

Mongolia Growth Group November 2013 Economic Update

November News Highlights

CORRUPTION INDEX DECREASES AGAIN

According to Transparency International, the corruption index of Mongolia declined from 94th to 83rd place out of 177 countries for 2013. This compares with 2009 when Mongolia was in 120th place. (Source: *Transparency Org*)

CANADIAN CITIZENS TO TRAVEL TO MONGOLIA ON A VISA-FREE TERM OF UP TO 30 DAYS

At the invitation of the President of Mongolia, the Governor General, his Excellency, the Right Honorable David Lloyd Johnston has conducted a state visit to Mongolia from 24-26 October 2013 which resulted in the signing of several documents. As a result, the Government of Mongolia now allows citizens of Canada to travel to Mongolia under a visa-free term of up to 30 days. (Source: *Canadian Embassy in Mongolia*)

8% MORTGAGE PROGRAM: ₮470.1BN REFINANCED, ₮634BN NEWLY ISSUED (TOTAL= ₮1.1TN)

As at November 22, 2013, existing mortgages of ₮470.1 billion (November 12, 2013 ₮468.5 billion) held by 16,701 citizens (16,652 as of November 12) were refinanced at 8% out of ₮797.3 billion (₮796.9 billion as of November 12) worth of requests. Furthermore, new mortgages of ₮634 billion (₮617.1 billion as of November 12) were issued to 10,942 citizens (10,654 citizens as of November 12) at new rates out of ₮714.8 billion (₮697 billion as of November 12) worth of requests. (Source: *Cover Mongolia*)

HO CHI MINH & ULAANBAATAR TO BECOME TWIN CITIES

During his talks with visiting Mongolian President Tsakhiagiin Elbegdorj, the Mayor of Ho Chi Minh City expressed his wish for Ho Chi Minh City and the Mongolian capital of Ulaanbaatar to setup a twin city relationship. The meeting also resulted in commitments from both sides to enhance cooperation for mutual benefit in all areas of trade and commerce. (Source: *Cover Mongolia*)

PLANS TO RESOLVE MINE DISPUTE WITH RIO TINTO BY EARLY 2014

Erdene Resource Development Corp. (TSX:ERD) of Dartmouth, reported significant gold and silver results from first-phase trenching at the Altan Nar gold-polymetallic project in southwest Mongolia. According to the president and CEO of ERD, the results exceeded the expectations which would also help to prioritize new areas for the next phase of resource drilling. (Source: *Cover Mongolia*)

GOLD & SILVER DISCOVERED MORE THAN EXPECTED AT ALTAN NAR

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MONGOLIAN CENTRAL BANK PREDICTS ECONOMIC RECOVERY

The Mongolian economy is expected to recover in 2014, according to Central Bank's Governor despite of the slowing of foreign investment flows due to continuing weakness in coal and copper prices. The GDP is expected to expand as much as 17% next year from around 11% this year. Though the forecast is positive, it is still above the predictions of the World Bank, which revised its 2013 number to 12.5% from its April prediction of 13%. The boost is expected to come from FDI especially after the settlement of dispute on Oyu Tolgoi gold and copper mine. (Source: *Cover Mongolia*)

MONGOLIA'S OCTOBER FDI DECLINES BY 30%

Mongolia's foreign direct investment in October declined to \$148.2m from \$211.2m in comparison during the same month in the prior year, according to the Central Bank. Jan-Oct FDI was \$1.966b in 2013 compared with \$3.995b in 2012, the Bank of Mongolia said in its statement. (Source: *FIFTA*)

MONGOLIAN BANKS SIGN JOINT STATEMENT OF COMMITMENT TO DEVELOP SUSTAINABLE BANKING PRACTICES

The Mongolian banking sector announced its plans to jointly promote sustainable banking practices in Mongolia. This is in relation to the on-going efforts of the banking industry to contribute to development of the country. The announcement came in the form of a signing of a joint commitment statement by all the 14 Mongolian commercial banks. This will result in the introduction of a framework for sustainable funding in the banking and financial services sector of Mongolia. (Source: *Cover Mongolia*)

CONSUMER PRICE INDICIES: 2013/Nov

	Month	YTD	YOY
Ulaanbaatar	1.3	10.3	11.1
Mongolia	1.3	11.1	12.0

MONETARY INDICATORS: 2013/Nov

	bln ₮	YOY %
Reserve money	2823.21	26.9
M2 Money	9101.44	29.4

INTEREST RATES 2013/Nov

Policy rate	10.5%
Overnight repo	12.5%
Overnight deposit	8.5%
Repo	11.0%

OFFICIAL EXCHANGE RATES*: 11/30/2013

	1 USD	1741.8₮
	1 EUR	2369.9₮
	1 CNY	285.9₮
	1 GBP	2845.3₮
	1 RUB	52.5₮
	1 CAD	1644₮

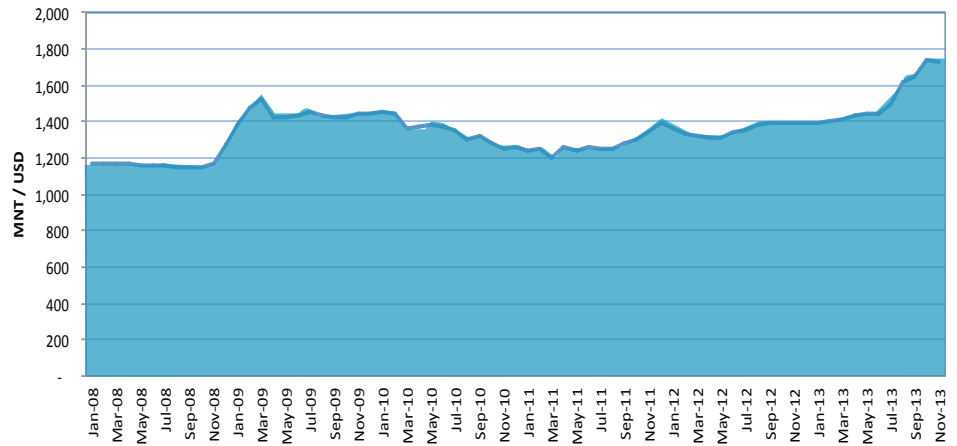
*Mongol Bank

ECONOMIC INDICATORS

	November	October	Change %
<i>mIn USD</i>			
Exports	381.0	382.3	-0.3
Imports	514.3	515.6	-0.3
Net exports	-133.3	-133.3	-0.1

Source: National Statistics Office

MONGOLIAN TUGRIK VS US DOLLAR



	NOV 30	OCT 31	MONTHLY CHANGE
MSE TOP 20 INDEX	15,301.3	15,1415	1.1%
Market Cap (USD)	893,877,591	898,164,413	-0.5%

MONGOLIAN STOCK EXCHANGE CHART

MSE TOP 20 INDEX

