**Development of investment/business environment**

- 3rd round of negotiations for “Japan-Mongolia Economic Partnership Agreement (EPA)” will be held in Ulaanbaatar on April 2-5, 2013. Both sides will vigorously negotiate toward early conclusion.

- 6th meeting of “Japan-Mongolia Public and Private Sector Joint Committee on Trade & Investment Promotion and on Mineral Resources Development”, a framework of public- and private-sector dialogue for discussing promotion of trade, investment, and resource development, will be held in Ulaanbaatar on May 5, 2013. Japan expects the participation of Mongolian Chamber of Commerce and Industry as private-sector chair. Both sides share the views to enhance this committee through such measure as discussions on specific projects, etc.

- JETRO, in cooperation with Mongolian chamber of commerce and Industry, will hold “Japan Business Fair in Mongolia” in Ulaanbaatar on May 3-4, 2013 for the first time.

**Cooperation for Mongolia’s sustainable economic development**

- Environment
- Fostering human resources
- Improvement of infrastructure basis for development

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**Outline**

1. Development of investment/business environment
   - Japan-Mongolia Economic Partnership Agreement (EPA)
   - Japan-Mongolia Public and Private Sector Joint Committee on Trade & Investment Promotion
   - Japan Business Fair in Mongolia

2. Cooperation for Mongolia’s sustainable economic development
   - (1) Environment
   - (2) Fostering human resources
   - (3) Improvement of infrastructure basis for development
Cooperation for Mongolia’s sustainable economic development

(1) Environment

- Japan decided to provide approximately 4.2 billion yen in yen loan to build and renew facilities related to “4th thermal power plant” with Mongolia’s biggest power generation capacity (580MW) in order to improve generating efficiency and stabilize power supply (loan assistance).

- Hold joint committee meeting between Japanese and Mongolian governments on April 11, 2013, based on Joint Crediting Mechanism signed by Japan and Mongolia on Jan. 8, 2013, to start its full implementation by providing related regulations, etc., and indentify concrete projects under the mechanism.

- Examining specific ways of cooperation, based on preliminary survey, for construction of “Ajilchin flyover” (with total length of 2,250 m including roads linked to it) aimed at improving urban environment by forming arterial road network in Ulaanbaatar to ease traffic congestion (loan assistance).

- Undertaking preparatory survey for cooperation regarding construction of subway lines (Ulaanbaatar Metro) designed to improve comprehensive urban public transport network in Ulaanbaatar (public- and private-sector joint infrastructure project).

- Decide additional technical cooperation concerning measures against air pollution in Ulaanbaatar (measurement of pollutants, car exhaust regulations, etc.).

- Contribute to improving air pollution in Mongolia through bilateral policy dialogue and other approaches in addition to above-mentioned cooperation that contribute to anti-pollution measures. Also, contribute to establishing measures against air pollution in Asian Region.
(2) Human Resources Development

- Launch preliminary survey to foster human resources for Mongol’s industry through reinforcement of functions of higher engineering education institutions and acceptance of students for study in Japan (loan assistance).
- Build Japan-Mongolia teaching hospital having educational function to develop human resources in medical area (grant aid). Start preliminary survey to develop medical personnel for local medical care and improve quality of medical services (technical cooperation).

(3) Improvement of infrastructure Basis for Development

- Build a new airport in Ulaanbaatar suburb to improve convenience as international airport by utilizing Japan’s advanced technology and know-how. This project will improve reliability and safety of air transportation by introducing latest airport security system. Japan is ready to provide additional official loan (loan assistance).
- Acceleration of necessary procedures by Mongolia toward establishing JBIC export credit line for Mongolian companies’ purchase of equipment (such as construction machinery for development of mineral resources) and services from Japan.
- Acceleration of necessary procedures by Mongolia for JBIC/private-sector coordinated loan for construction of oil refinery in Darkhan with annual production capacity of 2 million tons.
- Japan hopes Mongolia will adopt policy of ensuring Japan’s participation in Tavan Tolgoi coalfield development project based on agreement between Japanese and Mongolian leaders in March last year.
- Promote coordination toward conclusion of MOU for joint project using Japanese-made satellites in view of Mongolian Interest in launching communication and earth observation satellites.