

**SPEECH BY
H. E. Mr. TUNDEVDORJ ZALAA-UUL, AMBASSADOR OF MONGOLIA
AT THE NORTH AMERICA-MONGOLIA BUSINESS COUNCIL
ANNUAL MEETING
(Courtyard Marriot Hotel, Ottawa, 21 April, 2010)**

Dear Mr. Story,
Dear Mr. Calvert,
Ambassador Biolik,
Distinguished colleagues,
Ladies and Gentlemen,

I have the honour and privilege to speak at the Annual General Meeting of the North America-Mongolia Business Council.

At the outset, please accept my heartfelt congratulations on the Twentieth Anniversary of the Council. Since its foundation, NAMBC has been playing an important role in promoting close relations and cooperation among business communities as well as Governments in North America and Mongolia. You may recall that few months back Mongolia celebrated the twentieth anniversary of the Democratic revolution which took place in winter of 1989. We have been growing together for twenty years.

These twenty years for Mongolia have been success stories as well as lessons learned. Mongolian political parties have been learning to engage constructively and build consensus. The decision to form an unity Government was a clear demonstration that they, if needed, can put aside their political differences in order to work for the future of the country. They have learned how political leanings may have wasted time and efforts, and obstruct or delay important decisions such as Oyu Tolgoi negotiation process.

Dear friends,

Allow me to take this opportunity to express my sincere gratitude to the Governments and peoples of Canada and the United States for being the firm supporters of the democratic process and changes in Mongolia.

Mongolia and Canada are working towards developing Expanded Partnership and Canada is the largest investor in Mongolia's mining sector. Our collaboration in mining has no doubt huge potential. Likewise, our cooperation

in other sectors such as agriculture, energy, construction, road, environment, and education as well as people to people relations has promising future.

Assuming my duty as Ambassador, I have felt that we should encourage exchanging visits as much as possible. Mongolians have a saying that *"It is better to see once than to hear thousand times"*. In this regard, I would work hard to organize Mongolian Prime Minister's first official visit to Canada. I would like the Honourable Speaker Noel Kinsella, the Speaker of the Senate and members of the Canada-Mongolia Friendship Group to visit Mongolia. I would like to see reciprocal visits by our Foreign Affairs and International Trade Ministers and others.

We believe that the successful conclusion of FIPA would raise our trade agenda to a new level of partnership. Furthermore, Mr. D. Zorigt, Minister for Mineral resources and Energy has expressed Mongolia's desire to talk about trade liberalization including free trade agreement between our countries while visiting Canada last January. There is a reason to be ambitious too. Mongolia - Canada trade volume has increased 60 times to almost 200 million in the last few years.

Ladies and Gentleman,

Many of you may recall that the two main political parties in the Mongolian Parliament made an unprecedented move after the general elections in 2008, forming a unity Government. This decision offered many opportunities with unique but may be exceptional political and economic significance. Signing of Oyu Tolgoi Investment agreement was the evident demonstration of that fact.

You all know that the future of Mongolia is much dependent on the development and management of its rich natural resources. Most of them still largely untapped, Mongolia is faced with unique opportunity to embark upon the path of rapid economic growth and sustainable development. Currently, mining sector accounts for 30 percent of GDP and 80 percent of total export. It is inevitable that we will maintain the natural resource-based economic development for some time. However, it is equally important that Mongolia diversifies its economy with other key sectors such as agriculture and infrastructure. We have huge possibility to cooperate in these economic sectors too.

With development of Oyu Tolgoi gold and copper deposit is underway and a dozen other strategically important minerals' deposits are to be developed in the near future. Due to the expected boom in mining sectors Mongolia's GDP could be tripled in the next decade. The county's GDP was \$5.3

billion in 2008. Overall, Mongolia's national income has tripled in last 5 years. This year the economic growth is expected to be more than 8 percent. More than half billion dollars have been allocated in 2010 government budget for domestic investments.

Recently Prime Minister of Mongolia, Mr. Batbold announced the Government's top priorities. These are development of Tavan Tolgoi coking coal mining; Implementation of the new railway project and National program on a "Smoke free Ulaanbaatar". All are about large scale infrastructure projects.

In implementing these projects Mongolia welcomes foreign investments, technology and equipment, as well as experience and knowledge. We are willing to introduce internationally-accepted standards in sectors, such as road, construction, environment and agriculture. Introducing standards related to laws and regulations, technologies, as well as to culture and lifestyle are equally important. In this regard, Canada has been singled out in the speech by the Prime Minister of Mongolia, as a country from whom we can learn experiences and adopt its already tested standards, technology and equipment. There are many good reasons to name. For instance, two countries' similarities in terms of climatic conditions, natural resource reserves, population density, as well as geopolitical location. Both countries value democracy and human rights and free access to information. We are optimistic to work towards that end.

Ladies and Gentlemen,

It has been widely accepted that future of Mongolian economic development is positive and also within our reach. I conclude my speech on an optimistic note. Renaissance /REENO-SANS/ Capital, an emerging markets investment bank which also operates in Mongolia announced that "Mongolia transforms into a vibrant emerging market economy and a commodity exporter on a global scale." Its report entitled "Mongolia: Blue-sky opportunity" said Mongolia is well positioned to be the fastest-growing economy in the world over the next decade. Let us grow together.

Thank you for your attention.