

DEFACTO INTERVIEW

There are now about 176 Takhi roaming completely free in that spectacular Gobi B strictly protected area



Anita Fahrni-Mineur, Member of the board of the International Takhi Group

Defacto: You have come many times to Mongolia, please tell us about this Takhi Group. What is this about?

Anita: The International Takhi Group, of which I'm a member of board for the past 8 years, is a Swiss Organization which has reintroduced Takhi (Mongolian wild horses) to the Great Gobi B area very successfully. There are now about 176 Takhi roaming completely free in that spectacular Gobi B strictly protected area. This year we are celebrating the 25th anniversary of the reintroduction.

Defacto: 25th anniversary?

Anita: Right, everybody here knows Khustain because it's so close to UB. But most people don't know there

are Takhi in the Great Gobi B.

Defacto: What is Great Gobi B?

Anita: Because there is the Great Gobi A and the Great Gobi B.

Defacto: Please tell us about that. What is the difference? Both in Mongolia?

Anita: There are 2 different areas and they are 2 different strictly protected areas. Both in Mongolia, both on the border with China. A is to the East and Great Gobi B is in Gobi-Altai and Khovd.

Defacto: So there were Takhi before but not anymore until the reintroduction?

Anita: They came from many different zoos in Europe and I believe America as well, and there are still

some which are being brought from the zoos; very carefully, it's a difficult thing to fly these horses in because they are wild horses. They have been in zoos but they are then readjusted to more wilderness and they come then to Mongolia and are put in very large pens for a long time, heclares in size, really huge. Then after one is sure that they are healthy, they are let loose and they roam completely freely in the beautiful area.

Defacto: The Takhi can cross the borders? To China

Anita: Yes, probably in winter when it was very cold, some went to China. We work together with Jimsar which is a group in China where there also Takhi. And we are coordinating with them, we are training with them.

Defacto: Have you also reintroduced Takhi there?

Anita: No, that's the Chinese.

Defacto: Okay so you have some communications. Does this mean that our Takhi, if they cross the border they can be brought back?

Anita: If they want to come back! It's very hard to transport them. I'm here partially because we are celebrating our 25th anniversary. And we will open on Friday 14th a photography exhibition about the Takhi, Takhin Tal and Great Gobi B. We are looking for members, there is a Mongolian Friends of the Takhi organization. But we are trying to make our work better known. As I said Khustain is known by everybody. However, we are so far away from UB that one doesn't really know us.

Defacto: What brought you to this Takhi Group and why?

Anita: I was introduced to the board of Takhi Group by someone who knew of my other work here, and because I have been coming to Mongolia at least once a year for 20 years. I have a very large network here among politicians, school, universities, and with non-governmental organizations. Because many of the exchange students whom I sent to Switzerland come from the countryside, I also have close relationships with people in Dornod,Uvs, and Ulgii. I have 2 teachers from Switzerland now working in Ulgii, and 3 people teaching in Khovd. So my network is very very large.

Defacto: What do they teach?

Anita: They teach English, or

sometimes German.

Defacto: So for the last 20 years how many students from the countryside of Mongolia were trained in Western Europe?

Anita: This week, the next group of 7 students of German is being selected. Among those is the hundredth student of German who will go to Switzerland for 1 year of education.

Defacto: Where in Switzerland?

Anita: This is in my town of Thurgau, St. Gallen, and in Zurich.

Defacto: Why are you doing that?

Anita: Because I can do it! And because I really think that education is the best form of development possible. These women, who spend a year in host families, in Swiss schools, they do internships, they teach in Switzerland, they work with teachers, and they come back with a completely different horizon. They see how efficient things could be, which they aren't in Mongolia, they see the modern methodology of teaching where one works in groups, and where one works together, instead of always having competition.

Defacto: Can you tell me a case where one of these hundred students who went earlier and who came back to Mongolia has made a substantial impact on society?

Anita: Many of them are teaching here now, two have worked for many years for the Goethe Institute. I have always selected students who come from the countryside. Of those hundred there are maybe 2, 3 or 4 who live in UB.

Defacto: So they are not privileged?

Anita: Not privileged, many of them are from herder families and so 3 are teaching in Ulgii, some are teaching in Uvs, one is working in Dornod, some are teaching in Khovd now.

Defacto: And these students are



▶ mostly women?

Anita: All women except one.

Defacto: Why women?

Anita: Several reasons. I've always networked with women's organizations, and I think here, as in many developing countries, it's the women who really are pushing for change, it's the women who don't have the high positions. But they're the ones who are really doing the work and pushing. It's also easier to find host families for women.

Defacto: Well, you are member of the European Centre of the International Council of Women. Tell us about that. What is this about?

Anita: I was representing Swiss women in the international women's organizations. This is about making women present, about collaboration internationally, about pushing for laws and regulations that do not discriminate against women, and pushing for equal pay for men and woman for doing an equal job. It's generally networking, encouraging. I've often been in foreign countries encouraging young women

to go into politics which unfortunately here is extremely difficult, because, as I understand, nobody can go into politics who doesn't have a lot of money. To run for office is very difficult and it's ruled by mainly by men. So, although I believe there 11 women in your parliament at the moment, that's not really very many.

Defacto: Also you have been exchanging teachers. What is that about?

Anita: Yes, I have sent maybe 35 teachers, Mongolian teachers of English or German, to Switzerland for 3 months of training.

Defacto: Is it along with the 100 students?

Anita: No, this is outside. The English teachers go to international schools in Switzerland where first of all they learn to speak English better, they improve their English comprehension and their speaking ability, but also they see modern teaching methods. I have sent about 145 teachers from Switzerland and America and elsewhere to teach in schools and universities here. There are 6 here at the moment.

Full interview available here:
<http://bit.ly/2w8WQPA>

DEFACTO REVIEW



Mongolia passes IMF review

Mongolia is on track for a rebound of economic growth and has met the requirement of the International Monetary Fund to continue drawing from and economic bailout to provide debt relief and bolster the currency.

The IMF deal required Mongolia to make a "comprehensive effort to rehabilitate the banking system" and to strengthen the central bank's independence. Reforms are already at the drafting stage and are designed to improve supervision and regulation in the banking system, the IMF said in a statement issued on Wednesday.

Mongolia will also conduct an "asset quality review" to evaluate credit risks at commercial banks, it said.

I have 2 thoughts on that. First of all is about the deficit to gain this year according to IMF evaluation. They said it goes as planned. So that's why the first tranche, first action of IMF. Mongolian government is alright and they will go with the second one. But my concern is the deficit, the decrease of budget, is not necessarily. Because our government is performing better it's just because also the coal price increase, export earning increase and tax had increased. Just increasing tax and decreasing deficit don't mean that our government is do-



ing better. Because increasing the tax means decreasing of investment for private sector. Otherwise they could go for extending of the businesses create new jobs. Which is not a case, which is not a good sign for economy. Second thought is about an asset qualification review. What happened was PwC got the right to make independent auditing of Mongolian commercial banking assets. Independently in the sense is that the KPMG is also coming to the 2 large banks that otherwise audited by PwC before. So it is not regular since it is not regular auditing. They're requiring international standard independent auditing. These 2 banks are Golomt and

Khan. They will be audited by KPMG. So what do we expect from that asset qualification. That's the more concern and big issue for Mongolia because recently they said Mongolian banks are taking as a collateral animal stocks and mining licenses which are not the way to have as a collateral. Because it's very hard to qualify that asset quality according to international rules. We don't have a proper registrations of animal stocks as property and asset. Which is somehow on the way for many years in particular through insurance system of livestock. It is not yet completed. Mongolia is not taking each livestock as an asset yet.

► So it's a big change for asset quality and qualification in Mongolian banks. Because many people are putting particularly in the countryside such as Khan bank which has branches in all aimags and soums. They have a lot of collaterals as animal stocks. So it's a problem.

In addition, something similar happened in Korea 1980 after the Asian Financial Crisis what they did was Korea had reconsidered and requalified all banking assets. By the time it happened to single borrower as some banks will give 45% of the total portfolio. Which is quite not correct logistics normal is about 20% to single borrower. Also it happened to Chaebol in South Korea 300% of capital of the bank equivalent loan was given to 1 group. So they have reclassified everything that's what we are expecting in Mongolia. That means qualification of assets changed. Risk or fund for bad loans are changed. They increase to the level that the fund on capital should have certain ratio if it is disproportional they should increase on equity capital of bank. Which will not easy for smaller

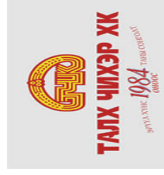
banks. It will require certain merges of smaller banks in Mongolia which may never happen somehow. So we do expect certain merges like happened in South Korea.

According to the logics of work that IMF has done in South Korea. In the same almost situation like Mongolia is today. Unlike we don't have that banking big crisis now but in order to avoid this sort of crisis they need to do what they did there. They have not only merged also they have nationalized some banks.

Mongolian commercial banks somehow connected with decision makers. We are not much clear about who owns commercial banks. Some banks don't say that who owns which percent. We know for example TDB is owned almost by one person who is D.Erdenebileg. It was revealed during the parliament inspection that reported. UB bank where by the way all Ulaanbaatar companies on the territory of Ulaanbaatar have an account for tax payment. This bank is also owned by the same person. Now

MSE companies fail to report

Seventy percent of all Mongolia Stock Exchange-listed companies miss the reporting deadline for the first half of the year in 2017, leaving investors wondering the state of their investments. 153 companies are delinquent in the disclosure of the revenue earnings growth in more. As required by the MSE even after the deadline has been already extended to July 28. Those companies include assets control by president Khaltmaa Battulga those are including Jenco Tour, Bayangol hotel as well as partial state on the assets including Darkhan Power Station. So companies are failing to report how this is heard the MSE as an exchange in the Mongolian economy? That's the big pain in this country for capital market development. I'm always wondering why the state related authorities like the financial regulatory committee not able to do anything substantial that these companies report. Public



"ЖЕНКО ТУР БҮЮУ" ХК



companies if they don't report on time about their financial situation is harmful. Not only for minority shareholders but for whole country. In capital market if the stock companies don't give their information how will you buy the shares? That's why the Mongolian stock market is symbolic.

Many public offices have the owners of those stock companies. Including our president, he owns Bayangol Hotel, candy factory, meat factory and Jenco Tour. The big issue with minority share holders for many companies also mentioned here. Many minority shareholders are so unhappy.

► The state is kind of defending the rights of majority share holders. They are making this stock company into limited company. Their board is consisted with their related majority share holders. Also the some of these companies are state owned or state-private combined companies. Mongolian state owned companies are not actually state owned. It is like Mongolian political party owned. After the election they keep changing every head of the state owned companies. Because it is easier for pushing them to give money to political parties for financing. That's why the Mongolian political parties are becoming rich during the elections. For example, Mongolian Railway company which is also made by public money supposes to own all the infrastructures of the railway. Electrical power distribution company turned out also state owned company which is not reporting. The government is not enforcing them to report. Why they would not change the leaders if they don't report on time. There are reporting rules not law which the punishment is small. I think it's time to have a related laws to require to report on time.



Residents baffled at "Beatles" square

A lot of residence buildings. People just saw and came out. They would have discussed with the all stakeholders before the reconstruction. Also it's revealing the big problems existing all around the city. I was suggesting all the time 3 things. First clear law on zoning. Even in the residential area what should be made. Second all property should be on the public domain. On the website we can learn about that particular information. Third those people who got the land are what I suggest is real estate tax. Half of these real estate tax should go back to maintenance of that

real estate area. Which makes better some areas more expensive. Then we can know the real value of real estate. In addition citizens of the Ulaanbaatar are so much confused about our mayor or who is not directly elected by the Cabinet. He is appointed by the Prime Minister. So his report back to the Prime Minister rather than to people. So we demand mayor of the city directly elected by the ordinary inhabitants of city.

Full review available here:
<http://bit.ly/2vFwhET>



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