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Mongolia promotion in North American markets launches with press breakfast in New York

Fifty nine tourism journalists and executives representing leading travel industry publications and organizations attended the press breakfast hosted on 29 February on the opening of the New York Times Travel and Trade Show to promote Mongolia as a tourist destination in the North American markets.



The presentations featured H. E. Enkhsetseg Ochir, Ambassador, and Permanent Representative of Mongolia to the United Nations, and Mr. David Parry, Chairman of the American Tourism Society as keynote speakers and were followed by a lively question and answer period directed at the Mongolian delegation of representatives of the Ministry of Roads, Transport and Tourism (MRTT), the Mongolian National Tourism Organization (MNTO), and private tour operators.

A highlight of the breakfast was the presentation of Tourism Director Bryan Kinkade and Senior Editor Mike Benoist. The event also marked the opening of MNTO's US tourism office to be operated in partnership with The Bradford Group. The office will serve as a hub for industry professionals ready to feature Mongolia in their travel repertoire, particularly in 2008 when the country will experience a solar eclipse, which will be featured in many summer itineraries. To gear up for this and future years of expanded tourism, MNTO has fast-tracked its entry to the US market by becoming a member of three prestigious travel industry groups: US Tour Operators Association, American Tourism Society, and Adventure Travel and Trade Association.

After negotiations that began in November 2007 at the World Travel Market held in London, MNTO also concluded an agreement in January 2008 with The Bradford Group, a New York Based public relations and marketing firm, to develop an 18-month marketing campaign of Mongolia in the North American markets.

With the signing of the agreement with The Bradford Group and the award of *National Geographic Adventure Magazine Travel's* "Best of 2008 Adventure Destination," Mongolia is well positioned to benefit from the forthcoming promotion as a tourist destination in the North American markets.

Summer Trade Seminar grantees receive final award

At a brief ceremony held at the Ministry of Industry and Trade (MoIT) on 28 February, Mr. V. Enkhbold, Head, Economic Cooperation Department, Ministry of Industry and Trade (MoIT), and Mr. Fernando Bertoli, Project Director, EPRC, made final awards to grantees, who successfully completed their trade policy research papers.



The grant awards were designed to support former Summer Trade Seminar participants' analyses of Mongolian trade policy, with co-funding from GTZ and EPRC/USAID. A technical committee from MoIT, GTZ, and EPRC evaluated the proposals on a competitive basis and made decisions on final awards.

Trade policy papers successfully completed included:

- *Potato Price Policy and Trade Analysis* (Densmaa Sh., Purev B. and Khandsuren S.)
- *Evaluating Export Potential of Mongolia using Gravity Models* (Bold S.)
- *Trade in Services Development of Mongolia* (Bayasgalan R. and Unurjargal N.)
- *Restrictions on Trade in Transportation Services and Freight Forwarding: Mongolia* (Bold S.)

MoIT plans to disseminate the results by making the papers available on its website and co-organize with EPRC presentation and discussion of the findings with policy makers and the general public.

Memorandum of Understanding signed between the *Ministry of Fuel and Energy* and the *Energy Regulatory Authority*

On 29 January, the Minister of Fuel and Energy, Mr. Ch. Khurelbaatar, and Chairman of the Regulatory Board of the Energy Regulatory Authority (ERA), Mr. R Ganjuur, signed a Memorandum of Understanding (MOU) for collaboration on power sector operations and reform in Mongolia.

The purpose of the MOU is "to strengthen collaboration between the Parties on energy sector policy and strategy, regulation of the sector and certain regulatory reform issues and implementation." More specifically, the MOU commits the parties to:

- Collaborate for developing and implementing the electricity and heat tariff elaboration program
- Upgrade time-of-use tariffs of industrial concerns, entities, and residential consumers
- Re-develop and implement lifeline tariffs for residential consumers
- Review entity and residential consumers' classes
- Carry out surveys and estimates for adjusting electricity and heat retail tariffs
- Approve and set the date of implementation of the generation two-part tariff methodology for power generation
- Refine performance agreement (PAs) models and execute them with two or three interested licensee companies
- Carry out revenue and cost audits of energy companies to ensure adherence to International Financial Reporting Standards (IFRS)
- Study potential solutions of recovering financial losses of remote aimags and soums' distribution networks by providing direct budgetary subsidies to consumers, and submit the relevant proposals to the respective authorities
- Submit the following issues to the Fuel and Energy Minister's Council Meeting for discussion:
 - Development of the market design
 - Development of market rules
 - Implementation of the new market design.

The far reaching MOU, drafted with project assistance and in effect until 31 December 2009, commits MoFE to support the ERA in implementing its full powers as specified in the Energy Law. An initiative of the Minister of Fuels and Energy, the MOU provides a necessary framework that, if properly executed, will be instrumental in addressing long-standing issues in the energy sector.

Two-day workshop on information security, electronic tax filing and new regulations held for branch tax officers

Over forty tax inspectors and economists from Tov, Selenge, Bulgan, Orkhon, Darkhan-Uul and Khovsgol aimags participated in a two-day workshop held in the training facility of the Tax department, Darkhan-Uul aimag on 26-27 February.



The Mongolian Tax Authority (MTA) and the project co-organized the workshop. MTA made available fifteen computers that EPRC set up in a network to provide hands-on training on network setup and security issues during the first day. Topics covered included: local networking, internet usage, e-mail communication and system maintenance. Although the training was fast paced, participants expressed satisfaction with the practical, step-by-step approach used in the instruction.

The second day of workshop covered an overview of new regulations of the general tax administration law, social security law and other taxation issues. Participants also received an introduction to the structure and workflow of the taxation database system and the new electronic tax filing systems which will be deployed nationwide in the near future.

This Newsletter is a monthly electronic publication of EPRC project activities. Comments, suggestions, and requests for inclusion or deletion from our mailing list can be forwarded to: Editor, EPRC Newsletter, by e-mail fbertoli@epc-chemonics.biz or fax: (976-11) 32 78 25.