comprador Limited
150. Mr. Steve Teng, Comprador Limited
151. Mr. Damdin Tsogtbaatar, CEO, Xillion LLC
152. Dr. Chuluundorj Khashchuluun, Executive Director, National Council for Private Sector Support
153. Mr. Davaadorj Ganbold, CEO, Erdenes Oyu Tolgoi LLC
154. Mr. Samdandovj Ashidmunkh, CFO, Erdenes Oyu Tolgoi LLC
155. Mr. E. Sainjargal, Executive Assistant to D. Ganbold, Erdenes Oyu Tolgoi LLC
156. Mr. D. Davaadorj, Marketing Manager, Wagner Asia Automotive LLC
157. Mr. Batbold Adyasuren, Acting CEO, Ard Daatgal LLC
158. Mr. B. Erdenetulga, Vice Director, Ard Daatgal LLC
159. Mr. Sachurtleu XX, Vice President, DLG Group
160. Ms. Christina Wang, Vice Director, DLG Group
161. Mr. Douglas Dong, President, DLG Group
162. Mr. S. Amräiaikhán, Chairman and CEO, Oyuny Undra Group
163. Mr. Tenuun Otgonbayar, Vice President, Business Development, Oyuny Undra Group
164. Ms. Enkhtuya Davaasuren, COO, Oyuny Undra Group
165. Mr. Christopher Degano, Country Director, Mongolia, Global Insight Media
166. Ms. Odontuya Lkhagomongo, Project Manager, Ferrostaal Mongolia Co., Ltd.
167. Dr. Oliver Schnorr, President and CEO, Ferrostaal Mongolia Co., Ltd.
168. Mr. Anar-Erdene Jamts, Investment Officer, ING Bank N.V., Mongolia Representative Office
169. Mr. Howard Lambert, Chief Representative, ING Bank N.V., Mongolia Representative Office
170. Mr. Chris MacDougall, Managing Director, Investment Banking, Mongolian Investment Banking Group
171. Ms. Elizabeth Ellis, Partner, ME LLP
172. Mr. Taishir Tumurbaatar, General Counsel, TenGer Financial Group LLC
173. Mr. Marcel Venhofen, Executive Director, German-Mongolian Business Association
174. Mr. William S. Infante, President, Breakthrough Communications
175. Mr. Borgilkhuyag Amarjargal, Sales Manager, Altain Khuder LLC
VI. CAREC Multilateral Partner Institutions

A. Asian Development Bank

210. Mr. Ayumi Konishi, Director General, East Asia Department (EARD)
211. Mr. Robert Schoellhammer, Country Director, Mongolia Resident Mission (MNRM)
212. Mr. Werner Liepach, Country Director, Pakistan Resident Mission
213. Mr. Hong Wei, Deputy Director General, Central and West Asia Department (CWRD)
214. Mr. Ying Qian, Director, Public Management, Financial Sector, and Regional Cooperation Division (EAPF), EARD
215. Ms. Vicky C.L. Tan, Director, Regional Cooperation and Operations Coordination Division (CWRC), CWRD
216. Mr. Robert Guild, Director, Transport and Communications Division, EARD
217. Ms. F. Cleo Kawawaki, Director, Energy Division, CWRD
218. Mr. Akmal Siddiq, Director, Environment, Natural Resources and Agriculture Division, CWRD
219. Mr. Ashok Bhargava, Director, Energy Division, EARD
220. Mr. Pradeep Srivastava, Principal Economist, CWRC, CWRD
221. Mr. Wang Hong, Principal Regional Cooperation Specialist, CWRC, CWRD
222. Mr. Jeff Procak, Regional Cooperation Specialist, EAPF, EARD
223. Mr. Ko Sakamoto, Transport Economist, Transport and Communications Division, CWRD
224. Ms. Cristina Lozano, Regional Cooperation Specialist, EAPF, EARD
225. Mr. Guoliang Wu, Regional Cooperation Specialist, CWRC, CWRD
226. Mr. Kristian Rosbach, Economist (Regional Cooperation), CWRC, CWRD
227. Ms. Carmela Espina, Senior Economics Officer, CWRC, CWRD
228. Mr. Esnerjames Fernandez, Associate Programs Analyst, CWRC, CWRD
229. Ms. Socorro Narvaza, Senior Operations Assistant, CWRC, CWRD

B. European Bank for Reconstruction and Development (EBRD)
230. Ms. Natalya Kanjenkova, Managing Director for Turkey and Central Asia
231. Mr. Masaru Honma, Director for Central Asia
232. Mr. Agris Preimanis, Lead Economist for Central Asia

C. International Monetary Fund (IMF)
233. Mr. Juha Kähkönen, Deputy Director, Middle East and Central Asia Department
234. Mr. Hossein Samiei, Division Chief, Middle East and Central Asia Department
235. Mr. Natan Epstein, Senior Economist, Middle East and Central Asia Department
236. Mr. Neil Saker, Resident Representative to Mongolia

D. Islamic Development Bank (IDB)
237. Mr. Rustam Eshonkujaev, Country Manager for the Central Asian Region, IDB Regional Office–Almaty

E. United Nations Development Programme (UNDP)
238. Mr. Thomas Erikson, UNDP Deputy Resident Representative

F. World Bank (WB)
239. Mr. Saroj Kumar Jha, Regional Director for Central Asia and Head of Delegation
240. Mr. Sascha Djumena, Country Program Coordinator/Regional Manager Central Asia
241. Mr. Philippe Dongier, Senior Regional Advisor for South Asia
242. Mr. Haroon Sharif, Advisor, Regional Economic Cooperation in South Asia
243. Mr. Gerald Olivier, Senior Transport Specialist, East Asia
244. Ms. Fiona Collin, Senior Transport Specialist, Central Asia
245. Ms. Daryll Fields, Senior Water Resources Specialist, Central Asia
246. Ms. Dorsati H. Madani, Senior Economist for Kazakhstan
VII. Bilateral and Other Donor Partners and Institutions

A. Embassy of Canada in Mongolia
247. H.E. Mr. Eelco Hendrik Jager, Ambassador of Canada to Mongolia
248. Mr. Douglas Bingeman, Counsellor and Senior Trade Commissioner, Embassy of Canada in Mongolia

B. Embassy of Kazakhstan in Mongolia
249. H.E. Mr. Kalybek Koblandin, Ambassador of Kazakhstan to Mongolia
250. Mr. Rustem Chokparov, Counselor

C. Embassy of the Lao People’s Democratic Republic (Lao PDR) in Mongolia
251. Ms. Vatsana Vongphyla, Chargé d’Affaires a.i., Embassy of the Lao PDR

D. Embassy of the Russian Federation in Mongolia
252. H.E. Mr. Azizov Iskander Kubarovich, Ambassador of the Russian Federation to Mongolia
253. Attaché Appoeva Tamara Khamotivna
254. Attaché Pavel Vladimirovich Trofimov

E. CAREC Institute
255. Mr. Kubat Umurzakov, Director

F. CAREC Federation of Carrier and Forwarder Associations
256. Capt. Lin Zhong, Deputy Secretary General, China International Freight Forwarders Association, and Chairman, CAREC Federation of Carrier and Forwarder Associations (CFCFA)

G. Department for International Development (DFID), United Kingdom
257. Mr. Peter Wickenden, Deputy Head of Mission, British Embassy to Mongolia

H. European Union
258. Mr. Lars Gornvald, Head of Cooperation of the EU Delegation to China and Mongolia
259. Mr. Victor Giner, Attaché, EU Delegation to China and Mongolia

I. Eurasia Development Bank (EDB)
260. Mr. Alexey Cherekayev, Director, Investment Project Group, Eurasian Fund for Stabilization and Development

J. Japan Ministry of Foreign Affairs (MOFA)
261. Mr. Takenori Shimizu, Ambassador Extraordinary and Plenipotentiary of Japan to Mongolia

K. Japan International Cooperation Agency (JICA)
262. Mr. Toshinobu Kato, Director General, East and Central Asia and Caucasus Department
263. Ms. Akiko Wakui, Assistant Director
L. Japan External Trade Organization (JETRO)
264. Mr. Manabu Shimoyashiro, JETRO Tashkent Office

M. Mercy Corps
265. Mr. Barnes Ellis, General Counsel and Corporate Secretary

N. Millennium Challenge Corporation (MCC)
266. Mr. Timothy Breitbarth, Economist, Department of Policy and Evaluation Economic Analysis
267. Ms. Courtenay Engelke, Senior Director, Finance, Investment, and Trade Division; and Acting Country Team Leader
268. Mr. Dashjil Mendsaikhan, Private Sector Specialist, National Secretariat for the Development of the Second Compact Agreement between the Government of Mongolia and the USA
269. Mr. S. Zorigt, Economist

O. United States Agency for International Development (USAID)
270. Mr. David Brown, Acting Mission Director, USAID/Central Asia
271. Ms. Amy Lovejoy, Director, Economic Development Office, USAID/Central Asia
272. Ms. Laura Gonzalez, Deputy Director, Economic Development Office, USAID/ Central Asia

P. US Department of State
273. Mr. Robert G. Burgess, Director, Office of South Asian Regional Affairs, Bureau of South and Central Asian Affairs
274. Mr. Alexander Gupman, Director, Central Asia Division, Office of the Coordinator of US Assistance for Europe and Eurasia
275. Ms. Ellen Connerton, South Central Asia Regional Affairs
276. Ms. Laura Sima, Office of Development Finance

Q. World Trade Organization (WTO)
277. Mr. Xiaozhun Yi, Deputy Director General
278. Mr. Samer Seif El Yazal, Head of the Arab & Middle East, Central & Eastern Europe and Central Asia Regional Desk, Institute for Training and Technical Cooperation

VIII. Forum Secretariat
279. Mr. Yuebin Zhang, Senior Regional Cooperation Specialist, EAPF, EARD
280. Ms. Julie Robles, Regional Cooperation Consultant, ADB
281. Ms. Javzandulam Ganbold, Consultant, MNRM
282. Mr. Buyanbat Batkhishig, Investment Analyst and Executive Assistant, Erdenes Mongol LLC
283. Ms. Imelda Baleta, Consultant, ADB
284. Ms. Solongo Sukhbaatar, Senior Advisor, Public Relations, Erdenes Mongol LLC
285. Mr. Erdenbayar Shagdarsuren, Erdenes Mongol LLC
286. Ms. Bernadette de Castro, Associate Project Analyst, EAPF, EARD
287. Ms. Christine Susan Lo, Senior Operations Assistant, EAPF, EARD
288. Ms. Marite Damsani, Consultant
289. Ms. Romelie Manalo, Consultant
290. Mr. Julius Santos, Consultant

IX. CAREC Advisors and Regional Cooperation Coordinators
291. Mr. Ashraf Guliyev, Advisor to the National Focal Point (NFP) for Azerbaijan
292. Mr. Askar Kanapin, Advisor to the NFP for Kazakhstan
293. Mr. Meder Turgunbekov, Advisor to the NFP for the Kyrgyz Republic
294. Ms. Odnoo Lundaa, Advisor to the NFP for Mongolia
295. Mr. Saad Paracha, Senior Programs Officer, ADB Pakistan Resident Mission
296. Mr. Rustam Aminjanov, Advisor to the NFP for Tajikistan
297. Mr. Rahman Gandymov, Advisor to the NFP for Turkmenistan
298. Mr. Nadir Safaev, Senior Advisor to the NFP for Uzbekistan
299. Ms. Carolina Guina, Institutional Capacity Building Specialist
300. Mr. Kenzhekhan Abuov, Regional Cooperation Coordinator (RCC), Kazakhstan
301. Ms. Aidana Berdybekova, RCC, the Kyrgyz Republic
302. Ms. Khaliun Batsaikhan, RCC, Mongolia
303. Mr. Aamer Ali, RCC, Pakistan
304. Ms. Ganjina Fazilova, RCC, Tajikistan

X. Interpreters
305. Ms. Svetlana Chirkova
306. Ms. Elena Mironova
307. Mr. Evgeny Sinelschikov
308. Ms. Ye Sen
309. Mr. Su Chang
310. Ms. Dashdondov Naran

XI. Journalists
311. Mr. Jarantai Soyol-Erdene, Bataar Media
312. Mr. D. Bekhbayar, Mongolian Economy
313. Mr. N. Orkhon, Mongolian Economy
314. Mr. B. Elbegsaikhan, Mongolian Economy
315. Mr. Turbat Enkhbat, Unuudur Sonin
316. Ms. A. Baigal, Zasgiin Gazriin Medee
317. Mr. B. Bayartogtokh, Zasgiin Gazriin Medee
318. Ms. D. Erdenechimeg, GoGo News
319. Mr. A. Byamba-Ochir, GoGo News
320. Ms. Baatar Dulamkhorloo, Bloomberg TV Mongolia
321. Mr. Bayarsaikhan Khash-Erdene, Bloomberg TV Mongolia
322. Ms. D. Odgerel, Bloomberg TV Mongolia
323. Ms. B. Munkhtsetseg, Bloomberg TV Mongolia
324. Mr. M. Naranbaatar, Bloomberg TV Mongolia
325. Mr. D. Ganbayar, Bloomberg TV Mongolia
326. Mr. B. Chimedregzen, Bloomberg TV Mongolia
327. Mr. B. Sanchir, Bloomberg TV Mongolia
328. Mr. B. Batsaikhan, Bloomberg TV Mongolia
The Asian Development Bank, Erdenes Mongol LLC, and the Business Council of Mongolia worked together to organize the Central Asia Regional Economic Cooperation (CAREC) Investment Forum that took place on 24 September 2015 in Ulaanbaatar, Mongolia. The forum was the first-ever conference to focus on the investment environments in the CAREC countries. More than 300 high-level government officials and business leaders from 26 countries attended the event to share their insights on how to make effective investments within the region. They also shared their experiences and expectations on how to manage investments in Mongolia. The main topics discussed during the conference were: (i) generating a recipe for success in the CAREC region that will focus on identifying and making good investments, (ii) exploring the investment environment and policies in CAREC member countries, and (iii) investing in a regionally connected Mongolia.

About the Asian Development Bank

ADB’s vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries reduce poverty and improve the quality of life of their people. Despite the region’s many successes, it remains home to the majority of the world’s poor. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

About the Central Asia Regional Economic Cooperation Program

The Central Asia Regional Economic Cooperation (CAREC) Program is a practical, project-based, and results-oriented partnership that promotes and facilitates regional cooperation in transport, trade, and energy.

CAREC comprises 10 countries: Afghanistan, Azerbaijan, the People’s Republic of China, Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan. Six multilateral institution partners support the work of the CAREC member countries: the Asian Development Bank (ADB), European Bank for Reconstruction and Development, International Monetary Fund, Islamic Development Bank, United Nations Development Programme, and World Bank. ADB serves as the CAREC Secretariat.