

Mongolia

Indian Mission

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I. BASIC FACTS ABOUT MONGOLIA

Official Name

Mongolia

Major Cities & Capital

Capital: Ulaanbaatar (population 1.26 million), established, founded and set up by Russians in 1920s. With almost half the population of the country living here, city is fast modernizing and also boasts to be the main political, economic, commercial, art and cultural capital of Mongolia.

Darkhan (population 90,000) is a city designed by Russian urban planners to model as a friendship city, located at 150 km west of Ulaanbaatar. It has some industrial states for leather and light industry for cashmere and wool.

Erdenet (population 100,000) is the City where Mongolia-Russia joint venture for copper is located. This city consists of mostly people working at this joint venture.

Choibalsan (population 70,000) city was established in memory of strong leader Choibalsan and is located east of Ulaanbaatar and is also planned by Russian urban planners.

Population

2.6 million

Currency

Togrog
US\$1 = 1165 Togrogs (approx)

Languages Spoken

Mongolian, Russian and English (increasingly)

Time Zone

IST + 2 and ½ hours
8 hrs plus GMT;

GOVERNMENT

President: Mr. N. Enkhbayar

Head of the Government: **Prime Minister** Mr. S. Bayar

Deputy Prime Minister:	Mr. M. Enkhbold
Foreign Minister:	Mr. S. Batbold
Defence Minister:	Mr. L. Bold
Finance Minister:	Mr. S. Bayartsogt

Official Website Links

President	http://www.mng.net/president
Prime Minister	http://www.pmis.gov.mn
Parliament	http://www.parl.gov.mn
Foreign Ministry	http://www.extmin.mn/
General	http://www.mol.mn

Central Bank

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Baga Toiruu 9,
Ulaanbaatar 46, Mongolia
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Telex: BOMCB MH 79333
Website www.mongolbank.mn

BASIC FOREIGN, INTERNATIONAL POLICIES

Political System: A successful and well-functioning democracy since 1990, Mongolian constitution is a mix of unitary and federal structure. A new constitution was set up in March 1992. Although the constitution provides for a parliamentary system of government, the traditional structure of parliamentary government has been deliberately tinkered and combined with popularly and directly elected Presidency making a queer mix of Presidency and parliamentary system of governance in Mongolia. While formally Prime Minister is supposed to be the head of the government and chief executive officer, however the directly elected mandate of the President provides for two power centres leading to occasional governmental grid locking and slow decision making. The unicameral parliament called State Great Hural with 76 Members of Parliament in effect enjoys highest authority since constitution provides for most important decisions of the government including appointments of Ambassadors, etc. to be approved by a majority in State Great Hural. Multi-party system exists and there are political fragmentations based on personality-based formation and running of political parties.

Political Parties and Parliament: The two main political parties active in Mongolia are Mongolian People's Revolutionary Party (MPRP) and the Democratic Party (DP). Other smaller parties mostly in the democratic fold are personality based and are New National Party, Motherland Party, Civil Will Party, Republican Party and newly formed Mongolia Civil Movement Party. The first parliamentary elections as per the new constitution for 76 seats of Mongolian parliament called State Great Hural was held in June 1992. Mongolian People's Revolutionary Party (MPRP), the reformed and carried over structure of earlier Communist Party of Mongolia with heavy social democratic legacy came to power. In parliamentary elections of 1996 MPRP lost to a democratic coalition which despite several changes of Prime Ministers ruled till 2000 when MPRP came back again with a huge majority of 72 seats out of 76. The parliamentary elections of June 2004 resulted in a split verdict and a grand coalition of MPRP and Motherland Democratic Coalition was formed till January 2006 when MPRP, making split in smaller democratic parties was able to form an MPRP dominated government. The last parliamentary elections were held in June 2008. There were violent protests against alleged irregularity in the elections, leading to five deaths and a short spell of national emergency. After protracted negotiations between the political parties and recounting in some constituencies, the ruling MPRP got 46 and the Opposition DP 28 seats. Two seats were won by others. Prime Minister S. Bayar was re-elected and decided to form a coalition Government, with Ministers both from the ruling party and the Opposition DP.

Presidential elections have also been held regularly in 1993, 1997, 2001 and 2005. Next Presidential elections are due in June 2009.

Foreign Policy: Mongolia seeks to attain its foreign policy goals in a "multi-pillared" global environment. Sovereignty, national pride, national security, territorial integrity are the cornerstones of Mongolia's foreign policy. Mongolia has diplomatic relations with 140 countries in the world. There are 20 resident embassies while the rest are concurrently accredited from Beijing (mostly), Moscow, Seoul and Tokyo. Mongolia maintains resident embassies in 28 countries.

Having for long lived in an external environment, which was dominated by the geographic fact of Russian and Chinese presence on its borders, Mongolia, since the decades of 90s, after complete independence and adoption of free market economic policies has pursued an independent foreign policy. Mongolia has sought to build bridges with other global players through the doctrine of "third neighbour" which includes, USA, Japan, India, ROK and EU. Due to deep and ancient Buddhist links through Tibet, India is also referred to as the "spiritual neighbour" of Mongolia. Mongolia has pursued the policy of joining hands with international initiatives and multinational fora. In an attempt to expand its linkages both at the governmental and institutional level, Mongolia has sought association with multilateral organisations and with the UN peacekeeping operations. Mongolia has also taken credible and visible steps, with some limited success, so as to adopt good human rights and functioning democratic institutions supported by many international organisations and players.

MEMBERSHIP OF MAJOR MULTILATERAL AND REGIONAL ORGANISATIONS

United Nations, World Trade Organisation, International Monetary Fund, World Bank, Asian Development Bank, ASEAN Regional Forum, United Nations' Economic and Social Council, International Labour Organisation, International Telecommunication Union, Non-Align Movement. Observer in SCO and member in ASEM. Awaiting membership in APEC.

ECONOMIC AND TRADE POLICY

In the field of economy and trade, Mongolia has opted for a thorough market reforms marking a complete move away from the erstwhile socialist market model (till 1990). Almost all state owned farms, factories, and enterprises have been privatized. Most companies in the areas of petroleum, cashmere and mineral processing sector have also been privatized while the rest are in the process of being privatized. Mongolia seeks to strengthen market linkages with North East Asian region and its neighbouring countries. Mongolia is actively participating in UN's Asian Network Initiative proposing to set up standard road networks and customs, quarantine and immigration/emigration regime in an effort to achieve market integration and uniformity in the region. Mongolia is dependent on China for access to sea port and subsequent transportation of goods to Mongolian border points. Mongolia has established free trade zones on its border points with China and Russia and is pursuing the policy of attracting foreign investment. The challenges before Mongolia are to complete the transition from the controlled economy to market economy in a democratic set up and to ensure economic stability in the process. At the same time the forces of globalization and regional economic integration have unleashed the processes of rapid urbanization in a predominantly nomadic civilization.

FOREIGN TRADE

Mongolia's total foreign trade for the year 2007 amounted to USD 4006.3 million, of which exports component was USD 1889.0 million and imports USD 2117.3 million. Total external trade balance registered a deficit of USD 228.3 million. As compared with 2006, the total external trade turnover increased by 32.3 per cent, the exports increased by 22.5 percent and imports by 42.5 percent.

The main components of exports were mineral products, textiles and textile products, cashmere and wool, precious metal, jewellery, processed hides, skins, fur etc. Machinery, electric appliances, recorders, TV sets, spare parts, vegetable, most food products, automobiles, air and water transport vehicles and their spare parts are the main constituents of imports..

MAJOR TRADE PARTNERS

The major trading partners of Mongolia are China (51% of total), Russia (19.7% of total), South Korea, Japan, US, Germany and UK in that order.

ECONOMY AND MAJOR INDUSTRIES AND GLOBAL COMPANIES

Mining, Agro-processing and animal husbandry are the major industries of Mongolia. Traditionally being a nomadic civilization, Mongolian have for long depended on livestock for their day to day needs. To a large extent, a nomad could produce and meet all his needs from the livestock he owns with rest of the needs being fulfilled through barter trade with traveling tradesmen or merchant caravans.

Cashmere, wool, hides & skins, furs and animal products have traditionally been the marketable commodities that Mongolia had. However, its vast and diverse geological formations have held huge deposits of mineral wealth for Mongolia. Mining and Cashmere are the main contributors to country's GDP. Today Mongolia produces and exports Copper Concentrates, Gold, Silver, Fluorspar, Coal, molybdenum and zinc. Leather, sheep skins, fur garments, carpets, cashmere and camel wool knitwear are a few other commodities exported from Mongolia.

Prospecting for oil has brought positive results in South Gobi and in North East of the country. Huge Coking coal deposits have also been found in the south of the country in Gobi desert area at Tavan Tolgoi.

With the opening up, since beginning 90s, Mongolian government has embarked on a policy of promoting the private sector with emphasis on value addition and processing. Currently private sector contributes about 70% in Mongolia's 4.0 billion GDP (2007).

Ivanhoe Mines Ltd., a Canadian Company in Gold-Copper exploration projects, AGR Ltd, an Australian Company with interests in Gold, SOCO Mongolia Ltd., a subsidiary of SOCL Int'l Ltd., an American company with interests in oil exploration and production, Chinese "Huabei Oil Fields Ltd." and Australian "Rock Oil" Comapany, Mongolrosvetment- a Mongolian Russian JV with interests in fluorspar and Erdenet Mines – a Mongolian Russian JV into the production of copper concentrates, Erdmin- a Mongolian American JV into production of copper are some of the prominent foreign JV companies in Mongolia. Other big mineral companies such as BHP Billiton, Rio Tinto, CVRD of Brazil, Mitsui Group, Renovo, Severstal Steel Co., Jindal Steel & Power Ltd. are also present in Mongolia.

ECONOMIC INDICATORS

	2005	2006	2007
GDP	US\$ 2.2 billion	US\$ 2.60 billion	US\$ 3.85 billion
Growth Rate	6.2%	8.4%	9.9%
Per capita income	US\$ 850	US\$ 1003	US\$ 1480
Inflation	9.5%	7%	15% (Dec. 07)
Budget deficit/surplus	Surplus	Surplus	2.1% surplus
Exports	US\$ 1065 million	US\$ 1529	US\$ 1889

		million	million
Imports	US\$ 1184 million	US\$ 1489 million	US\$ 2117 million
Foreign Investments	US\$ 312 million	US\$ 366 million	US\$ 499 million
Unemployment	9%	9%	9%
Foreign Exchange Reserves	US\$ 430 million	US\$ 1061 million	US\$ 1076 million

SIGNIFICANT ECONOMIC ACTIVITIES

Mongolia has extensive and largely untapped mineral resources. The mining and quarrying sector accounts for approximately 12% of country's GDP, 30% of industrial output and 55% of export earnings and 33% of total national exports. Mongolia has mineral deposits of copper, gold, fluorspar, silver, uranium, iron ore, molybdenum, zinc, coal, oil and precious and semi precious stones. However, due to lack of processing facilities and supporting infrastructure, most of the mineral resources located in remote and difficult locations in Mongolia are not fully exploited. Mongolia is world's tenth largest producer of copper concentrates and third in Asia most of which is exported to China (91.8%) and Russia (8.2%). Erdenet Mines is the largest copper mining and processing venture in Mongolia which is 51% Mongolia and 49% Russia joint venture in government sector.

According to Mongolian Tourism Board, tourist's arrival to Mongolian in year 2007 was 450,000. Mongolia's unique landscape, nomadic way of living and a mix of desert in the south, fresh water lakes in the north and steppe grasslands in the central zone constitute its main tourist attraction. Low population density (1.4 person/sq meter) and unending grasslands are a welcome change for an otherwise increasingly urbanizing world. Gobi desert in the South, vast pastures and grassland in the middle and mountains and fresh water lakes in the north and north west are the main tourist attractions of Mongolia beside the legend of Chinggis Khan. Eco-tourism hold potential for the future of Mongolia's tourism sector. Presently, tourism contributes 10% of Mongolia's GDP and 10% of country's exports. Most of foreign tourist to Mongolia are from China, Russia, Japan, USA and South Korea. In order to boost tourism sector Mongolia has declared tax exemptions on related projects. Imports of equipment and machinery for the tourism has been exempted from VAT. Mongolian Tourism Board (www.mongoliatourism.gov.mn) is the nodal agency for tourism policy in Mongolia.

Wool, Cashmere, leather and wood processing industries constitute bulk of Mongolia's processing sector. 23,000 tons of wool and Cashmere were produced in 2007. Most of sheep wool is used for felt products like boots and carpets. Mongolian sheep wool is haired, coarser and is characterized by short fibre which makes it suitable for products like rugs, carpets, felts, felt boots, woolen drapes and non-woven products. About 66 small and medium enterprises are functional today in leather processing. 2/3 of the Mongolian leather processing units do the primary processing and only 1/3 are involved in producing finished goods like cloth, boots, shoes and bags.

Mongolia is second largest producer of Cashmere after China with an annual output of 3.1 thousand tons. Goats constitute 34% of Mongolia's total livestock with an average production of 280 gms of Cashmere per goat the total annual production is approx 3300 thousand tons. Cashmere is an expensive agricultural raw material – 1 kg of Cashmere costs approximately 30 USD depending on the season. Gobi Cashmere and Buyan are two leading manufactures of Cashmere knitwear and products in Mongolia. There are about 85 SMEs which process camel wool and Cashmere in Mongolia today. 77 of these SMEs are foreign joint ventures. Over half of total Joint Ventures are with the Chinese traders.

With world's highest man to beast ratio, meat processing is an important component in Mongolia's food processing sector. There are about 22 medium and large slaughterhouses in Mongolia but mostly they work below capacity. There are many SMEs in this sector. Local meat production meets domestic demand and a portion is exported too. Russia is the biggest

buyer of Mongolian meat exports (95%) and Kazakhstan is next (5%). Makh Impex JSC, Bagahangai and Darkhan Makh Expo are some of the big companies involved in meat processing and export. High railway transportation cost and consumer monopoly have been the factors restricting Mongolian meat processing sector.

Contribution of agriculture sector to Mongolia's GDP is approx 20% (2007). Within the agriculture sector, output from livestock constitutes 82.7% of total output of the agriculture sector. Mongolia has a total of 40 million livestock comprising of horse (4 million), camel, cattle, sheep (15 million) and goat (15 million). Meat (226.4 thousand tons), hides and skins (8-10 million), sheep wool (19.8 thousand tons), cashmere (3.1 thousand tons), milk (290.3 thousand tons), cereals (281 thousand tons) and wheat and vegetables (44.5 thousand tons) are the main agriculture products of Mongolia.

MAJOR UNIVERSITIES AND SCIENTIFIC INSTITUTIONS

National University of Mongolia.
Mongolian Academy of Sciences.
Mongolian University of Science and Technology.
International Association for Mongol Studies.

IMPORTANT THINK TANKS ON FOREIGN POLICY RELATED ISSUES

The Institute for Strategic Studies.
School of Foreign Service, National University of Mongolia.
The School of International Studies, Mongolian Academy of Sciences.
Mongolian Defence University.

MAJOR TOURIST ATTRACTIONS

Cities: Ulaanbaatar, Darkhan, Eredenet, Kharkhorin (ancient Mongol capital)
Lakes: Khovsgol Nuur, Uvs Nuur, Tsagaan Nuur
National Parks: Gobi Gurvansaikhan National park, Terej National Park, Altai Tavanbogd National Park.
Monasteries: Gandan, Manjshir, Erdene Zuu Khiid, Amarbayasgalant Khiid.
Chinggis Khaan: Khentii Province Onon River Valley (birth place of Chinggis khaan), Kharkhorin (Capital of Chinggis Khaan)

MAJOR ART FORMS, CULTURAL TRADITIONS AND MUSEUMS

Traditional Mongolian art is associated with Buddhism and thus has strong links with the Tibetan tradition. Mongolian sculpture and scroll paintings have themes which are religions and mostly Buddhist following the strict code of color and dimensions. Mongolian scroll paintings (thangka) are popular among locals and foreign visitors. A few samples of Applique scroll paintings can be found in Zanabazar Museum of Fine Arts. Mongolian paintings of recent times have more realistic themes which seems to have been inspired by socialist thought. Modern art scene in Mongolia is active and Association of Mongolian Artistes holds regular exhibitions. Deep Throat Singing called "Khoomi" from western Mongolia, is country's unique gift to the world of Music.

Museum of Natural History, Zanabazar Museum of Fine Arts, National Museum of Mongolian History and Winter Palace of Bogd Khan are some of the famous museums of Mongolia.

MEDIA-NEWSPAPERS, MAGAZINES AND TV CHANNELS

Print and electronic media in Mongolia are supposed to be free but are constrained by previous attitudes and traditions. Several newspapers are published in Mongolia who carry a slant of the publishing houses. The important Mongolian newspapers are Zuunii Medee, Onuudur and Udriin Sonin. Several Mongolian TV channels carry news and entertainment

programmes including Indian films for Mongolian audience. Cable TV is freely accessible with the help of satellite dish and cable TV operators do not have any restrictions.

II. INDIA-MONGOLIA RELATIONS

Historical Perspective: India and Mongolia have interacted through the medium of Buddhism over a period of 2700 years. This process of cultural and spiritual interaction has enriched the two civilizations through a process of give and take. Following the emergence of Mongolia as a modern nation state in the 20th century, the two countries have continued to build relations based on shared historical and cultural legacy.

Establishment of Diplomatic Relations: Diplomatic relations between India and Mongolia were established on 24 December 1955. India was the first country outside the Soviet block to establish diplomatic relations with Mongolia. India's role in securing UN membership for Mongolia is acknowledged by the Mongolian people. Mongolia also expresses its appreciation for India's support for its admission to the Non-aligned Movement (NAM) as a full member in 1991.

Joint Declaration of 1973 and Treaty of Friendly Relations and Co-operation of 1994:

An India-Mongolian Joint Declaration was issued following the visit of Premier Yu. Tsendenbal in February 1973. The Declaration includes general principles to guide bilateral relations. In February 1994, a Treaty of Friendly Relations and Co-operation was signed during the visit of President Ochirbat to India. It provides, inter alia, for:

- (a) Developing equal and mutually beneficial co-operation in various spheres including political, economic, trade, science and technology, health, agriculture, ecology, culture, education, communications and tourism.
- (b) Development of links between the two Parliaments, Governments and NGOs on both sides;
- (c) Co-operation, bilateral and multilateral, in combating international crimes including terrorism;
- (d) Closely co-operating within the framework of the UN, NAM and other international organizations, with a view to furthering the cause of peace and international security, globally and in Asia

EXCHANGE OF IMPORTANT VISITS:

Visits from India to Mongolia:

- President R.Venkataraman in July 1988.
- Vice-Presidents Dr. S. Radhakrishnan (1957); Dr. Shankar Dayal Sharma (April 1992); Shri KR Narayanan (September 1996); Shri Krishan Kant (August 1999).
- Lok Sabha Speakers Dr. G.S. Dhillon (July 1974); Dr. Balram Jhakar (October 1985); Shri Shivraj Patil (July 1995); Shri P.A.Sangma (October 1997) and Shri GMC Balayogi (July 2001). Deputy Chairperson of Rajya Sabha Smt. Najma Heptulla in July 1999.
- EAM Shri Y.B. Chavan (July 1976); Commerce Minister Shri Pranab Mukherjee (September 1994); Agriculture Minister Dr. Balram Jhakar (April 1994); Smt. Sonia Gandhi (July 1995); Minister for IT and Communication Shri. Pramod Mahajan (September 2001); H.R.D. Minister Shri. Murli Manohar Joshi (July 2002); Dr. Sanjay Paswan, MOS for Communications and IT (October 2002); Shri Vinod Khanna, MOS for External Affairs (September 2003), Shri E.A. Ahamed, MOS for External Affairs (June 2005), Shri M.M. Pallam Raju, MOS for Defence (May 2006).
- Lt. Governor of Delhi in December 2001 at the invitation of the Governor of Ulaanbaatar.
- Chief Minister of Delhi Mrs. Sheila Dikshit in July 2006 at the invitation of the Governor and Mayor of Ulaanbaatar City.

Visits from Mongolia to India:

- Chairman of the Presidium U. Tsendenbal in 1959;
- Prime Minister Mr. Tsendenbal in 1973 (He had visited in 1959 as Chairman of the Presidium);
- Chairman of the Presidium Bathmunkh in March 1989;
- President P. Ochirbaat in February 1994;
- Chairman of the State Great Ikh Hural R. Gonchigdorj in November 1998;
- President N. Bagabandi in January 2001. (He had earlier visited as Chairman of the State Great Hural in 1996.);
- Speaker of the State Great Hural Mr. S. Tumor-Ochir visited India in January 2003 on the occasion of the Golden Jubilee of the Indian Parliament;
- Prime Minister N. Enkhbayar paid a state visit in January 2004;
- N. Enkhbayar, in his capacity as the then Leader of Opposition for medical treatment of spouse and self (September 1999);
- Foreign Minister Dugersuren (February 1978); Trade and Industry Minister Tsogt (February 1996); Justice Minister J. Amarsanaa (April 1998); Minister for Agriculture and Industry Mr. Sodnomtseren; (January 2000); Minister for Enlightenment A. Battur (March-April 2000); Minister for Infrastructure B. Jigjid (February -March 2002); Minister for Education, Culture and Science A. Tsanjid (March 2002), Defence Minister J. Gurragchaa (November 2003); and Defence Minister Ts. Sharavdorj (December 2005); Foreign Minister Ts. Munh-Orgil (December 2005)
- Deputy Speaker of State Great Hural J. Byambadorj led a Mongolian Parliamentary delegation in May 2002;
- Mayor of Ulaanbaatar Mr. Enkhbold led a five-member delegation to India, in May 2002 at the invitation of Lt. Governor of Delhi;

Visit of Mongolian President Bagabandi (January 2001):

Mongolian President Natsagiin Bagabandi paid a state visit to India in January 2001. During the visit, a Joint Declaration was issued outlining the future direction of bilateral relations. Six Agreements were also signed during the visit. These were in the areas of: Extradition, Defence co-operation, Co-operation in Information Technology, Investment Promotion and Protection, Mutual Legal Assistance in Criminal Matters and Mutual Legal Assistance concerning Civil and Commercial Matters.

The India-Mongolia Joint Declaration of January 2001 inter alia states:

- Mongolia would fully support India's endeavour to become a permanent member as the expansion of the UN Security Council takes place;
- Mongolian side reaffirmed its support for Indian efforts to normalize relations with Pakistan on the basis of the Simla Agreement;
- Both the countries recognize the serious threat posed to nation states and international peace and security by terrorist groups;
- Both the countries condemn terrorism in all its forms and also condemn the States that aid, abet and directly support cross border and international terrorism;
- Both India and Mongolia reiterated their resolve to work for strengthening international consensus and legal regimes against terrorism;
- The visit of Mongolian President provided an important road map for further development of bilateral relations in the 21st century;

Visit of Mongolian PM N. Enkhbayar to India (January 2004):

Then Mongolian Prime Minister N. Enkhbayar paid a State visit to India in January 2004. During the visit, a Joint Statement was issued. It was agreed to elevate the relationship to a 'new level of partnership'. Three agreements were signed in the fields of Animal Health & Dairy; Space Science, Technology & Applications; and Biotechnology. Both sides also

formalized the ratification of the Extradition Treaty and the Treaty on Legal Assistance in Civil and Commercial Matters. The Government of India agreed to the following:

- A soft loan of USD Ten Million to the Government of Mongolia for procurement of items from India and for India linked projects in Mongolia.
- A pilot project for electrification of a Mongolian village using solar energy.
- Increase of ITEC slots to 50 and ICCR scholarships to 30.
- Additional facilities for the Atal Bihari Vajpayee Centre for Excellence in Information and Communication Technology, Ulaanbaatar and establishment of IT community centers in the provinces.
- Assistance to develop the existing India-Mongolia Friendship Farm into a Model Farm.

Both sides agreed to hold regular consultations at the functional level between their National Security Councils on issues of mutual concern. Two sides also agreed to activate the Joint Committee on Cooperation at Secretary/Deputy Foreign Minister level and to set up a functional sub-committee at the level of Joint Secretary/Director.

Mongolia announced its support to India's candidature permanent membership of UNSC. Both sides strongly condemned the menace of international terrorism and expressed full support for UNSC Resolution 1373.

Considering the ancient and historic ties between India and Mongolia, the Government of India agreed to waive the payment for the plot of land allotted to Mongolia at Bodh Gaya for construction of a Mongolian monastery. PM Enkhbayar laid the foundation stone of the monastery in January 2004. India and Mongolia also agreed to digitization of precious Buddhist manuscripts in Mongolia.

Bilateral Economic and Trade Relations:

During the visit of then Minister for Commerce Shri Pranab Mukherjee, in 1994 two MOUs pertaining to the establishment of a Joint Trade Sub-Committee and Co-operation between the Planning Commission of India and the National Development Board of Mongolia were signed. The Commerce Minister offered Indian assistance for conducting a survey of geological mines by the GSI and assist Mongolia in training specialists in the mining sector. As a follow up to this an agreement for co-operation in the field of geology and mineral resources was signed in September 1996. However not much has taken place in this area, primarily because of privatization process in Mongolia.

In September 1996, during the visit of the then Vice President, Shri K.R. Narayanan to Mongolia, an Agreement on Trade and Economic Cooperation between India and Mongolia was signed. The Agreement provides for MFN status to each other in respect of customs duties and all other taxes on imports and exports.

During the visit of President Bagabandi in January 2001, both sides signed an Investment Promotion and Protection Agreement.

Mongolia is keen to develop industrial co-operation with India in textiles, cement, cashmere, leather, IT, pharmaceuticals and other small-scale industries. However considering the size of the market, the response from Indian companies has not been encouraging. The main items of Indian exports to Mongolia include medicines, animal vaccines, silk, jute, yarn, dyeing chemicals, etc. Imports from Mongolia include raw wool, hides and skin and fluorspar. Bilateral trade has not developed much due to the problems of trans-shipment through Chinese ports, high freight rates and delayed delivery schedule. India-Mongolia bilateral trade figures for the last 3 years are as follows:

(Value in million USD)

Imports/Exports	2005	2006	2007
Indian Exports to Mongolia	1.485	2.60	8.45
Indian Imports from Mongolia	0.05	1.48	1.55
Total Trade	1.54	4.08	10.00

Bilateral Cooperation under ITEC & Colombo Plan:

Mongolian side has utilized these ITEC slots to train Mongolian citizens in 11 disciplines including English language course, Hotel Management, Small scale Business, Computer Hardware/Software, Management Development Programme, Oil and Gas Measurement, Floor Milling Technology, Textile Research, Standardization, Mass Communication and Applied Manpower. Allotment and utilization of these ITEC slots over the years is as follows:

Year	Allotted	Utilised
1999-00	35	26
2000-01	35	31
2001-02	40	33
2002-03	40	30
2003-04	45	39
2004-05	50	37
2005-06	50	47
2006-07	50	51
2007-08	60	55

In addition to above, under Colombo Plan, Mongolia used 20 slots in diversified sectors in 2007-2008 and has been granted 20 slots for the year 2008-2009 by the Finance Ministry.

Bilateral Cultural Relations:

India and Mongolia have a long history of contacts since the two countries share religious and cultural affinities. Indian cultural and religious influence found its way to Mongolia via Tibet, primarily through the efforts of Buddhist Missionaries.

The India-Mongolian Cultural Agreement, signed in 1961, has governed the Cultural Exchange Programme (CEP) between the two countries. The Agreement envisages co-operation in the fields of education by way of offering scholarships, exchange of experts and academicians, participation in conferences, holding of symposia/seminars as well as exchange of historical books, periodicals, journals, etc. The CEP has since been subsequently renewed and the current CEP for the year 2003-05 was signed during the visit of then Minister of State for External Affairs Shri Vinod Khanna to Mongolia in September 2003. The CEP has again been renewed for 2006-08 during the visit of Foreign Minister Ts. Munh-Orgil to India in December 2005. The CEP envisages exchange of exhibitions, performing artists, besides co-operation in the field of conservation and preservation of archaeological sites, including training in archaeological conservation. The Programme also provides for co-operation in the fields of information and mass media, sports and tourism.

Government of India provides 30 scholarships for Mongolian nationals; 10 under CEP and 20 under GCSS; for pursuing higher studies in India. 4 students are also granted scholarships to study Hindi language at Kendriya Hindi Sansthan, Agra, every year.

Over the years, a large number of Indian literary work including Panchtantra, Ramayana, Shakuntala, Ritu Samhar, Kamasutra, Godaan, Gaban and Kati Patang have been published

in Mongolian language. Hindi films are fairly popular in Mongolia. The serial Mahabharata has been telecast on Ulaanbaatar TV dubbed in Mongolian. This telecast was done during 2003 and 2004. Almost all the major Buddhist scriptures of Indian origin are available in Mongolian language.

A five member 'Odissi' dance troupe led by Ms. Geeta Mahalik visited Mongolia in April 2004 and gave five performances, which were well received. A six-member Kathak dance troupe led by Ms. Madhumita Roy visited Mongolia in September 2005. The Kathak dance troupe gave three performances in Ulaanbaatar and one performance each in Darkhan and Erdenet. All the five dance performances were well received and appreciated by the Mongolian audience in Ulaanbaatar, Darkhan and Erdenet. Another Odissi dance troupe led by Ms. Mira Das also made houseful performance in September 2007. Another ICCR-sponsored Odissi dance troupe led by Ms. Aruna Mohanty visited Mongolia in June 2008.

Rajiv Gandhi Vocational Training Centre (RGVTC):

The proposal for setting up a Vocational Training Centre in Mongolia was signed during the visit of then Vice President Dr. Shankar Dayal Sharma to Mongolia in 1992. The proposal envisaged training facilities in the following nine fields:

- i) Auto Mechanic
- ii) Radio and TV Repairing
- iii) Plumbing
- iv) Electrician
- v) Machine Shop
- vi) Computer Programming
- vii) Carpentry (dropped)
- viii) Gem Stone Cutting/Polishing
- ix) Handicrafts – Ceramic art (changed to printing)

The Centre has in all 26 faculties of which 8 have been set up with GOI assistance. The Centre was named after the late Prime Minister Rajiv Gandhi in November 1995 and was formally inaugurated by then Vice-President K.R.Narayanan in September 1996.

Atal Bihari Vajpayee Centre for Excellence in Information & Communication Technology

During the visit of Minister for Information Technology Shri Pramod Mahajan to Mongolia in September 2001 an agreement was signed between India and Mongolia under which it was agreed to grant US\$ One Million to Mongolia for the establishment of Atal Bihari Centre of Excellence (ABVCE) in Information and Communication Technology (ICT) and to establish five Community Information Centres (CICs) in five provinces. A team of NIC experts visited Mongolia and completed Hardware, Software and Networking installation and commissioning tasks at the ABVCE and the CICs. Then Mongolian Prime Minister Mr. Enkhbayar and then Indian MOS for Information Technology Dr. Sanjay Paswan formally inaugurated the ABVCE on 2 October 2002. The ABVCE has i) Videoconferencing facility ii) Data Networking Lab iii) Software Lab iv) JAVA Lab v) Lecture Hall. NIC has also provided the Centre with laptops, clients, web Cameras, Firewall and has connected all the facilities to the Internet.

During PM Enkhbayar's visit to India in January 2004, Indian side agreed to set up five new community centers in five aimags of Mongolia and connect those with the ABVCEICT through video conferencing. In November 2005, five new CICs have been established in Sukhbaatar, Dornod, Khovsgol, Bulgan and Kharkhorin.

India-Mongolia Joint School

During the visit of Dr. Murli Manohar Joshi, the then Human Resources Development Minister, to Mongolia in July 2002, an MoU on cooperation in the field of education, which

provided for setting up of an India-Mongolia Joint School in Mongolia and an Exchange Programme in the field of Education. The India-Mongolia Joint School was inaugurated in September 2003 in Ulaanbaatar. Currently five Indian teachers have been deputed to impart education in English language, mathematics and IT. This school is likely to be converted into a full-fledged Mongolian school in English medium under CBSE curriculum with addition of 5 more teachers from India.

India-Mongolia Friendship Agropark

During the visit of the then Vice President Shri K.R. Narayanan in September 1996, it was agreed that India would assist Mongolia in attaining self-sufficiency in seed production and eventually in food production. To implement this, the Indo-Mongolian Friendship Farm was formally inaugurated in May 1997 at Darkhan.

During PM Enkhbayar's visit to India in January 2004 Indian side agreed to assist Mongolia in developing the Indo-Mongolian farm into a model farm. A 2-member team of agricultural experts from India visited Mongolia in July 2004 to discuss the modalities of agricultural cooperation and particularly to develop the existing Indo-Mongolian friendship farm into a model farm. Accordingly, a Memorandum of Understanding on Cooperation to establish an India-Mongolia Friendship Agropark in Darkhan-Uul was signed during the visit of the Mongolian Foreign Minister in December 2005.

Solar Energy

The Government of India had agreed to do solar electrification of Dadal Soum in Khentti Aimag. This project was executed by the Central Electronics Ltd. and formally inaugurated in April 2006. The project has been highly appreciated both by the Mongolian government and the people of Dadal Soum.
