



MINISTRY OF CONSTRUCTION AND URBAN DEVELOPMENT MONGOLIA



Current Situation and Future Trends in Mongolian Construction and Urban Development Sector

Warsaw, Poland, 21Jan 2013

Ms.BAIGALMAA Gochoosuren
Vice Minister



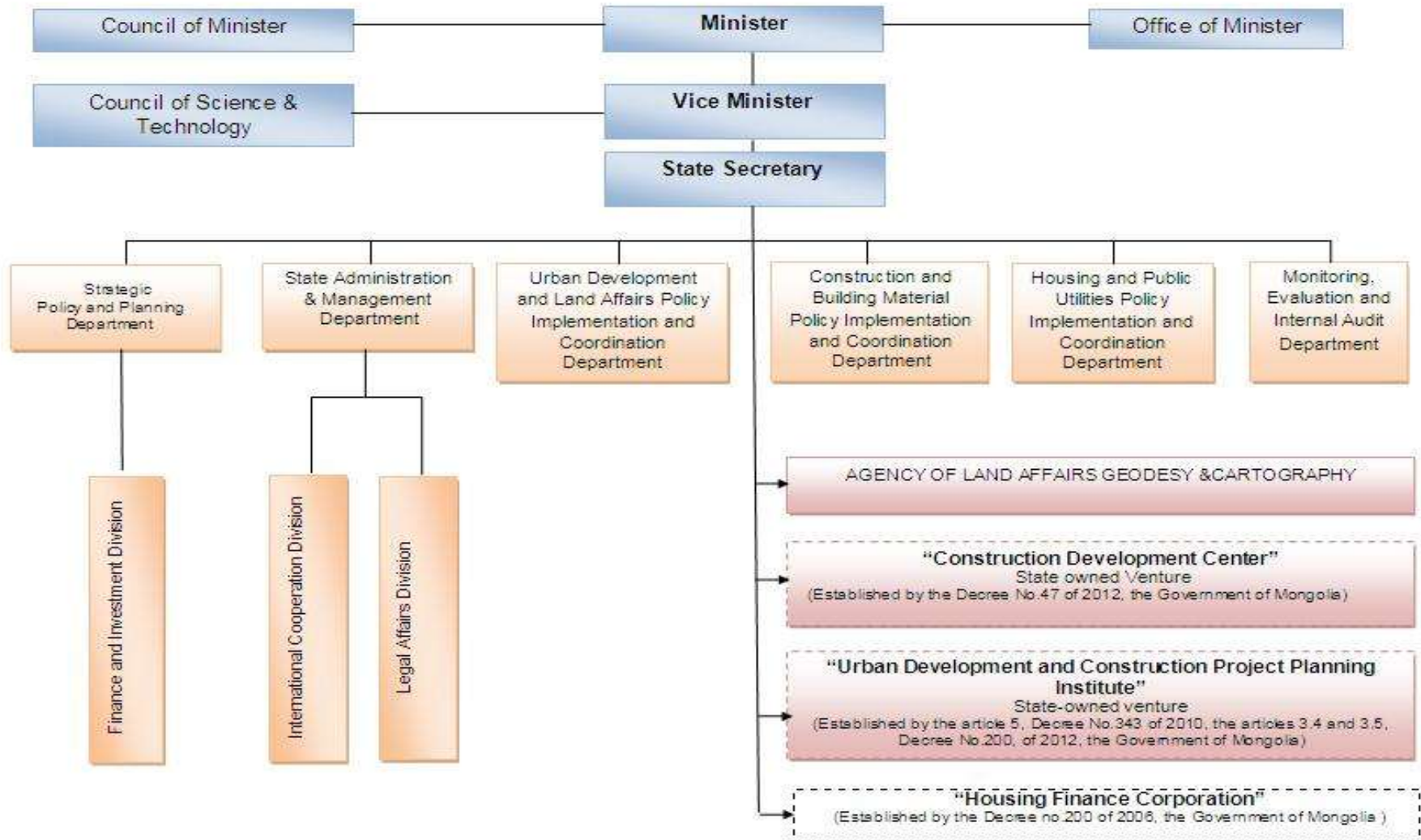


Content

- Current Situation
- Specific Legal Framework and Policy Areas
- Planned Projects
- Cooperation opportunities



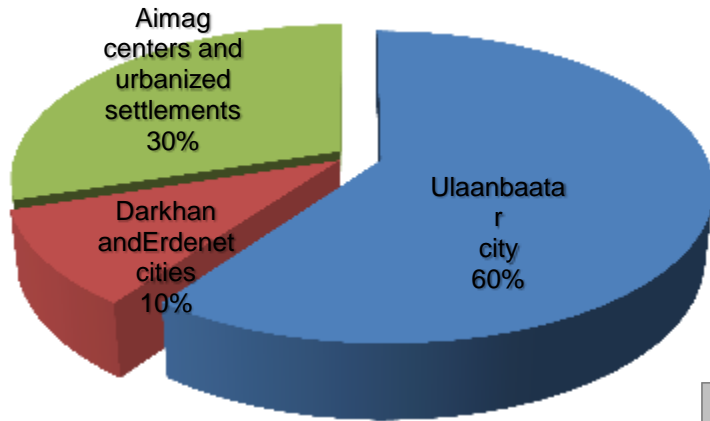
Organizational Chart of the Ministry





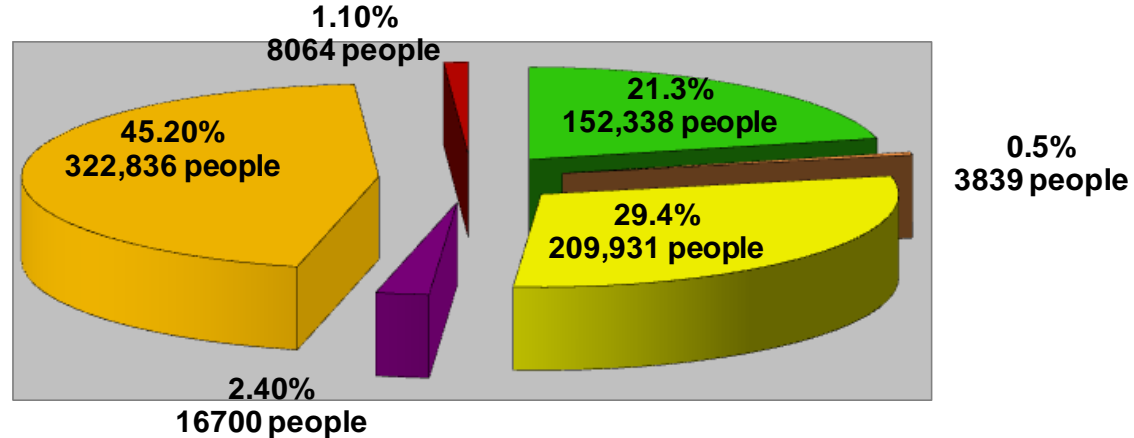
Current Situation of the Population Settlements

URBAN POPULATION



Population concentration

Current Status of Housing Supply



Public housing	Single-family adequate housing
Detached houses	Dormitory
Ger	Non-residential purpose dwellings

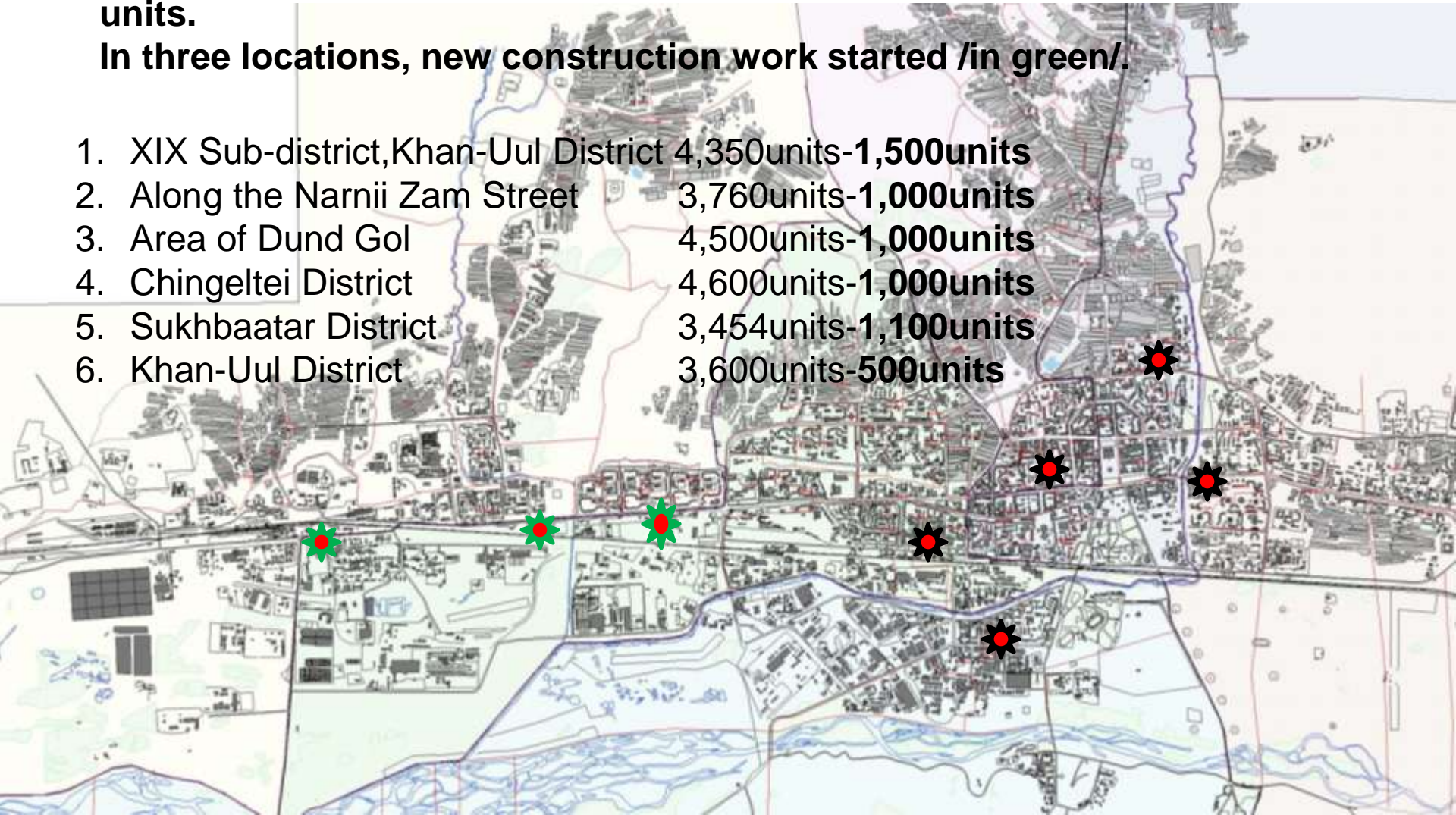


“New Development” Medium-Term Target Program

Demolishing old buildings that are non-resistant to earthquake and redeveloping with new buildings – Residential areas with 6,100 housing units.

In three locations, new construction work started /in green/.

1. XIX Sub-district, Khan-Uul District 4,350units-1,500units
2. Along the Narnii Zam Street 3,760units-1,000units
3. Area of Dund Gol 4,500units-1,000units
4. Chingeltei District 4,600units-1,000units
5. Sukhbaatar District 3,454units-1,100units
6. Khan-Uul District 3,600units-500units





Government Policy Agenda for Growth and Development

The government has approved a series of urban development and housing projects and plans, aimed at supporting sustainable development and long-term growth.

***New Development Medium-term Target
Program (2010-2016)***
was approved by the Parliament Decree #36 of 2010.

- Urban Planning and Development
- Improving national infrastructure
- 100,000 Housing Units Project
- Rural regional development
- Utilities reform
- Boosting Job growth
- Easing internal migration



“New Development” Medium-Term Target Program

8 key policy areas aimed to ensure sustainable, broad-based and equitable growth

Policy Challenges

- **Overcrowding in Ulaanbaatar**
- **Bottlenecks in transportation**
- **Unemployment**
- **Severe pollution**
- **Ecological deterioration**
- **Persistent poverty**
- **Lack of ‘social infrastructure’**
- **Disproportionate urban migration**



Policy areas:

- **Urban development & planning**
 - **Improving infrastructure**
 - **Expanding housing supply**
 - **Boosting job growth & education**
 - **Tackling pollution**
 - **Supporting rural development**
 - **Incentivizing enterprise & business**
 - **Easing internal migration**
-



Key Policies: Urban Development & Infrastructure

- **Re-generation of ger area:** Demolish houses and apartment blocks that are not earth-quake resistant and replace with new housing districts
- Issue low interest loans with long maturity to low & medium income households
- **Water & waste management:** Establish new sources of underground & pure water supply and revamp national sanitation facilities
- **Efficient National Power Supply:** An independent & centralized power and water source in Ulaanbaatar, in regional pillars and aimags.
- **Centralized Power Grid:** A new central power grid, introducing renewable energy technology. Aimags to be connected to a centralized national power grid.

Improvement in Master Plan of Ulaanbaatar City upto 2020 and Development Concepts upto 2030





Key policies:

Province Center Master Plan Development



- Revision of the Master Plan for Sainshand Development
- Revision of the Soum Center Development Master Plans for “Tsogttsetsii”, “Khanbogd”, and “Gurvantes” Soums, Southgobi Aimag

Master plans to be formulated newly:

- Gashuunsukhait and Shiveekhuren border crossing points, Southgobi Aimag
- Bulgan border crossing point, Khovd Aimag
- Burgastai border crossing point, Gobi-Altai Aimag
- Khangai border crossing point, Dornogovi Aimag
- Bichigt border crossing point, Sukhbaatar Aimag
- Borshoo border crossing point, Uvs Aimag





Master Plan for Gashuunsukhait Border Crossing Point Development





Master Plan for the New International Airport in the Khushig Valley and Development of New City





Key Policies:

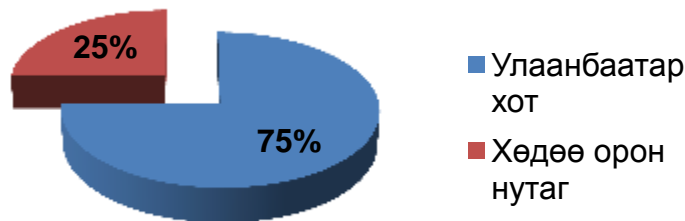
Urban Development and Re-development of Ger Area





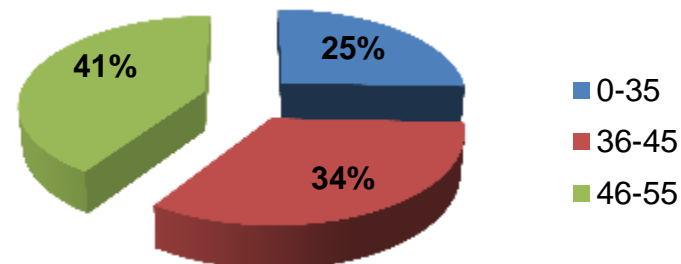
Mortgage loan for housing

Citizens who applied for mortgage loan
for housing
/as location/



Mortgage loan granted:

Citizens choice
/ as size of square meter/

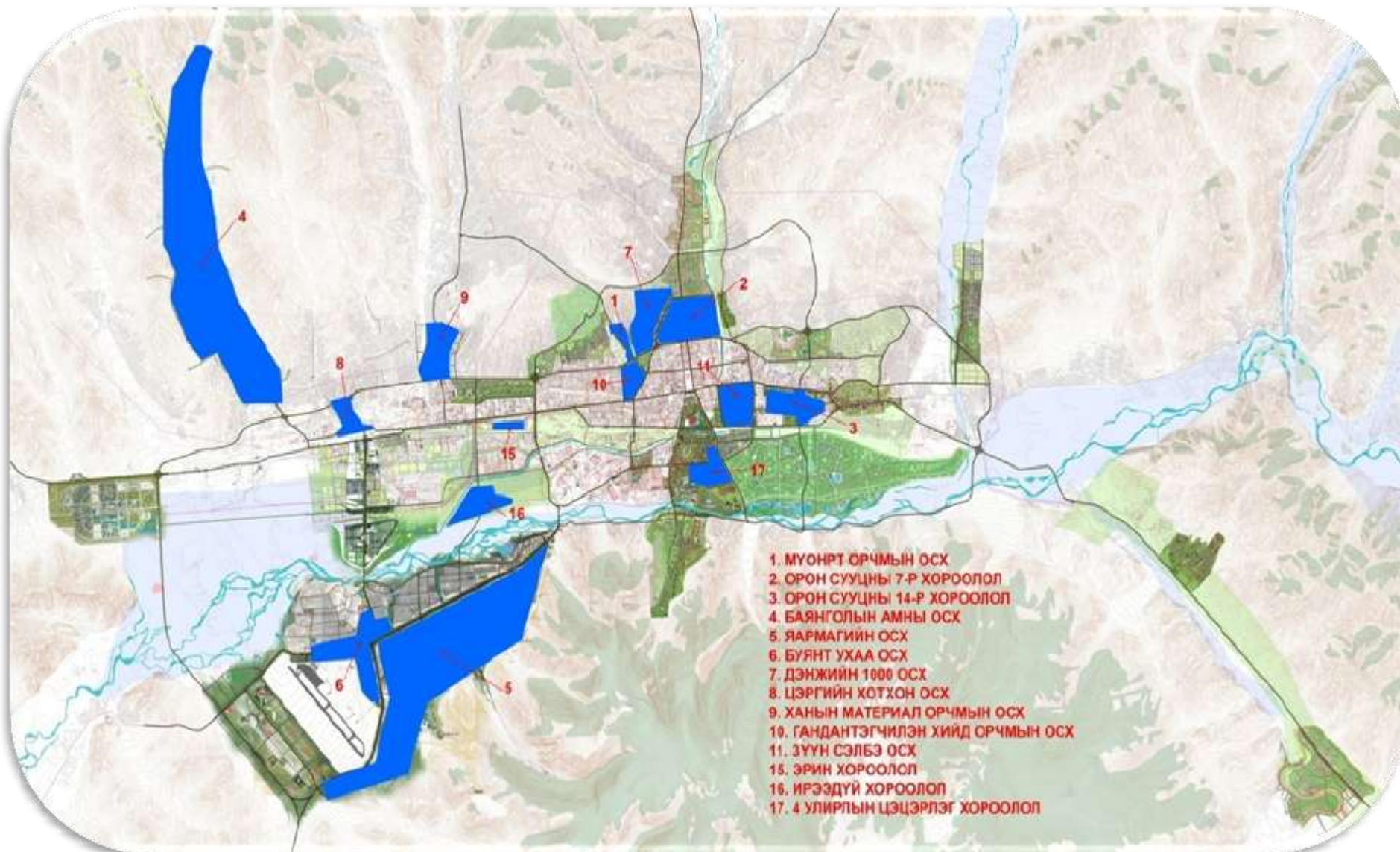


According to Resolution No. 138 of 2011, Government of Mongolia:

- In 2012, 1150 citizens did have mortgage loan for 50 billions tugrugs /37.7 million USD/ with 6 percent interest per year by Development Bank.
- **In future bond of 800.0 billion tugrugs** (571.4 million USD) will be issued by the Government of Mongolia.



Housing districts locations to be newly built in Ulaanbaatar City





Projects by Loan and Aids of Foreign Countries Government and International Organizations

- Urban Development Project by loan of ADB
- Urban and Residential Area Development of Umnugobi and Dornogobi Provinces and near borders by irrevocable grant of ADB
- Housing District Project by Loan of ADB
- Infrastructure Improvement Project by Loan of Government of the People's Republic
- Water Supply Improvement Project for Ulaanbaatar City and Gachuurt Province by irrevocable grant of the Government of Japan
- “Euro Eco Tugul” Project by investment of the Czech Republic
- Wastewater Treatment Plant Project in Orkhon Province by Loan of the Government of France

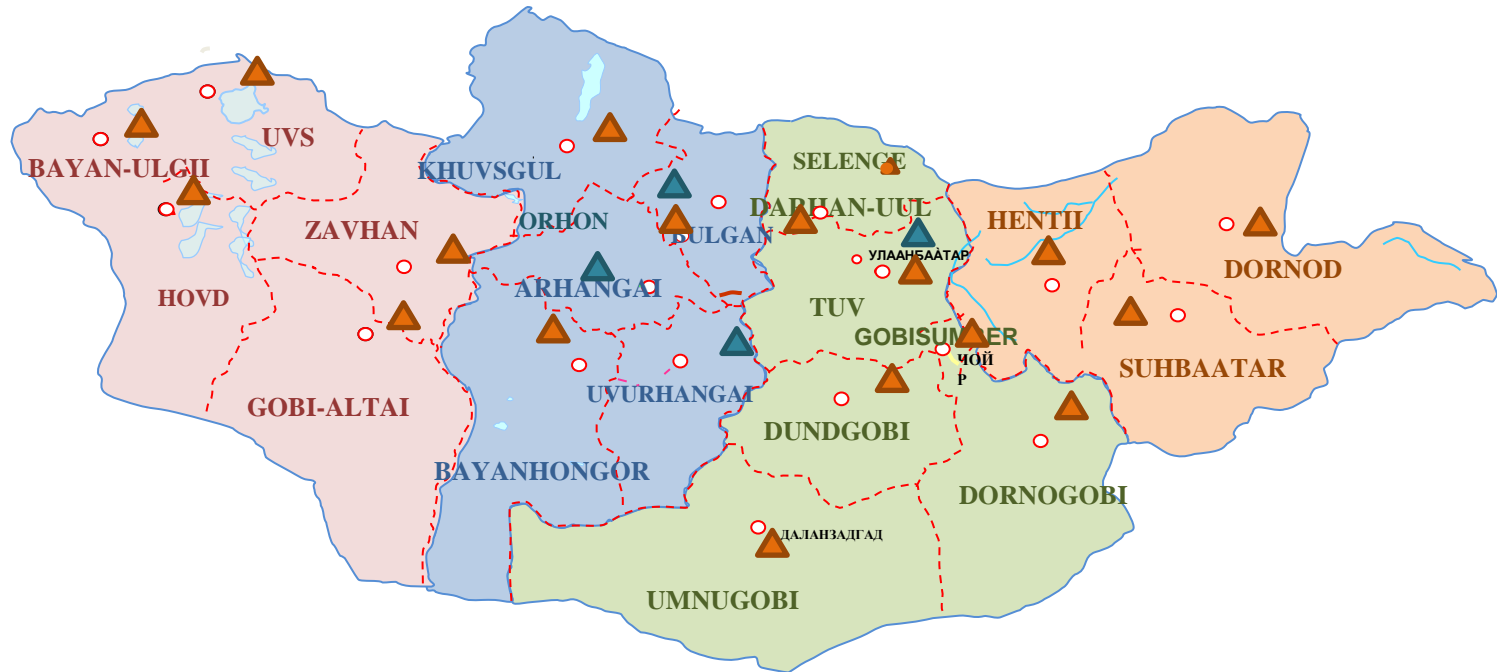


Existing Capacity for Analyzing Construction Materials





Construction material industries that will be newly built and re-constructed



Career Industry



Concrete and reinforced concrete industry



Constructing Laboratories and Providing with equipment



Industry which fits to rural area feature



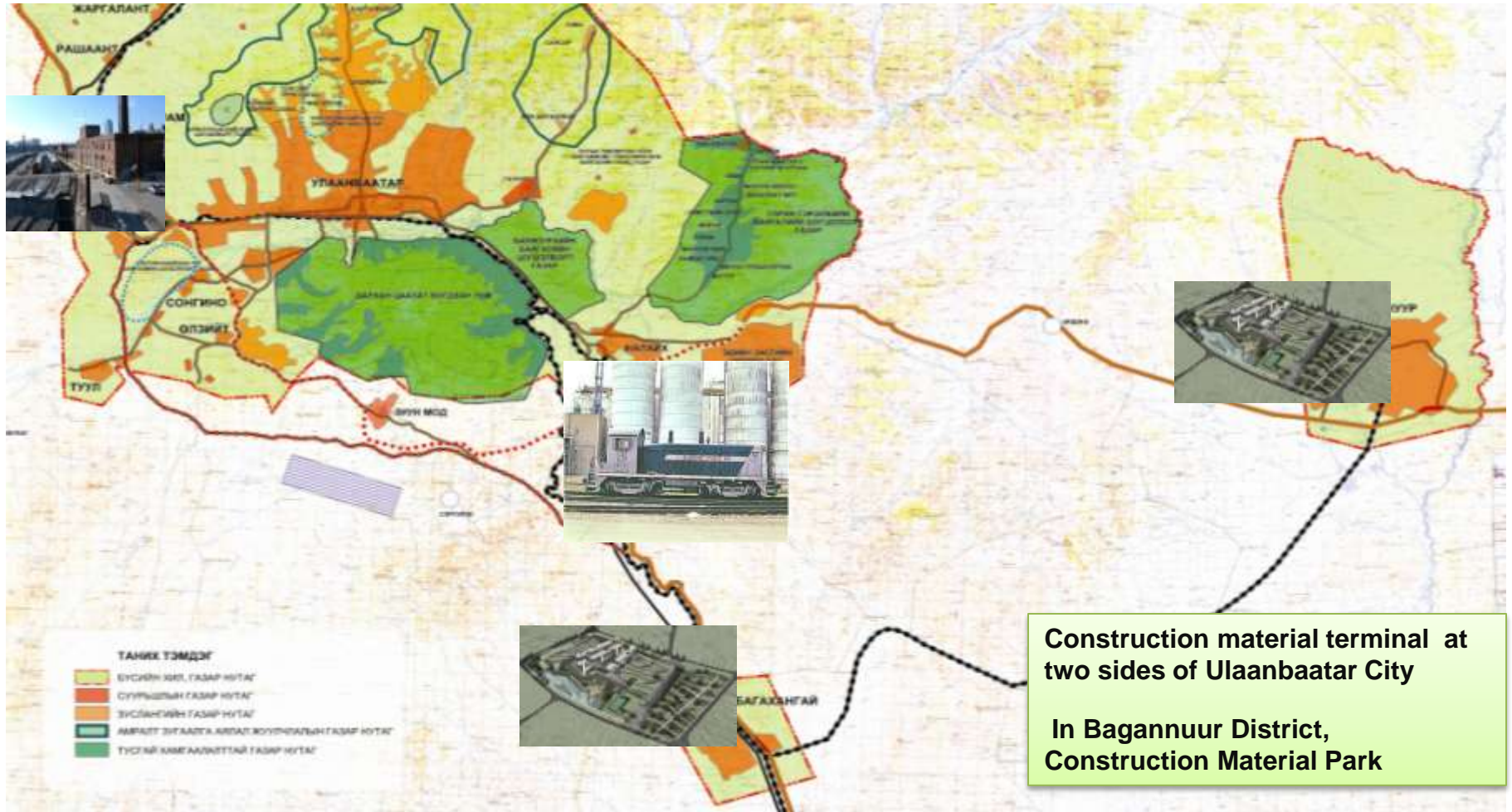
Avoiding Seasonal Impact on Construction Work



1. In order to lengthen construction season, the systems such as “KEIZER”, “HYBRID” will be introduced, which combine both cast-in-place and prefabricated construction methods.
2. Production of prefabricated reinforced concrete and metal structural elements will be substantially increased, and this concept will be pursued in the design of residential and social service buildings.
3. Building material whole sale center will be established. Uninterrupted operation of building material manufacturers will be ensured by way of purchasing and storing domestically supplied common materials.

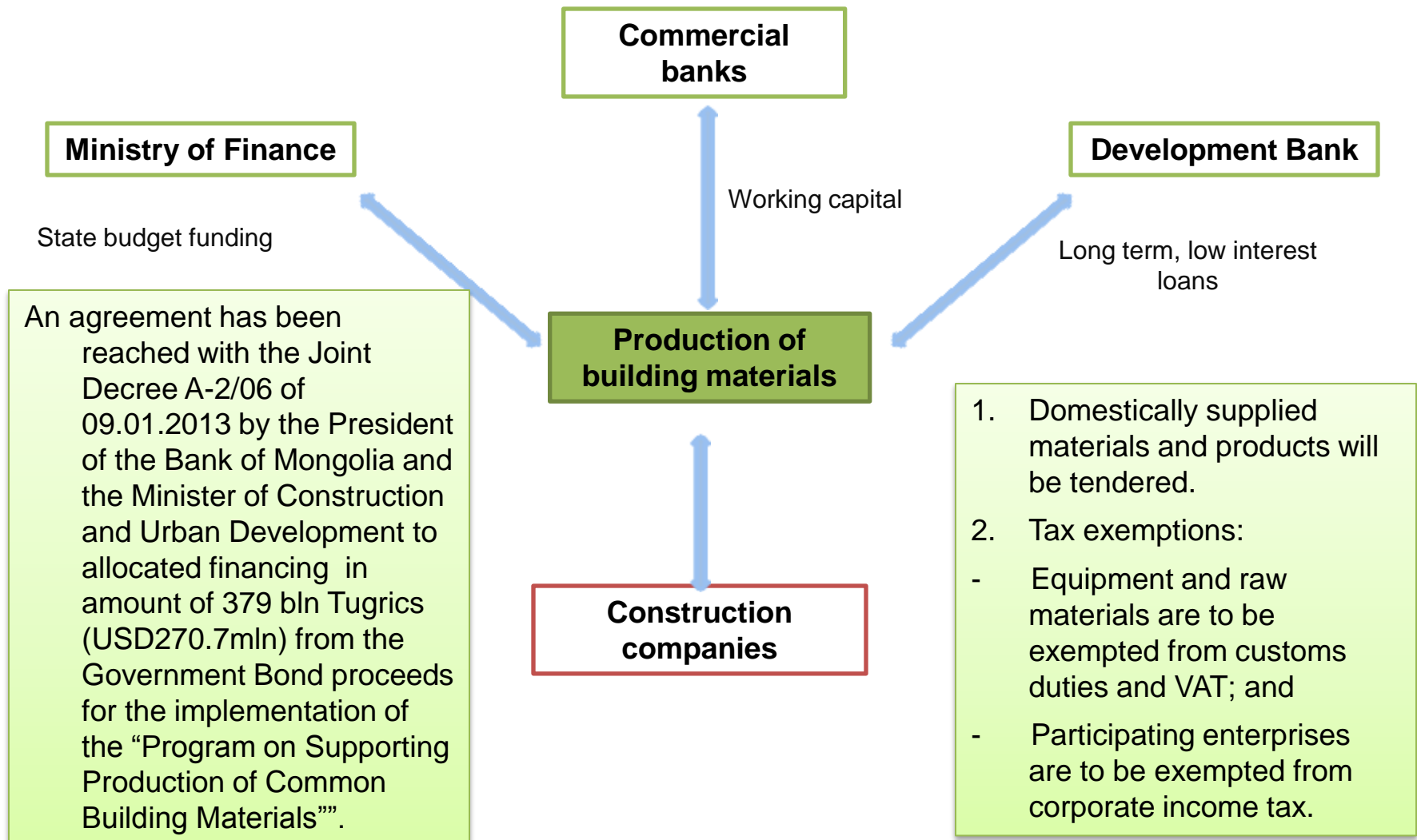


New Construction Material Terminal, Whole Sale Center and Park





Supporting building material industry in financial and economic framework





In construction sector:

- **41,195 vocational labor force are working in 1,584 enterprises.**

of whom:

- 13,198 engineers and technicians
- 27,997 нь vocational workers

- **Boosting *structural* employment**

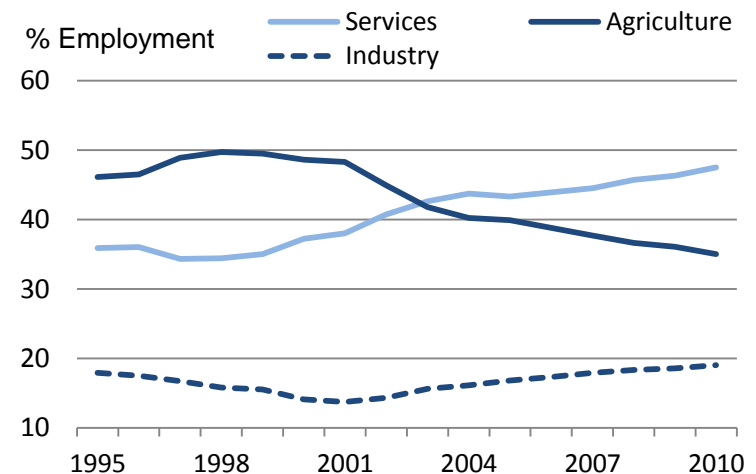
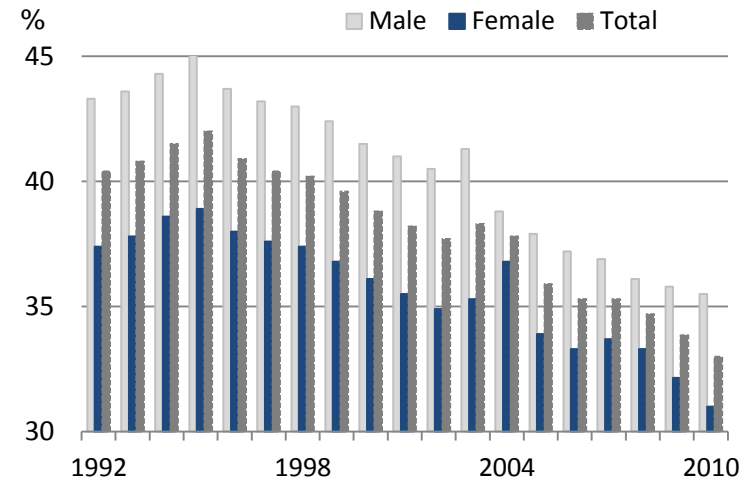
- **Vocational training centers** to re-invigorate employment among the young population, which has dropped (Figure 11).

- **Universities and college campuses** to be built in regional districts as well as in Ulaanbaatar.

- **In future, 20,000 vocational workers are needed in construction sector.**

Source: World Bank

Figure 11. Employment to population (15-24 yrs old)





Improving Legal Framework in Urban Development

Draft new laws and legislation:

- Law on Urban Re-development
- Law on Architectural Activities
- Law on Green Areas in Cities and Settlements
- Parking Law
- Law on Compulsory Land Expropriation
- Law on National Spatial Information Infrastructure

Legislation to be revised or amended :

- Law on Land
 - Law on Land Fee
 - Law on Land Cadastre
 - Law on Geodesy and Cartography
 - Law on Urban Development
 - Building and Planning Code for Cities and Settlements
 - Guidelines for city and settlements development action plan formulation
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INVESTMENT OPPORTUNITIES IN THE INFRASTRUCTURE SECTORS

- Developing country–Mongolia has;
- wide space of unused and natural land
- huge amount of available mining deposit e.g. copper, zinc, gold, silver, coal, and etc...
- opportunity to trade through maritime transportation via China and Russia
- high level of needs of construction and urban development including housings, infrastructure, construction material supply–manufactures
- major projects and programs are formulated and implementing are available for investors and companies to choose
- created investor-friendly and PPP legal environment /Concession law/
- been intensively developing multiple side of cooperation with the world countries
- open market of various types of trade, products, and manufacturing
- been diversifying ethnically and socially
-



Cooperation Opportunities

- Implementation of “100,000 housing units” project including infrastructure development;
 - Improvement of legal framework and system of codes, norms and standards of construction and urban development sectors to the international level;
 - Development of new residential areas, towns and their infrastructure, which are being planned;
 - Introduction of advanced technologies in the construction and erection works;
 - Development of regionalized building material testing laboratories, establishment of building material plants based on local resources and deposits of primary aggregates and developing export-substitute building material industry;
 - Training and re-training of vocational workers in the construction and urban development sectors.
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Thank You for Your Attention

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