

IMPACT OF FOREIGN DIRECT INVESTMENT ON NOMADIC CULTURE IN MONGOLIA

OT WATCH

COPENHAGEN

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NORTH-EAST ASIA

- JAPAN –Investor & Potential Exporter of Nuclear waste
- SOUTH KOREA –Investor
- CHINA –Investor & key buyer of raw minerals & exporter of cheap produce and technology
- RUSSIA –Investor
- NORTH KOREA – Lack of contacts or info
- MONGOLIA –”investor” target on international minerals markets
- EU, including Pland – Investor in mining sector
- US – Investor in mining sector

WHO ELSE IS INTERESTED?

- CANADA – ACTIVE SINCE EARLY 2000
- AUSTRALIA – IN ALMOST ALL MINERALS
- USA – SHALE OIL – IN SITU TECHNOLOGY
- FRANCE - URANIUM – BIG PROTESTS SINCE 2008
- GERMANY – BILATERAL RAW MATERIALS AGREEMENT
- UK- INITIAL INTEREST
- **POLAND – BILATERAL AGREEMENT, INVITED TO POLAND FOR DISCUSSIONS – ALL COSTS COVERED**

MONGOLIA STATISTICS

- POPULATION 3.0 MILLION IN FEBRUARY 2015
- 25% POPULATION IN LIVESTOCK-NOMADIC HERDING SECTOR
- POVERTY – 34% BY NSO, 27% BY WORLD BANK
- POVERTY CONCENTRATION IN RURAL AREAS
- 334 SETTLEMENTS – 29 INTER SOUM COURTS

KEY IMPACTS OF MINING

- PASTURE – CAMEL, HORSE AND GOAT
- UNINHABITABLE LAND
- SCARCE WATER RESOURCES –
 - AMAZON 200.000 m³sec average discharge
 - SELENGE 438 m³sec discharge at high
- PASTURE – 4 MONTHS AT WINTER PASTURE
- SPRING-SUMMER-FALL – FOLLOW PASTURES

WINTER CAMP – RIGHT TO HOME



- HOME - PROPERTY
- 4-6 MONTHS
- LAND DOES NOT FREEZE
- ANIMAL SHELTER
- WATER WELL
- LAND CERTIFICATE
- INVESTMENT- STONE SHELTER

INADEQUATE COMPENSATION

- LAND NAKED, FROZEN
- WOODEN SHELTER
- WATER WELLS BROKEN



RIGHT TO TRADITIONAL RESOURCES - PASTURE – WATER



HERDING ROUTINE – CUSTOMARY SYSTEM IS BROKEN

- PASTURE & WATER SHARING ROUTINE
- SMALL ANIMALS – GO FIRST - DAILY
- CAMELS – 40-60 LITERS PER WATERING
- LET OUT – ROUND UP
- INSIDE MINING FENCE – AROUND 10-30 KM

ROADS, POWER LINES – FRAGMENTING PASTURES AND MIGRATORY ROUTES OF WILDLIFE



RIGHT TO CLEAN WATER

- MELTED SNOW A TRADITIONAL WATER SOURCE IN SPRING IN GOBI-ALTAI

NOW COMES WITH
IRON ORE DUST



PRIVATIZATION OF WATER? OR LOCAL RESOURCES?



MR. WILCOCK, WORLD EXECUTIVE DIRECTOR:
“ONE CANNOT HAVE AN OMLETTE WITHOUT
BREAKING SOME EGGS



CLIMATE CHANGE DATA

- Accelerated land degradation and desertification
 - more than 70% is desert or semi-desert - 4 km rate
 - Decrease of forests: from more than 10% to 6%
- Low supply of surface water
 - Estimated amount of water resources is about 608.3 km³ – Yantsi in China
- Average temperature change – 2.1 C - above world average

GENERAL STATISTICS

- NOMADIC HERDERS - 25% OF POPULATION
- WORK FORCE - 40%
- KEY AGRICULTURAL MATERIALS PRODUCER
- LIGHT INDUSTRY - RAW MATERIALS (CASHEMERE, WOOL, HIDES & SKINS, MEAT, MILK)
- GDP =15%

LOSS OF ECONOMIC BALANCE LEAD TO CURRENT
CRISIS – 7.4% GDP – ECONOMY IS PARALISED

MONGOLIA ECONOMIC DATA

- GDP growth – 11%, 17% in 2012-2013
- GDP growth – 7.8% in 2014
- GDP – mining – 70%
- The World Bank estimates Mongolia's fiscal deficit will remain over 10% in 2014
- Government approached IMF for assistance
- Debt to Budget – 40-60%
- 2014-11 – stops payment from Treasury

ECONOMIC & CULTURAL SHOCK



VIOLETION OF TRADITIONAL
CULTURE & PHYLOSOPHY

“DO NOT DISTURB THE
EARTH”

LOSS OF TRADITION IS NOT
SUBSTITUTED BY ECONOMIC
OR SOCIAL BENEFIT

WHAT & WHO FINANCING IN MONGOLIA?

- EXPANDING MINERAL EXTRACTION
- EXPORTS BAD TECHNOLOGIES – COAL, URANIUM, GOLD & RARE EARTHS
- SELL AT LOW PRICES TO CHINA
 - WORLD BANK
 - EBRD
 - ADB
 - IFC

WHAT IS DEVELOPMENT?

- DOES GROWTH BRING PROSPERITY TO ALL?
- HOW FAST TO GROW?
- WHAT TO GROW - GDP VS RESOURCES SAVED?
- IS RESOURCE EXTRACTION SUSTAINABLE OR FAIR FOR FUTURE GENERATIONS?
- DO NOMADS NEED TO FOLLOW NORTH'S PATH OF DEVELOPMENT OR LIFESTYLE?
- HAVE GOVERNMENTS & INTERNATIONAL ORGANIZATIONS BEEN CAPTURED BY CAPITAL?

WHERE DOES IT GO?

- 60% OF GOLD – JEWELRY
- 15-20% - TECHNOLOGY- computer, mobiles
- One golden band ring – 2000 tons of ore
- 200 liters of water
- Displaces 600 families
- Contaminates wildlife habitat
- China - should it grow faster, larger?

ARE YOU CAPTURED BY CAPITAL?

- DO YOU BELIEVE YOU CAN BE ACCEPTED BY SOCIETY ONLY IF YOU BUY A LATEST I-PHONE?
- HOW IMPORTANT TO HAVE A LATEST APPLE COMPUTER?
- DO YOU NEED TO HAVE MORE TOILETS IN YOUR HOUSE?
- DO HAVE TO WEAR PIER CARDIN AND HIGHER?

CAN YOU STOP CAPITAL?

THANK YOU FOR YOUR
ATTENTION

www.minewatch.mn

www.transrivers.org