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JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)  
MINISTRY OF INFRASTRUCTURE DEVELOPMENT  
MONGOLIA

THE MASTER PLAN ON NATIONAL TOURISM DEVELOPMENT IN

MONGOLIA

FINAL REPORT

Executive Summary

JULY 1999



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**July 1999**

**PADECO Co., Ltd  
Nippon Koei Co., Ltd**

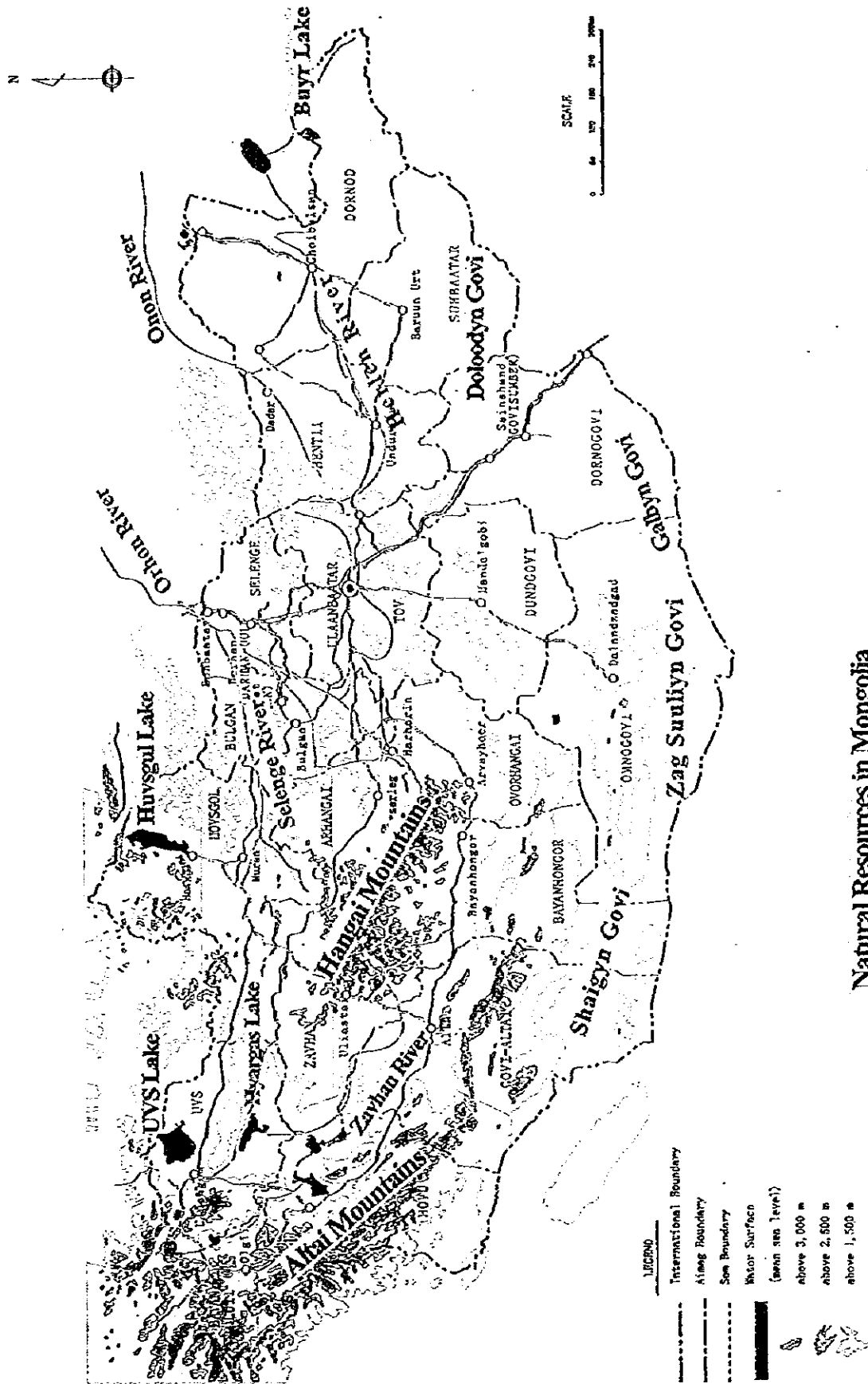
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**US\$ 1.00 = 870 Tg**

**US\$ 1.00 = ¥ 115**



**1151289 {4}**



Natural Resources in Mongolia

## PREFACE

In response to a request from the Government of Mongolia, the Government of Japan decided to conduct a study on "The Master Plan on National Tourism Development in Mongolia", and entrusted the study to the Japan International Cooperation Agency (JICA).

JICA selected and dispatched a study team headed by Mr. Yuichiro Motomura, of PADECO Co., Ltd and consist of PADECO Co., Ltd and Nippon Koei Co., Ltd to Mongolia, three times between March 1998 and July 1999. In addition, JICA set up an advisory committee headed by Ishii Akio, Professor of Rikkyo University, which examined the study from specialist and technical points of view.

The team held discussions with the officials concerned of the Government of Mongolia and conducted field surveys at the study area. Upon returning to Japan, the team conducted further studies and prepared this final report.

I hope that this report will contribute to the promotion of this project and to the enhancement of friendly relationship between our two countries.

Finally, I wish to express my sincere appreciation to the officials concerned of the Government of Mongolia for their close cooperation extended to the Team.

July 1999



Kimio Fujita

President

Japan International Cooperation Agency

July 1999

Mr. Kimio Fujita  
President  
Japan International Cooperation Agency  
Tokyo, Japan

### Letter of Transmittal

Dear Mr. Kimio Fujita,

We are pleased formally submit herewith the final report of "The Master Plan on National Tourism Development in Mongolia".

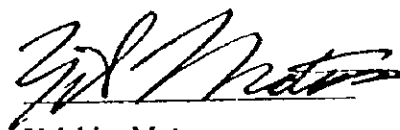
This report compiles the results of the study which was undertaken in Mongolia, from March 1998 to July 1999 by the Study Team, organized jointly by PADECO Co., Ltd. and Nippon Koei Co., Ltd.

We owed a lot to many people for the accomplishment of this report. First, we would like to express our deep appreciation and sincere gratitude to all those extended their kind assistance and cooperation to the Study Team, in particular, the Counterpart Team and other officials concerned of the Ministry of Infrastructure Development in Mongolia.

We also acknowledge the officials of your agency, the JICA Advisory Committee and the Embassy of Japan in Mongolia.

We wish the report would contribute effectively to facilitating future socio-economic development in Mongolia.

Very truly yours,



Yuichiro Motomura

Team Leader

The Study Team for the Master Plan  
on National Tourism Development in  
Mongolia





**The Master Plan  
on  
National Tourism Development  
in  
Mongolia  
Final Report  
Summary**

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## **ABBREVIATIONS**

<b>AAGR</b>	<b>Average Annual Growth Rate</b>
<b>ADB</b>	<b>Asian Development Bank</b>
<b>ALS</b>	<b>Average Length of Stay</b>
<b>ASTA</b>	<b>American Society of Travel Agents</b>
<b>BFI</b>	<b>Board of Foreign Investment</b>
<b>BOT</b>	<b>Build Operate Transfer</b>
<b>CATV</b>	<b>Cable TV</b>
<b>CES</b>	<b>Central Energy System</b>
<b>DANIDA</b>	<b>Danish International Development Agency</b>
<b>DOT</b>	<b>Department of Tourism</b>
<b>FDI</b>	<b>Foreign Direct Investment</b>
<b>EIA</b>	<b>Environmental Impact Assessment</b>
<b>ESCAP</b>	<b>Economic and Social Commission for Asia and the Pacific</b>
<b>EU</b>	<b>European Union</b>
<b>FC</b>	<b>Foreign Currency</b>
<b>GDP</b>	<b>Gross Domestic Products</b>
<b>GNP</b>	<b>Gross National Products</b>
<b>GTZ</b>	<b>Deutsche Gesellschaft fuer Technische Zusammenarbaeit (German Agency for Technical Co-operation)</b>
<b>ICAO</b>	<b>International Civil Aviation Organization</b>
<b>IDD</b>	<b>International Direct Dialing</b>
<b>IEE</b>	<b>Initial Environmental Examination</b>
<b>IMF</b>	<b>International Monetary Fund</b>
<b>ITDIJ</b>	<b>International Tourism Development Institute of Japan</b>
<b>ITB</b>	<b>International Tourismus-Boerse (Berlin)</b>
<b>JICA</b>	<b>Japan International Co-operation Agency</b>
<b>JES</b>	<b>Japan Euro-Asia Service</b>
<b>JTB</b>	<b>Japan Travel Bureau</b>
<b>JATA</b>	<b>Japan Association of Travel Agents</b>
<b>JNTO</b>	<b>Japan National Tourist Organization</b>
<b>LC</b>	<b>Local Currency</b>
<b>LEIAC</b>	<b>Licensed Environmental Impact Assessment Company</b>
<b>LG</b>	<b>Local Government</b>
<b>MIAT</b>	<b>Mongolian Airlines</b>
<b>MID</b>	<b>Ministry of Infrastructure Development</b>
<b>MNE</b>	<b>Ministry of Nature and Environment</b>
<b>MOTA</b>	<b>Mongolian Organization of Travel Agents</b>
<b>MCCI</b>	<b>Mongolian Chamber of Commerce and Industry</b>
<b>MTA</b>	<b>Mongolian Tourism Association</b>
<b>NTA</b>	<b>National Tourism Agency</b>
<b>NTAs</b>	<b>National Tourism Administration</b>
<b>NTC</b>	<b>National Tourism Center</b>
<b>NTO</b>	<b>National Tourism Organization</b>
<b>NCP</b>	<b>National Conservation Parks</b>

<b>NGO</b>	<b>Non Government Organization</b>
<b>OM</b>	<b>Operation and Maintenance</b>
<b>PA</b>	<b>Protected Area</b>
<b>PAA</b>	<b>Protected Area Administration</b>
<b>PAB</b>	<b>Protected Area Bureau</b>
<b>PATA</b>	<b>Pacific Asia Travel Association</b>
<b>SC</b>	<b>Steering Committee</b>
<b>SPA</b>	<b>Strictly Protected Area</b>
<b>SIT</b>	<b>Special Interest Tour</b>
<b>TACIS</b>	<b>Technical Assistance to the Commonwealth of Independents States</b>
<b>TCIA</b>	<b>Turkish International Cooperation Agency</b>
<b>TD</b>	<b>Tourism Department</b>
<b>TOG</b>	<b>Togrog</b>
<b>UB</b>	<b>Ulaanbaatar</b>
<b>UNDP</b>	<b>United Nations Development Program</b>
<b>WTM</b>	<b>World Tourism Market (London)</b>
<b>WTO</b>	<b>World Tourism Organization</b>
<b>WWF</b>	<b>World Wide Fund for Nature</b>



## **CONCLUSIONS AND RECOMMENDATIONS**

- 1) International tourism in Mongolia today can be classified as one for Special Interest Tourists (SIT), such as in Nepal, Tibet, and Inner-Mongolia. The number of international incoming leisure tourists has rapidly increased but it still is less than 12% of that of Nepal (1996). Level of services and quality of facilities are below world standards. Substantial improvements in various areas are needed in order to compete in the world tourism market. The abrupt departure from the Comecon and the hard-landing from a planned economy to a market economy weakened the Mongolian economy and the establishment of export industry is indeed urgent for putting the economy on the course of growth. It has gradually been recognized among policy makers in Mongolia that the tourism is an effective means of generating foreign currency earnings and its growth is much needed in addition to the traditional foreign currency earners of agriculture and mining.
- 2) Tourism resources in Mongolia with competitive edge in the world are: (1) a unique co-existence of nature (grass-land) and people (nomads), (2) relatively unspoiled nature (grass-land, desert, forests, lakes, and mountains), and (3) historical ruins, and artifacts left by successive empires and states. Tourism development in Mongolia must be carried out effectively utilizing these resources yet preserving their values.
- 3) It is essential to improve facilities and services as well as institutional matters. Immediately needed improvements include preparation of sites and facilities promoting culture tourism, preparation of the Ulaanbaatar area as a gateway destination, preparation of tourism facilities in Harhorin and Omnogovi, provision of tourist information, improvement of air passenger services, and expansion and upgrading of accommodation facilities. Furthermore, protection of natural tourism resources and preservation of historical ruins and artifacts must be carried out as an integral part of tourism development. In order to implement all of the above, it is necessary to strengthen related organizations, public and private, to strengthen human resource development, to establish effective promotion and marketing mechanisms, and to establish industry standards and permit systems for ensuring safety and hygiene.
- 4) Recommended development strategies for each region of Mongolia are as follows: For the short term (till 2005), the basis for Mongolian tourism should be established by strengthening the existing tourism centers of UB, Harhorin, and Omnogovi and by developing selected SIT sites of Hovsgol, Hentii and Olgii. For the medium and long term, development should be made at other SIT basis such as Dornogovi, and Hovd and at other sites such as Dornod, Bayanhongor, and Altai, in addition to further upgrading of the three major areas.
- 5) The following are recommended for implementation by 2015.

### **Promotion of Culture Tourism**

Historical and cultural ruins and artifacts widely exist throughout Mongolia. It is necessary, however, to carry out: (1) survey and research to determine their existing conditions and historical values, (2) preservation measures, (3) provision of explanation panels, rest and other on-site tourist facilities. In addition, nomads' culture and lifestyle should be utilized as a tourism resource. Museums, theme parks and centers for the purpose should be established. A system of nomads' participation in the tourism sector should be established at the same time to

protect nomads' life and culture.

### **Expansion and Strengthening of Tourism Products**

Urban tourism in the gateway city of UB should be expanded and strengthened to add diversity to the Mongolian tourism. Tourist trails and tourist plaza should be prepared in the city and theme parks be provided in the suburbs. Other activities for expanding diversity in Mongolian tourism would include various sports such as hot air ballooning and sport fishing and tourist railway trains.

### **Institutional Strengthening of Tourism Sector**

- Strengthening of central and local government organizations -- establishment and strengthening of permit and license systems -- strengthening of marketing and promotion -- strengthening of investment incentives
- Strengthening of private sector organizations for service improvement
- Strengthening of marketing and promotion

### **Human Resource Development**

Both vocational and higher education in tourism are needed particularly training of managers and service workers of accommodation and restaurant facilities. Trained park rangers and guides should also be produced.

### **Environmental Protection**

Environmental protection must go hand in hand with tourism development in Mongolia as the unspoiled nature is an inseparable part of its attraction. A comprehensive environmental management program should be prepared. Component programs should include national wildlife protection management program, eco-tourism (nature oriented tourism) implementation program, fossil protection management program, bird life education program, ranger and guide training program, and grass-land management program.

### **Improvement of Services and Infrastructure**

- Improvement in domestic air services including routes, frequency, reservation system, and safety.
- Lowering of international tour prices by cost cutting effort in international air service and accommodation services
- Upgrading of the trunk road between UB and Harhorin including provision of road signs and rest areas, and upgrading of service roads within tourism areas
- Facility improvement in ger camps including communication, power supply (e.g. solar and wind power), and waste disposal

### **Others**

- Holding of special events and festivals so as to lengthen tourist season (May– October) and price incentives to attract overseas tourists.
- Rehabilitation and upgrading of domestic spas, which have been neglected since the introduction of market economy, for the promotion of domestic tourism and citizen welfare

### **6) Implementation of Priority Projects/Programs**

The following have been identified as the priority programs to be implemented by 2005.

## **Programs**

1. **Government Administration Strengthening**
  - A-1 Smooth Operation of National Tourism Council
  - A-2 Strengthening of Tourism Administration by Coordination of the Tourism Department and NTC
  - A-3 Strengthening of Aimag Government
2. **Human Resource Development**
  - A-4 Upgrading of Tourism Education
  - A-5 Development of Park Rangers Training
3. **Regulatory Improvement**
  - A-6 Investment Incentive in Tourism Sector
  - A-7 Land Development Control Measures
  - A-8 Licensing System
  - A-9 Safety Standards
4. **Development Programs**
  - A-10 Mongolian Culture Preservation Program
  - A-11 Ancient Sites Presentation
  - A-12 Improving International Air Service
  - A-13 Improving Domestic Air Service
  - A-14 Railway Service Upgrading
  - A-15 Nomads Integration System
  - A-16 National Illustrated Checklist and Maps of Archaeological and Wildlife Resources
  - A-17 Production of Information Materials for Eco-tourism
  - A-18 Surveys for Integrated Environment Management
  - A-19 Overseas Marketing
  - A-20 UB Hotel Development Guideline
  - A-21 Ger Camp Development Guideline by Zone
  - A-22 Development of UB Bus Guidebook
  - A-23 Introduction of Convenient Ticket for Buses and Museum

## **Public Sector Projects**

1. **Culture Tourism Enhancement**
  - B-1 Improvement of Bogd Khan Museum
  - B-2 Mongolian Culture Park
  - B-3 Erdenezuu Surrounding Improvement
  - B-4 Harhorin Visitor Center
2. **Development of Gateway Tourism in UB**
  - B-5 UB Tourist Trail Development
  - B-6 UB Tourist Street
  - B-7 UB Souvenir and Handicraft Center
3. **Nature Tourism Development**
  - B-8 Terehj Visitor Center
  - B-9 Govi Visitor Center
  - B-10 Bird Watching Site Preparation
4. **Other Development**
  - B-11 Harhorin Tourist Road
  - B-12 Traffic Sign Facilities along UB-Harhorin Highway
  - B-13 Upgrading of major Spas
  - B-14 Loan Facility for Tourism Private Sector

## **Private Sector Projects**

- C-1 Rest Areas along UB-Harhorin Highway
- C-2 Upgrading of Ger camp Facilities
- C-3 South Govi Air Strip Improvement
- C-4 Sporting Activities Strengthening
- C-5 Horse Park

## **Implementation Costs**

The overall cost of implementing the above priority projects/programs is estimated as follows:

Programs	US\$ 13.2 million
Public Sector Projects	US\$ 19.2 million
Private Sector Projects	US\$ 4.7 million
Total	US\$ 37.1 million

### **7) Effects of Priority Programs/Projects**

It is estimated that the number of incoming tourists per year will reach 75,000 by 2015 and 210,000 by 2015, if the priority programs/projects be implemented. Additional foreign exchange earnings from tourists would reach US\$ 232 million per year by 2015. Including secondary effects, the resulting economic internal rate of return (EIRR) is estimated at 31.1%, a figure well over the prevailing opportunity cost of capital in Mongolia.

However, if one of the important component of the priority programs/projects, i.e. improvements in international air services both in price and routing, EIRR would be in the order of 18%.

In the case that the implementation cost of public sector projects of US\$ 39 million including price contingency is entirely financed by a foreign loan with favorable conditions, the loan can be paid back from proceeds of maximum 6.29 % tax imposed on hotel bills of foreign leisure tourists.

### **8) Means for Realizing the Priority Programs/Projects**

#### **Financial Sources**

It is highly desirable to secure assistance from foreign donors in the form of grant assistance, concessional loans, and technical assistance, considering the financial constraints under which the government of Mongolia has to operate for some time to come. As stated above, the foreign currency loan for public sector projects can be paid back from earnings from foreign tourists in foreign currency, leaving little impact on the national treasury.

#### **Implementing Organization**

It is recommended to make the National Tourism Center operational as soon as possible and let NTC implement the projects/programs under the guidance of the National Tourism Council.

#### **Necessary Work**

It is necessary to form a consensus among concerned government offices so that the efforts to secure foreign donor assistance can be effectively made. Such efforts led by the Department of Tourism and the NTC would include consultation among government agencies, preparation of donor assistance requests, and environmental impact assessment.

A proposed target schedule of priority programs/projects is shown below:

1999/2000	Processing within the government for donor assistance requests
2000/2001	Implementation of the programs – processing of projects
2001/2002	Detailed design of the projects – construction start
2003 – 2005	Project construction



# 1. INTRODUCTION

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## Background

Mongolia has always been rich in tourism resources, especially unspoiled nature and the unique culture of the Nomads. However, these resources were never widely exploited under the former Soviet regime, prior to democratization, where the tourism industry catered primarily to tourists from FSU countries. However, once market-economy-driven reforms were introduced, the national entity that had previously operated the tourism industry was divided and privatized. Revitalized by private sector operation, Mongolia's international tourist market has shown healthy growth, with international arrivals to Mongolia exceeding 80 thousand in 1997, even in an increasingly competitive market place.

In this context, the Mongolian government has recognized the importance of tourism as one of the engines of economic development. However, the establishment of tourism-related regulations and organizations has just begun, and inevitably there are piles of problems requiring solutions in order to provide the necessary conditions to support a sustainable and robust tourism industry in Mongolia as a means of increasing foreign exchange earnings. Some examples of these are attracting private investment to improve the roads and local airport facilities, mitigating the burden on the natural environment and local community through regulation and participation of the private sector and local government, and achieving a more even distribution of tourist arrivals throughout the year as opposed to only during the summer season.

Accordingly, the Government decided to prepare a tourism master plan and requested the assistance of the Government of Japan.

In response to this request, the Japanese government decided to conduct a "Master Plan on National Tourism Development in Mongolia" (hereinafter referred to as "the Study"), and entrusted the execution of the study to the Japan International Cooperation Agency (hereinafter referred to as "JICA"), the official agency responsible for implementation of the technical cooperation programs of the Government of Japan. In October 1997, the Ministry of Infrastructure Development (MID) of Mongolia and JICA agreed on the Scope of Work for the Study. Subsequently, JICA engaged a consortium of PADECO Co., Ltd. and Nippon Koei Co., Ltd., both of Tokyo, Japan, to carry out the surveys and studies defined in the Scope of Work. The consortium organized a team of experts (the Study Team) for this purpose.

The Study Team was dispatched to Mongolia twice. The first stage of the field work was conducted from 27 March to 25 May 1998, and the second stage commenced on 1 July 1998 and continued until the end of November 1998. The homework to finalize the Study was conducted in Japan from the beginning of December 1998 through February 1999.

In order to insure smooth implementation of the Study, MID, which is the counterpart agency to the Study Team, was to coordinate the Study in relation to the other governmental and non-governmental organizations concerned, including formation of a Steering Committee composed of members of MID, Ministry of Nature and Environment, Ministry of Enlightenment, and others.

JICA also formulated an Advisory Committee in Japan in order to supervise the Study. Members of the Study Team, Steering Committee and the Advisory Committee of Japan are listed in the tables attached at the end of the volume.

## Report Organization

This report is the Executive Summary of the Final Report of the “The Master Plan on National Tourism Development in Mongolia”.

The Final Report consists of five volumes as follows:

1. Executive Summary
2. Volume I Current Situation
3. Volume II Master Plan
4. Volume III Action Plan
5. Volume IV Appendixes

## 2. TOURISM IN MONGOLIA TODAY

### 2.1 Tourism Demand

#### 1) Tourism Demand in Mongolia Today

In 1997 Mongolia received approximately 80 thousand frontier arrivals. Among those 23 thousand were leisure purpose, 60 thousand business purpose visits mainly from China (33 thousand) and Russia (9 thousand). About 11,000 Japanese tourists visited Mongolia in 1997 making up an increase of 30% in the number of Japanese tourists since 1990 (17% from 1996 to 1997).

#### Frontier Arrivals

Country/Region	1990	1991	1992	1993	1994	1995	1996	1997
Americas	900	2,034	2,412	3,217	4,110	4,322	3,834	5,019
Japan	1,700	3,900	5,300	5,600	5,725	8,976	9,504	11,077
China	0	0	0	35,100	42,043	47,721	30,478	32,531
Korea Rep	0	0	0	700	911	2,561	3,537	3,294
East Asia/Pacific	100	23	49	750	1,810	1,857	1,214	2,654
South Asia, Africa & Middle East	0	0	0	200	616	810	464	585
Russian fed	124,000	76,100	88,000	73,800	57,171	28,390	8,502	8,708
Central/East Europe	8,800	3,900	1,300	610	1,036	1,441	1,755	2,538
Germany	1,200	1,700	2,100	2,200	2,560	3,502	2,782	3,339
Other Europe	700	1,500	1,200	3,300	8,019	8,854	8,761	11,238
<b>Total</b>	<b>137,400</b>	<b>89,157</b>	<b>100,361</b>	<b>125,477</b>	<b>124,001</b>	<b>108,434</b>	<b>70,831</b>	<b>80,983</b>

Source: Border military board under Ministry of Defense

#### 2) Results of Tourist Surveys

Two separate surveys were conducted for visitors of Japanese and other nationalities at UB Airport, UB Hotels, and Ger Camps in 1997. The following is the summary of relevant findings.

From Japan	East Asia	Europe (including China)	Total
1,416	340	1,275	3,031

The following are the results of the survey of Japanese visitors

#### Places of the survey

UB Airport 739 (52.2%)

UB Hotels 382 (27.0%)

Ger Camps 295 (20.8%)

Total 1,416 (100%)

Gender Male 52.4% Female 47.6%

Age	60/over	24.5%
	50/59	23.8%
	40/49	14.1%
	30/39	15.6%
	20/29	20.9%
	19/less	0.9%

Travel Experience	10/more	44.2%
	5/9 times	27.2%
	2/4 times	23.4%
	1st time	5.2%

Package or Not	Package	58.2%	Non-Package	41.8%
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Past Mongol Visit	1st time	79.0%
	2nd time	11.4%
	3rd time/more	9.6%

Desire for Return Visit	Yes	86.5%	No	13.5%
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### 3) International Tourism Market for Mongolia

#### (1) International Competition

##### Japanese Market

Mongolia is classified as a long-haul (8 ~ 9-day itinerary) destination as Figure 2.1 shows despite its relative proximity to Japan (4/5 hours in flight time). That is due to the small and limited marketing base for tourism in Mongolia, its main appeal to SIT (Special Interest Tourist), and inconvenience of transportation.

In the International tourist market, the long-haul destinations for Japanese tourists are further segmented into the following three categories.

	Market Size	Destination Type	Example
1.	Large	Popular and general interest	Republic of China USA, Europe
2.	Medium	Mixed interest	Chinese Central Asia Egypt, Turkey, India
3.	Small and limited	SIT*/off-the-beaten track	Mongolia, Nepal, Tibet

(\* Special Interest Tourists)

Mongolia is regarded as one of the SIT destinations (indicated in 3 above) with a rather small and limited market base.

- Chinese Inner Mongolia

(Similar tourist appeal with the advantage of "Add-On" to popular China packages with a large market base, a direct competitor to Mongolia)

- Chinese Central Asia

(Eastern section of the Silk Road endowed with diverse world-class resources with a very strong appeal)

- Central Asia - Uzbekistan and Kyrgyz

(Western section of the Silk Road endowed with diverse world-class resources with a very strong appeal)

- Himalayan countries - Nepal and Tibet

(Advanced SIT tourist spots, rich and diverse world-class resources with nature, cultural interests / historical sites and traditional lifestyles with a very strong appeal)

Mongolia enjoys great advantages specific to market development in Japan.

- The access advantage can be paraphrased into Japan's geographical proximity to Mongolia (e.g. its peculiar climate, nature, people, the closest desert to Japan, and so forth.)
- Mongolia already enjoys a very clearly perceived destination image of a "Land of Big Blue Sky, Grassland Steppes, and Nomads' Life".
- There are a lot of Mongol-ophiles among people in various fields (authors, writers, TV talents, etc.).
- As shown in the results of the surveys the returnee rate is quite high.

As all of those advantages mentioned above are peculiar to Japan, market development in Japan has a high potential if appropriate strategies are pushed forward.

### Western Market

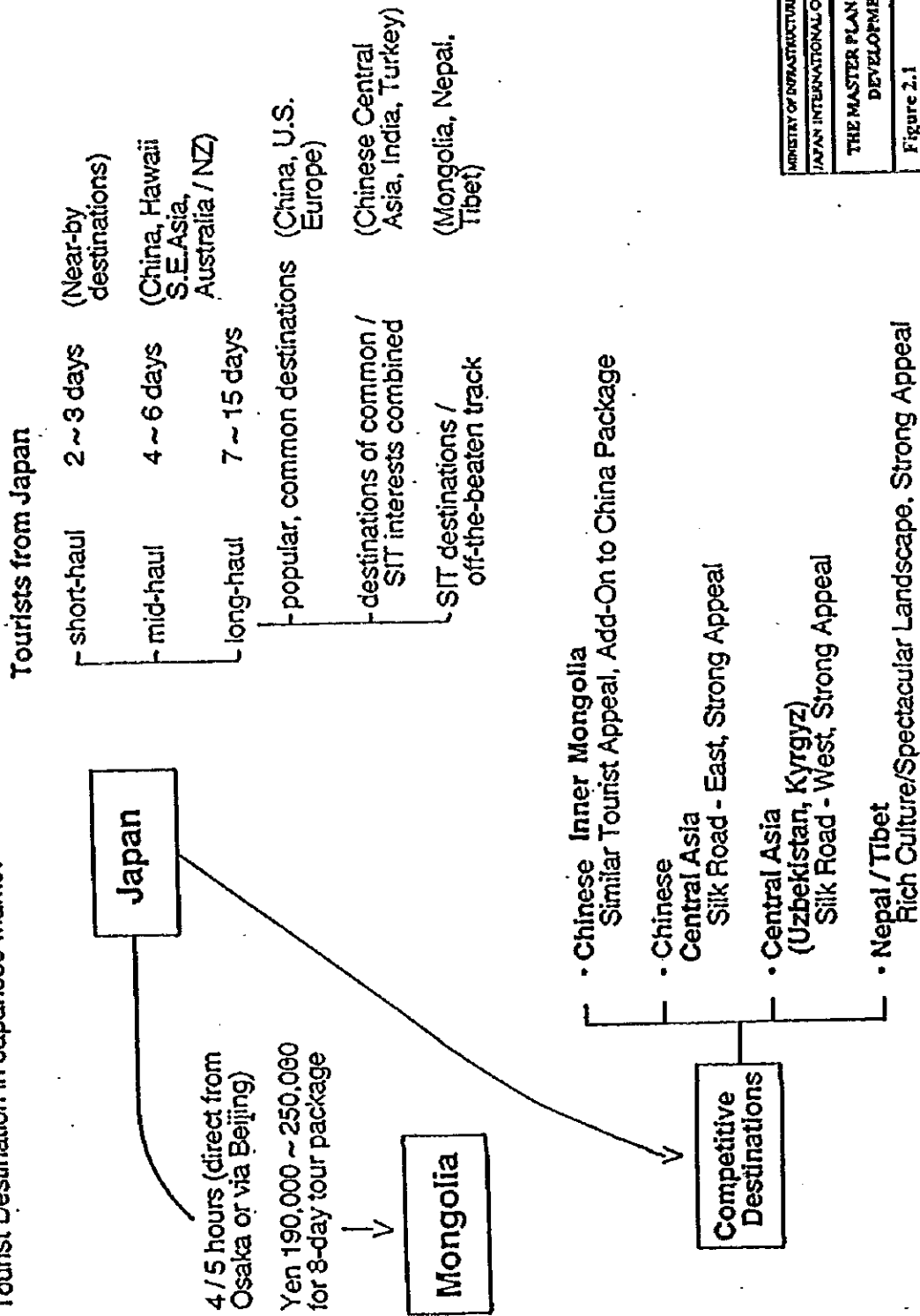
The total tourist arrivals from Europe came to 14,000 in 1997 as shown below.

For general European tourists, Mongolia is a once-in-a-lifetime destination in Asia, while Thailand (Phuket) and Indonesia (Bali) are sometimes considered as repeat destinations because of their strong appeal as beach holidays. Currently Mongolia is regarded as a mixed interest destination of a nature-oriented and cultural experience visit as well as a special interest (SIT) destination for such pursuits as hunting and fossil digging, appealing to a rather small and very limited market base.

1997	Leisure	Business	Total
USA	1,857	1,511	3,368
Australia	371	442	813
Northern Europe	1,535	865	2,400
UK	799	1,273	2,072
Southern Europe	626	353	979
France	1,271	400	1,671
Germany	1,469	1,102	2,571
Switzerland	598	337	935
Total	8,526	6,283	14,809

Source: JICA Study Team

Position of MONGOLIA as a Tourist Destination in Japanese Market



MINISTRY OF INFRASTRUCTURE DEVELOPMENT MONGOLIA
JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)
THE MASTER PLAN ON NATIONAL TOURISM DEVELOPMENT IN MONGOLIA
Figure 2.1
Position of Mongolia as a Tourist Destination in Japanese Market
PADECO Co., Ltd./Nippon Keitai Co., Ltd.

## East Asia

More business than leisure tourists come to Mongolia from East Asia.

1997	Leisure	Business	Total
Korea rep	1,285	1,680	2,965
East Asia	644	842	1,486
Total	1,929	2,522	4,451

Source: JICA Study Team

## 2) Typical Tour Patterns

A typical Japanese package tour is an eight-day itinerary which includes:

- 3 nights in UB (arrival, intermediate connection and departure)
- 2 nights in Ger Camp in suburban UB
- 2 nights in Ger Camp in Omnogovi

Touring sites frequently used by Japanese tour packages are limited to the city of UB, around UB concentrated within a 30 to 80 km drive from UB, with excursions to Harhorin or Omnogovi

A typical package tour of European people has a two-week itinerary (an example of a German package) which includes:

- 5 nights in UB (arrival, intermediate connection and departure)
- 3 nights in a Ger Camp in Harhorin / Hujirt / Burd
- 3 nights in a Ger Camp in Omnogovi
- 2 nights in an optional Ger Camp either in Terelj or Selenge

An extended three-week itinerary (an example of a French package) includes Selenge / Arhangai / Mt. Khorgo in addition to the above.

Japanese tourists seek Grassland Steppes, soft adventures, or historical/cultural visits, while European tourists seek something harder such as jeep trips, camel treks or mountain climbing. Figure 3 shows Typical Tour Patterns by Major Source Market.

## 2.2 Tourism Resources and Facilities

### Tourism Areas

Considering the availability of tourism resources, tourists' interests and transport conditions (mainly flight routes and local airports), major tourism destinations are grouped into 15 areas as shown in Figure 2.3.

### Historical and Cultural Resources

As shown in Figure 2.4 Mongolia has many historical and cultural assets. Most of those, however, need more adequate research and preservation to be developed as tourism attractions, especially UB and Harhorin, the model areas of our study.

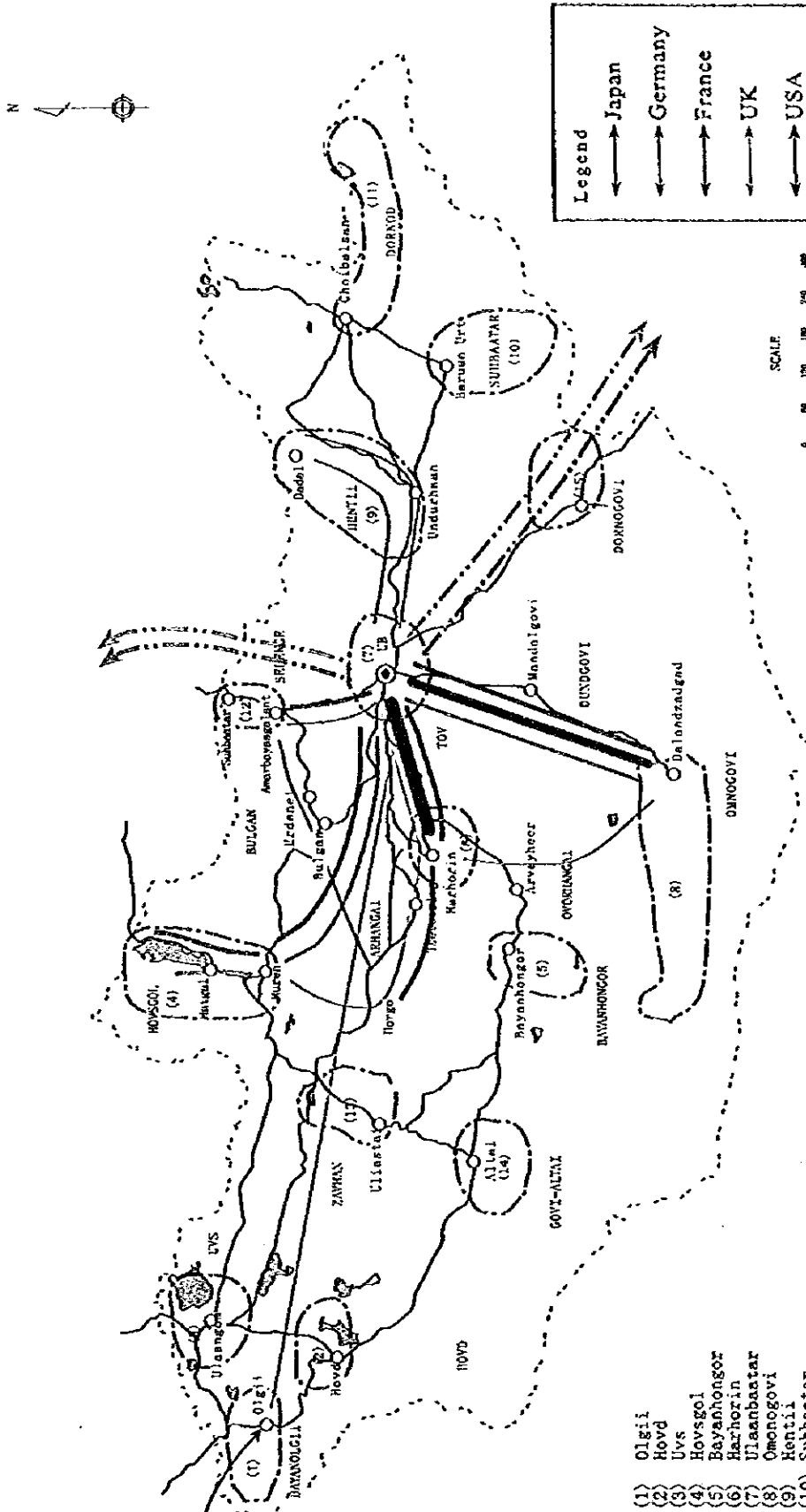
## **Hot Springs**

The volcanic geology of Mongolia produces quite a few hot springs. Some of these hot springs have been used for recuperation by the sick like Hujirt spa near Harhorin, and many other hot springs are seeking a chance to be developed as health resorts since the use of hot springs has dropped due to the changes in economic structure.

## **2.3 Tourism Related Administrative Organizations**

- The Ministry of Infrastructure Development (MID) takes charge of tourism administration. The Ministry of Nature & Environment; Ministry of Science, Technology, Education and Culture; City of UB; the Tourism Department of each Aimag; Mongolian Tourism Association (MTA); and Mongolian Hotel Association (MHA) take charge in eco-tourism, preservation of historical/cultural assets, and tourism development in local areas.
- The National Tourism Center, an implementing agency, was established in 1998 under MID.
- National Tourism Council was also set up under MID in 1998 to enhance the coordination among tourism related administrative organizations.
- Currently no definite Tourism Law exists in Mongolia. Though a draft of a Tourism Law has been proposed as a national law twice, it has not been adopted.





JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)

**THE MASTER PLAN ON NATIONAL TOURISM DEVELOPMENT IN MONGOLIA**

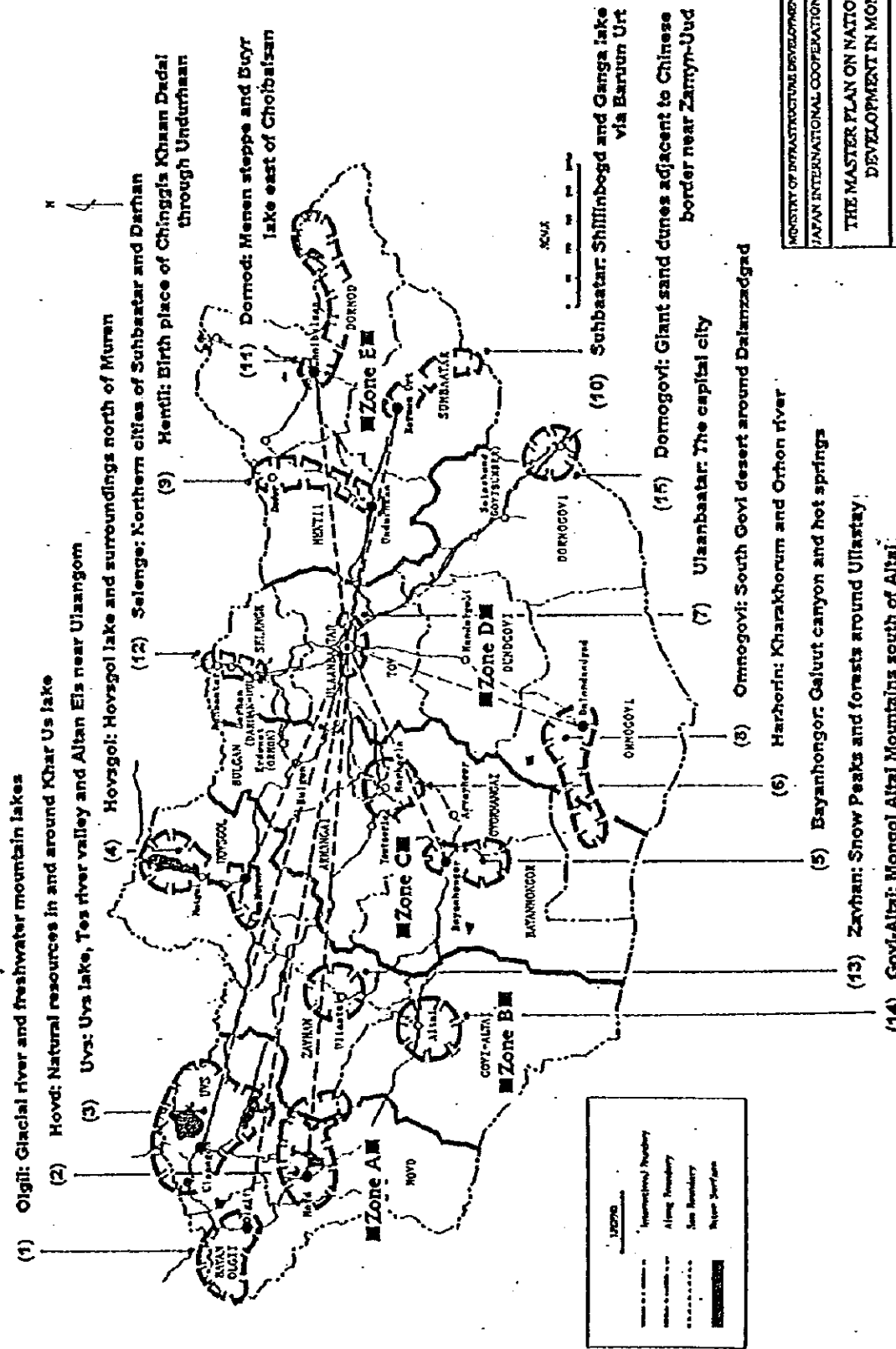
Figure 2.2

Typical Package Patterns of Major Source Markets

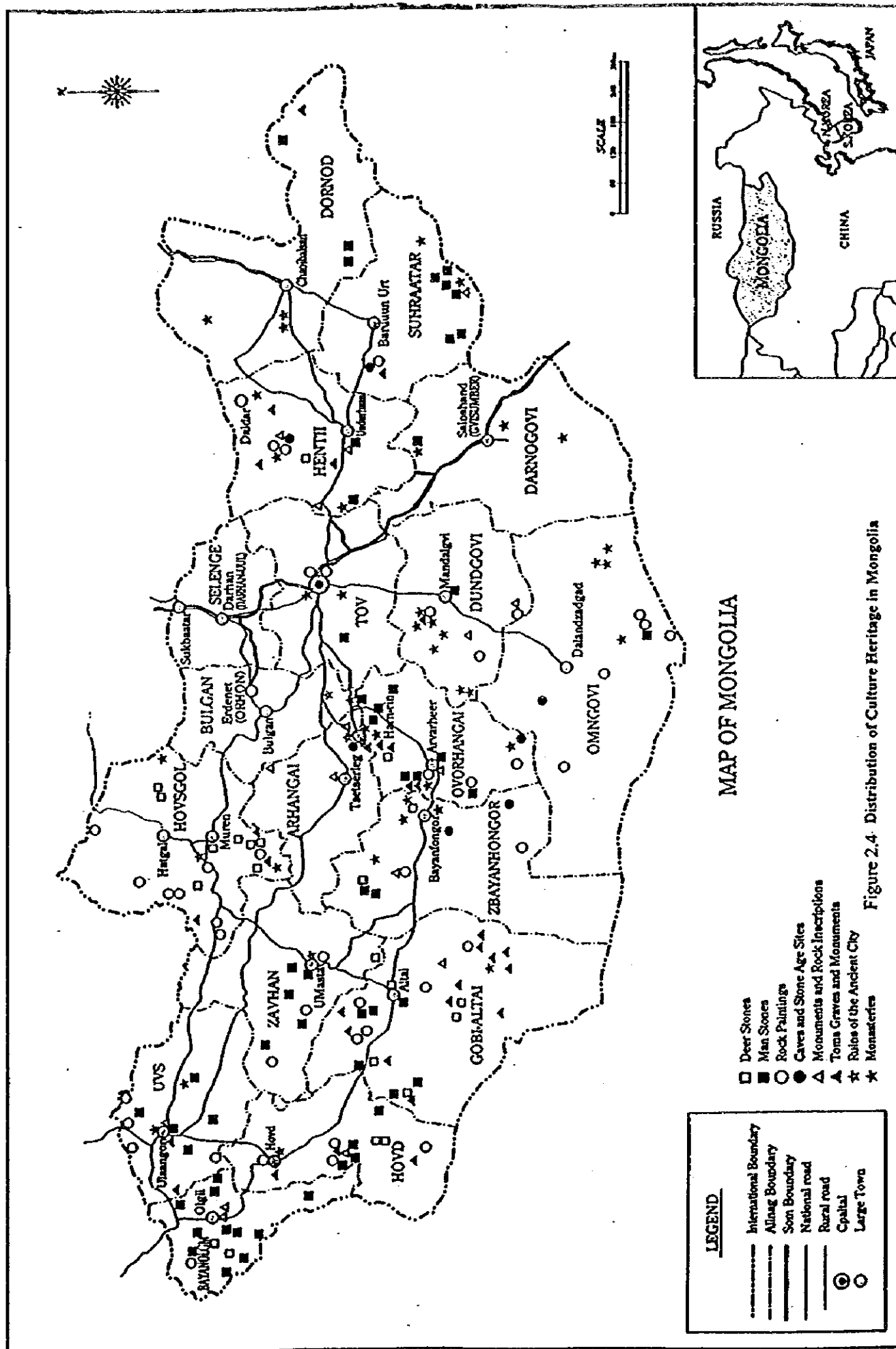
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Typical Package Patterns of Major Source Markets

Figure 5.1.1: Major Tourism Areas in Mongolia



MINISTRY OF INFRASTRUCTURAL DEVELOPMENT MONGOLIA  
 JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)  
 THE MASTER PLAN ON NATIONAL TOURISM DEVELOPMENT IN MONGOLIA  
 Figure 2.3  
 Major Tourism Areas in Mongolia  
 PADECO Co., Ltd./Nippon Kori Co., Ltd.



## **3. NATIONAL TOURISM DEVELOPMENT POLICY AND STRATEGIES**

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### **3.1 Overall Tourism Development Strategy**

The following strategies were derived as logical consequence of the results of the preceding SWOT analysis in order to achieve the objectives stated by the government:

#### **1) Market the Unique Combination of Land and People**

The most valuable asset of Mongolia through the eyes of international tourists should be defined as a unique combination of land and people. All efforts for tourism development should be done with this concept in mind. The general perception of Mongolian tourism in the source markets has already been established in this direction without significant effort from Mongolian side, but further efforts should be made to consolidate Mongolia's position in the world market.

#### **2) Protect and Promote the Image of Unspoiled Nature**

Efforts should constantly be made to preserve the image of unspoiled nature..

#### **3) Strengthen and Promote Culture Tourism**

In Mongolia today, the most promising area of expansion is cultural tourism. Successfully restored and better presented cultural resources, combined with the main tourism assets of Mongolia, would enhance tourist satisfaction, inspiring them to spend more time and money, therefore resulting in enlarging the tourism sector.

#### **4) Provide Facilities and Activities to Support the Above Objectives**

Facilities and activities need to be provided with a focus on supporting the implementation of the above three strategies such as marketing programs and environmental protection measures and facilities. Improvements to tourism facilities, museums and monuments sites are also necessary.

#### **5) Develop Human Resources**

A significant increase in the number of skilled workers in the tourism sector is needed, both in the government sector as well as in the private sector. In the public sector, trained personnel are needed for better sector management in the areas of sector development planning and management, environmental management planning and national marketing. In the private sector, workers should be trained to offer higher quality service in hotels, ger camps, and in restaurants and other commercial establishments. Investment planning is another area needing trained personnel.

#### **6) Improve Infrastructure**

Visible improvements in air services, both international and domestic, should be a top priority if tourism in Mongolia is to grow. Other infrastructures should also be improved such as toilets and rest areas for tourists. The Tourism Department should act as an effective advocate of the tourism sector in exerting continuous pressure on line agencies responsible for infrastructure.

## 7) Improve Services

Quality of services in the tourism sector should be improved to a level competitive in the global market. Probably the fastest way is to place the sector in competition with the international services in Mongolia so that concerned persons are faced with what it takes to be competitive in the global market on daily basis. Introduction of world class establishments is desirable.

## 3.2 Tourism Demand Projections

Forecasts of tourism demand were made based on assumptions on each market demand growth rate.

### (Demand by 2000)

Even when all the projects and programs recommended in the Study are to be implemented (such as institutional measures, infrastructure development, service level upgrading, etc.), necessary lead time in project/program introduction (including bilateral government negotiation and contracting) will not allow the projects and programs to commence implementation before the year 2000. Therefore, the effects of the projects and programs are not reflected in the projections for the year 1999.

### (Demand by 2015)

Projections of the number of tourists and tourist-nights were made for two cases, "with project/program" case and "without project/program" case.

#### "With Project/Program" Case:

All projects and programs recommended in the Study are implemented and tourism demand increase is accelerated.

#### "Without Project/Program" Case:

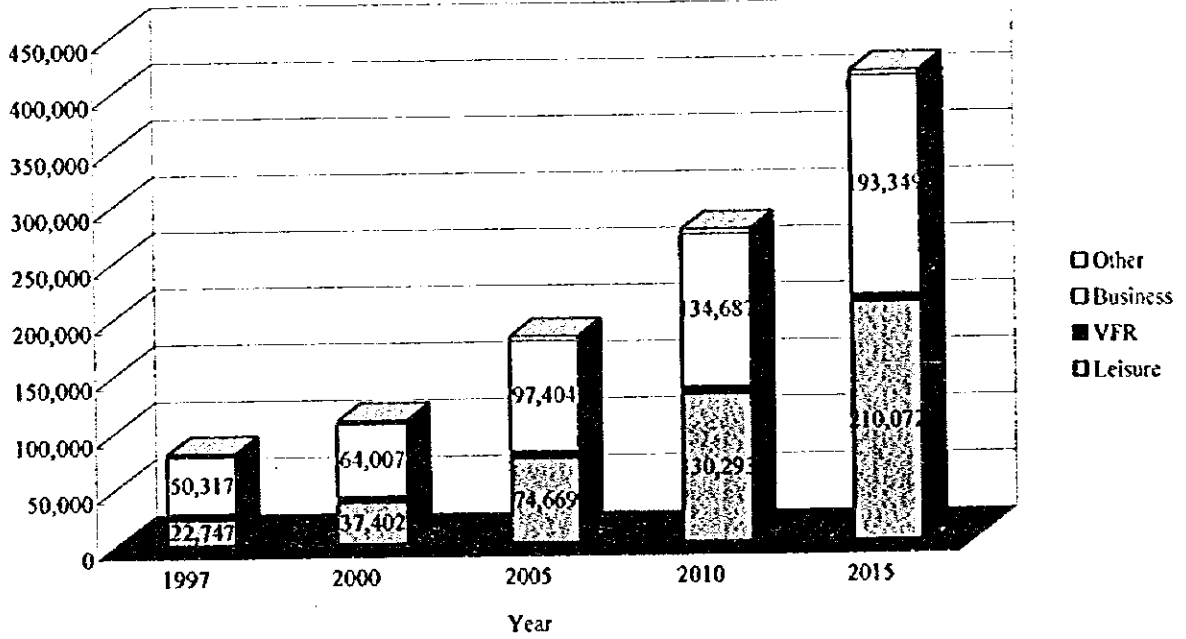
There is a delay in the implementation of the projects and programs recommended in the Study and the growth rate falls. However, all effort to accommodate the normal growth of tourism would be implemented including air transport expansion and accommodation increase.

Frontier Arrivals					(Thousands)	
	1997	2000	2005	2010	2015	
With Project/Programs	81	109	182	275	414	
(Japanese)	11	18	40	67	109	
Without Project/Programs	81	107	172	242	347	
(Japanese)	11	17	35	52	78	

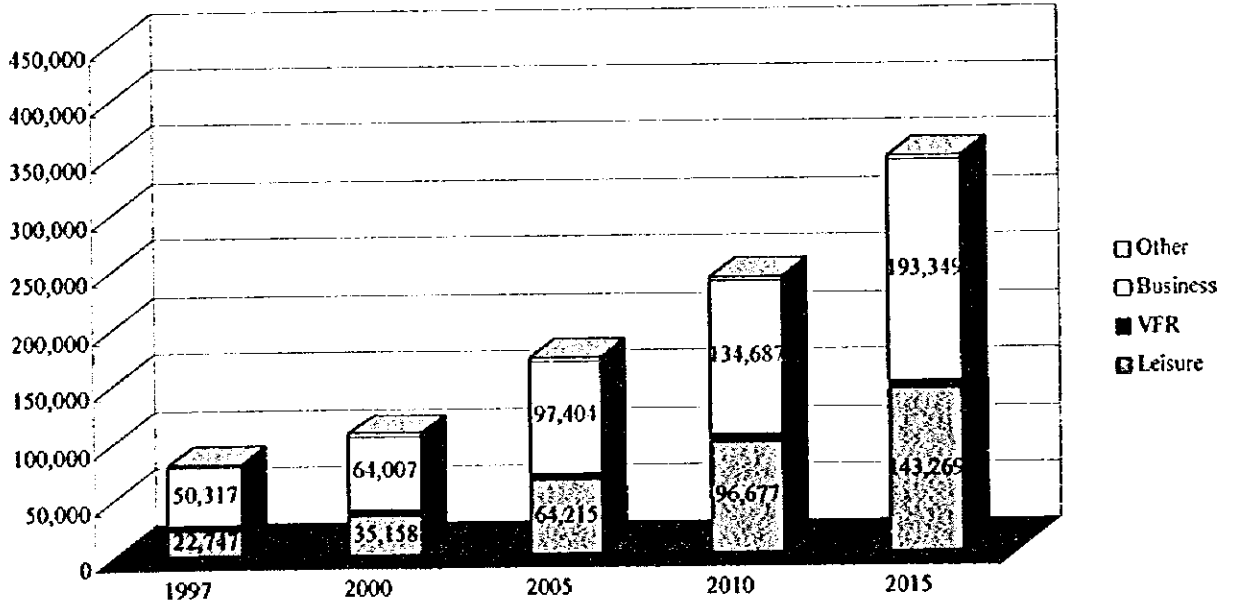
Leisure Tourists					(Thousands)	
	1997	2000	2005	2010	2015	
With Project/Programs	22	37	74	130	210	
(Japanese)	9	16	35	60	98	
Without Project/Programs	22	35	64	96	143	
(Japanese)	9	15	30	44	67	

Projection of Frontier Arrivals to 2015 ("With Program/Project" Case)



Source: JICA Study Team

Projection of Frontier Arrivals to 2015 ("Without Program/Project" Case)



Source: JICA Study Team

### 3.3 Area Development Strategy

Based on the results of tourism resources assessment, tourism areas were evaluated as shown in the following table taking into consideration the developmental objectives and strategies of Mongolian tourism. UB, Harhorin, and Omno Govi were ranked first, and Hovsgol, western part (especially Olgii), Hentii (Dadal, Delgerhaan), and Dorno Govi were ranked second. Other tourist destinations such as Bayanhongor, Shilinbogd, Dornod, Darhan, Govi-Altai, and Zavhan were ranked lower.

Evaluation of Tourist Destination

		Market recognition	Tourism resources	Potential of tourism resources	Tourism facility (accommodation, restaurant, etc.)	Infrastructure	Overall Evaluation (degree)
1	UB & vicinity	OO	Δ	Δ	O	O	A
2	Harhorin	OO	Δ	O	Oger camp	x	A
3	Omnogovi	O	O	OO	Oger camp	x	A
4	Hovsgol	Δ	O	O	Δ	x	B
5	Hentii(Dadal, Delgerhaan)	Δ	Δ	O	Δ	x	B
6	Western part (Olgii, Hovd, UVS)	x	x	OO	x	x	B
7	Dornogovi	x	x	O	x	O(rail)	B
8	Bayanhongor	x	x	O	x	x	C
9	Menen & Buyr, Dornodo	x	x	O	x	x	C
10	Shilinbogd, Suhbaatar	x	x	Δ	x	x	C
11	Bulgan, Selenge	x	x	O	x	x	C
12	Govi-Altai	x	x	Δ	x	x	C
13	Zavhan	x	x	Δ	x	x	C

Note : OOexcellent Ogood Δpoor xbad

Considering the evaluation of the tourist destinations, the direction of the Mongolian international tourism development is proposed as follows.

Development Direction for the Short Term (2005)

Primary Tourism Core: A degree areas, UB, Harhorin, and Omonogovi

SIT Tourism Destination: B degree areas, Hovsgol, Hentii, Western part, and Dornogovi

Development Direction for the Long Term (2015)

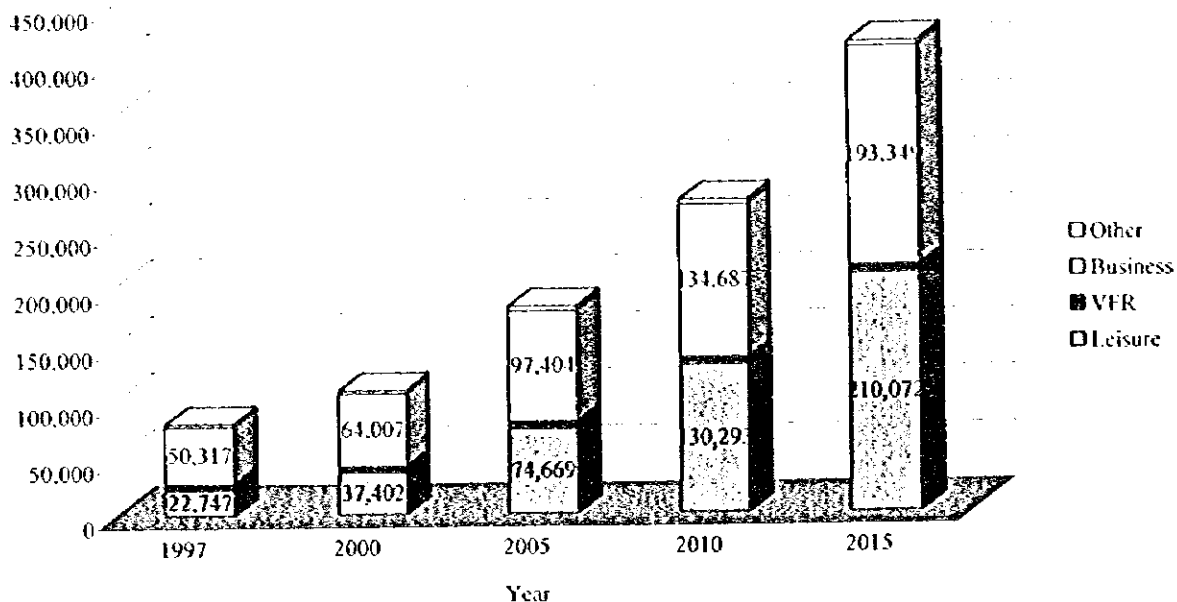
Primary Tourism Core: A degree areas

Secondary Tourism destination: B degree areas

SIT Tourism Destination: C degree areas

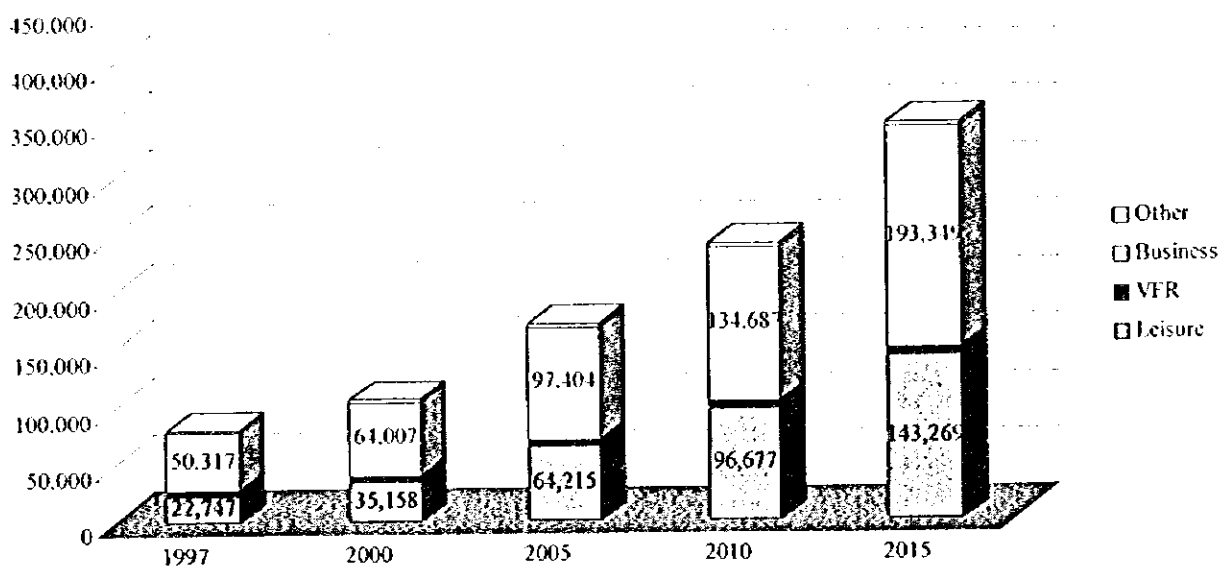
Phased development by area for the short and long terms are illustrated in Figure 3.1 and 3.2.

Projection of Frontier Arrivals to 2015 ("With Program/Project" Case)



Source: JICA Study Team

Projection of Frontier Arrivals to 2015 ("Without Program/Project" Case)



Source: JICA Study Team



### 3.3 Area Development Strategy

Based on the results of tourism resources assessment, tourism areas were evaluated as shown in the following table taking into consideration the developmental objectives and strategies of Mongolian tourism. UB, Harhorin, and Onno Govi were ranked first, and Hovsgol, western part (especially Olgii), Hentii (Dadal, Delgerhaan), and Dorno Govi were ranked second. Other tourist destinations such as Bayanhongor, Shilinbogd, Dornod, Darhan, Govi-Altai, and Zavhan were ranked lower.

**Evaluation of Tourist Destination**

		Market recognition	Tourism resources	Potential of tourism resources	Tourism facility (accommodation, restaurant, etc.)	Infra-structure	Overall Evaluation (degree)
1	UB & vicinity	○○	△	△	○	○	A
2	Harhorin	○○	△	○	○ger camp	×	A
3	Omnogovi	○	○	○○	○ger camp	×	A
4	Hovsgol	△	○	○	△	×	B
5	Hentii(Dadal, Delgerhaan)	△	△	○	△	×	B
6	Western part (Olgii, Hovd, UVS)	×	×	○○	×	×	B
7	Dornogovi	×	×	○	×	○(rail)	B
8	Bayanhongor	×	×	○	×	×	C
9	Menen & Buyr, Dornodo	×	×	○	×	×	C
10	Shilinbogd, Suhbaatar	×	×	△	×	×	C
11	Bulgan, Selenge	×	×	○	×	×	C
12	Govi-Altai	×	×	△	×	×	C
13	Zavhan	×	×	△	×	×	C

Note : ○○excellent ○good △poor ×bad

Considering the evaluation of the tourist destinations, the direction of the Mongolian international tourism development is proposed as follows.

Development Direction for the Short Term (2005)

Primary Tourism Core: A degree areas, UB, Harhorin, and Onnogovi

SIT Tourism Destination: B degree areas, Hovsgol, Hentii, Western part, and Dornogovi

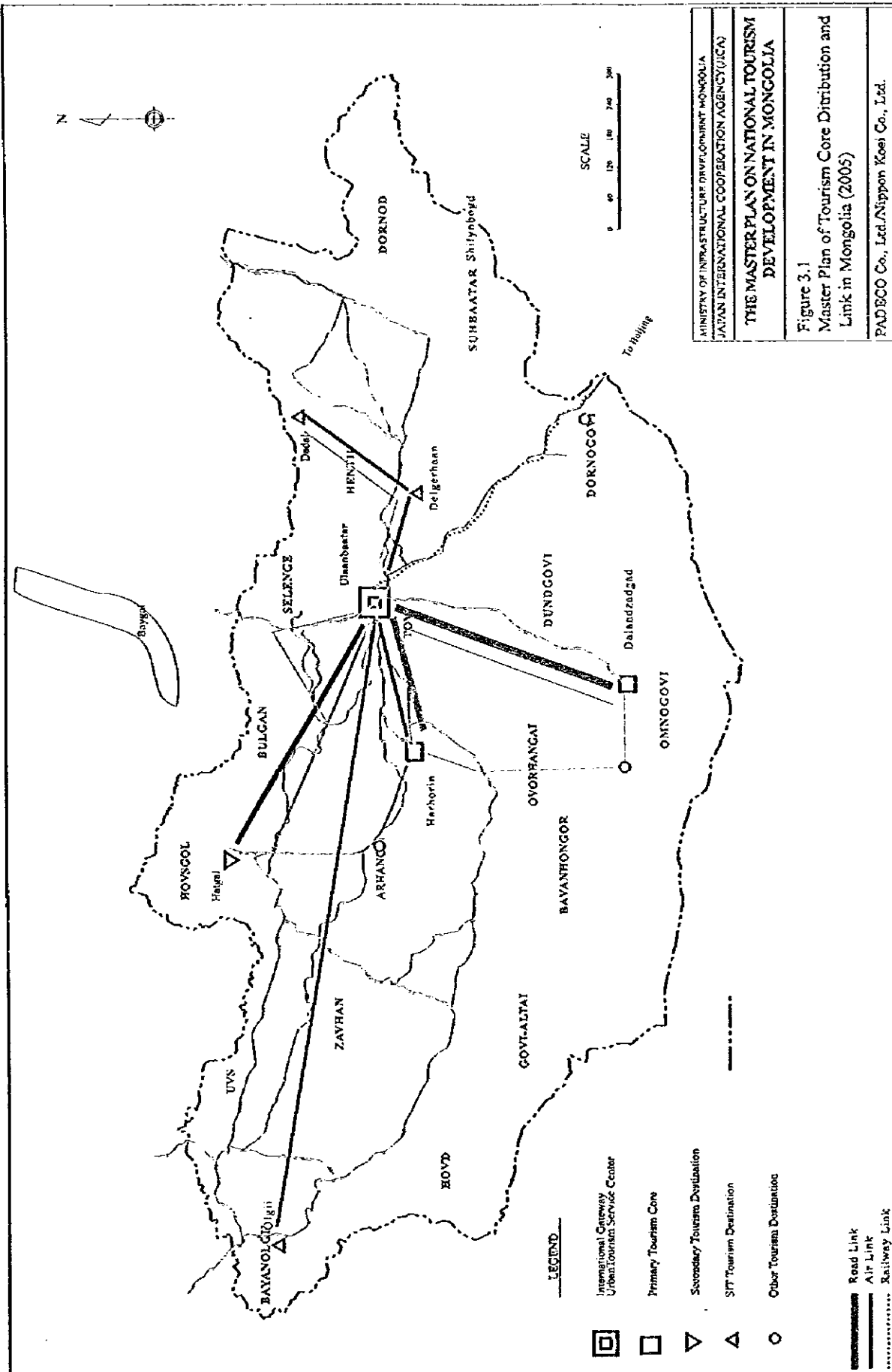
Development Direction for the Long Term (2015)

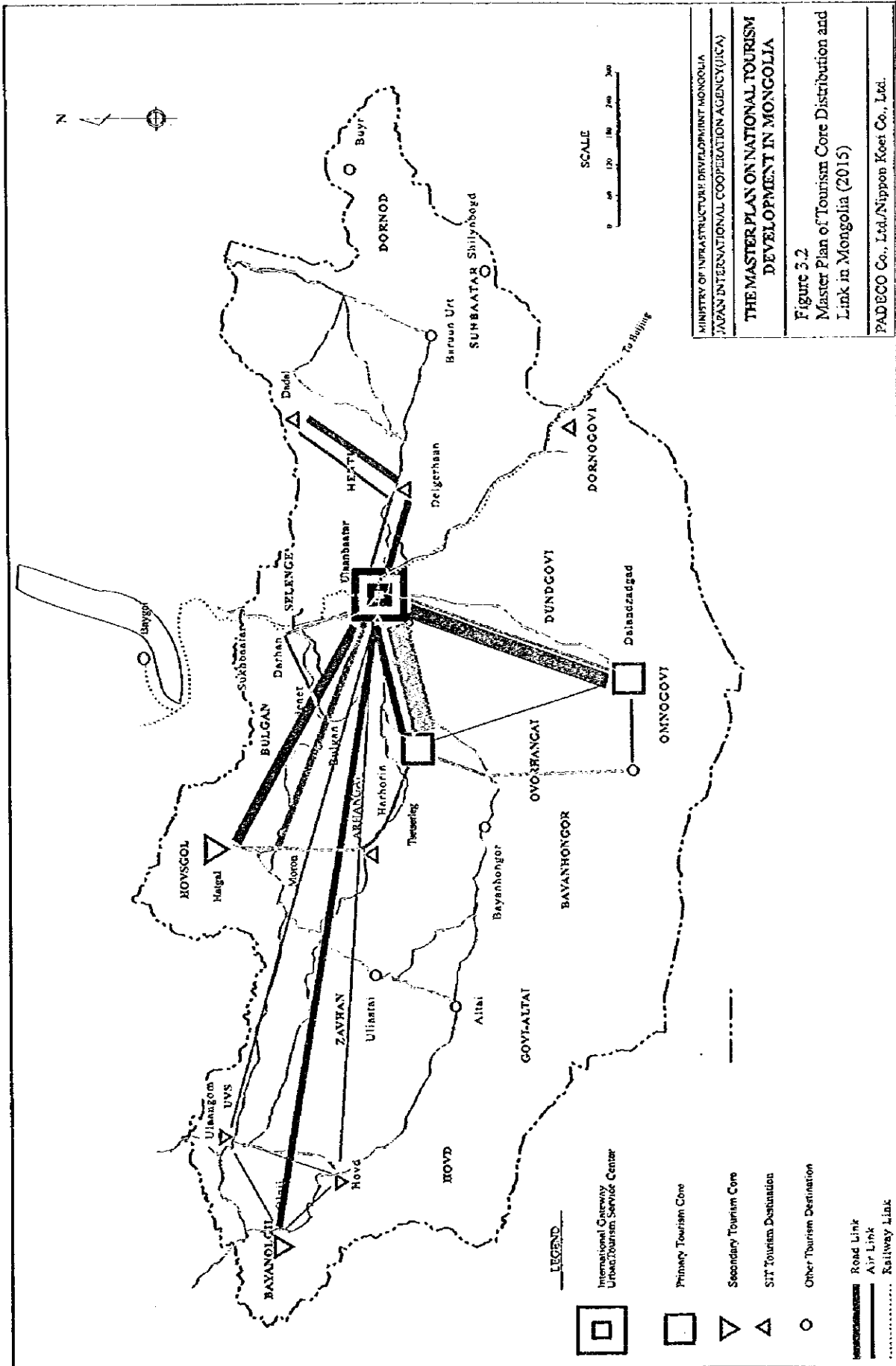
Primary Tourism Core: A degree areas

Secondary Tourism destination: B degree areas

SIT Tourism Destination: C degree areas

Phased development by area for the short and long terms are illustrated in Figure 3.1 and 3.2.





### 3.4 Tourism Development Plan

- 1) Promotion of Historical/Cultural Tours
  - Needed activities are research, preservation, periphery development, improvement of access roads and tourist information materials on Mongolian historical/cultural assets. As the resources are scattered throughout a wide area attracting tourists, guidance and rest facilities at the visitor centers need to be improved.
  - Tourism related organizations which are in charge of research, preservation, and development of cultural resources such as Ministry of Enlightenment (an organization of the central government) and the Historical and Cultural Heritage Protection Fund (NGO) should be strengthened.
  - Guidance, display articles, guides, services at the rest facilities in museums for tourists in UB and other areas should be improved.
- 2) Promotion of Nomadic Culture Tourism
  - Development of nomadic culture as a tourism resource (e.g. development of Mongolian Culture Park, and introduction to nomadic life by nomad people)
  - Product development by nomad people (e.g. handicraft products, and dairy products for souvenir shops and hotels)
  - Tourism product development with nomad people (horse riding classes, felt weaving classes, etc.)
- 3) Enhancement of Tourism Products

#### Promotion of Gateway Tourism in UB

(Development in the city area)

- Development of tourist streets and plazas to attract tourists
- Promotion of half-/one-day trailing tours
- Improvement of tourist information on the country / UB

(Development in the suburbs: including foreign residents and UB citizens)

- Picnic in the suburbs
- Nature theme parks (bird parks, horse riding parks)
- Introduction of new sporting activities (hot air ballooning, cycling, etc.)
- Introduction of other sports (skiing, golf)

#### Promotion of New Tourist Activities

Sporting activities and train tours should be promoted.

	Short-term	Long-term
Sporting Activities in the Land	MBX	Hard trekking
Sporting Activities in the Mongolian Sky	Hot air ballooning Para-sailing Para-glider Hang-glider	Sky-diving
Sporting Activities on the Water	Fishing	Canoeing Kayaking Rafting
Tourist Train	Govi(Ulaan Uul) tour	Russian border tour

### 3.5 System/Organization Development Plan

Category	Activity	Content
Government Administration/Institutional Development	Establishment of National Tourism Center	Implementation of tourism projects and programs
	Reinforcement of local government organizations for tourism	Establishment of tourism department in the major local governments, and enhancement of tourism department's leadership to local government
	Enhancement of license and safety control	<ul style="list-style-type: none"> <li>● Enhancement of tourism license control</li> <li>● Land use control and development permit</li> <li>● Improvement of safety standards</li> <li>● Rating of hotels and restaurants</li> </ul>
	Public awareness program	Material preparation, meetings, school education, school trips, etc.
Private Sector Association	Hotels	<ul style="list-style-type: none"> <li>● Improvement of hotel service quality by seminars and training</li> <li>● Broadening contacts with overseas hotel associations for MHA exposure</li> </ul>
	Ground Operators	<ul style="list-style-type: none"> <li>● Promotion of MTA membership and establishment of new tour programs</li> <li>● Broadening contacts and dialogues with overseas travel associations</li> </ul>
	Restaurants	<ul style="list-style-type: none"> <li>● Promotion of MHA membership making a membership medallion</li> <li>● Improvement on quality of service by awarding chef and catering personnel</li> </ul>
Incentives	Encouragement of Incentives to Foreign Investment in Tourism	<ul style="list-style-type: none"> <li>● Income tax exemption for 3 years and 50% tax relief in the immediately following 3 years (e.g. for four-star hotels)</li> <li>● Income tax exemption for 5 years and 50% tax relief in the immediately following 5 years (e.g. for winter tourism service industry)</li> <li>● Tax exemption on development of advanced ger camps</li> <li>● Encouragement of site development (e.g., long-term, low cost, simplified procedure, etc.)</li> </ul>
Marketing	Marketing Activities in Foreign Countries	<ul style="list-style-type: none"> <li>● Business seminars on foreign investment</li> <li>● Participation in travel fairs overseas</li> <li>● Close relation with the major world travel organizations</li> <li>● Establishment of 'Visit Mongolia Year in 2005'</li> <li>● Active invitation to international conferences</li> <li>● Opening overseas offices</li> </ul>
	Marketing Activities in the country	<ul style="list-style-type: none"> <li>● Material production (videos, brochures, etc.)</li> <li>● Active promotion of events, festivals, and international conferences</li> <li>● Expansion of Nahdam Festival (e.g., participation in International Art Organizations)</li> </ul>

## **3.6 Infrastructure Development Plan**

### **Road Development Plan**

- UB-Harhorin Highway Improvement: The highway between UB and Harhorin with a length of 380km needs upgrading for the desired average speed of 100km/h as it is the major trunk route for tourism. The traveling time can be cut down to less than 4 hours (by more than one hour).
- UB-Omnogovi (Dalanzadgad) Road Improvement: The road between UB and Dalanzadgad with the length of 580 km should be improved in terms of road width, curvature and pavement in the long term (by the year of 2015).
- Harhorin Area (Arvaiheer)-Omnogovi (Sevrey) Road Development: The road between Harhorin and Omnogovi should be developed as gravel road in the long term (by the year of 2015) to connect UB, Harhorin and Omnogovi.
- Others:
  - Development of Rest Facilities along the major trunk routes such as UB-Harhorin highway.
  - Development of Traffic Sign Facilities (the major trunk routes)
  - Development of Rent-A-Car System (within the long term)

### **Domestic Air Access Development Plan**

- Freer Private Sector and Enforcement and Operation with safety operation strategies
- Privatization of Airport Facilities Operation (CAA controls aircraft safety operations.)
- Improvement of Domestic Air Transport Services
  - Improvement of booking, check-in, and boarding systems (especially return flights from outside of UB)
  - Punctual operation of domestic air services
  - Introduction of safety and reliable aircraft

### **International Air Service Development Plan**

- Towards Policy of Cooperative Air Service
- Bilateral Agreements
- International Alliance
- Improvement of International Air Transport Services

### **Wastewater Treatment System Improvement**

Wastewater from Ger Camps (50 units) is only 20m<sup>3</sup>/day. It is supposed that the upper part of purified wastewater can be discharged into the environment. Details should be discussed at the implementing stage though, as very careful measures may be essential if there are some sensitive objects downstream.

### **Telecommunication System Improvement**

The extension of existing telecommunication lines (digital microwave links and open-wire lines) to ger camps in Omnogovi area is costly. It is recommended that practical use of ICO system should be expected by the year 2001.

### **Power Supply System Improvement**

On a long term basis, wind generators and solar generators could be studied when the construction costs of these nature oriented generators become lower due to technical renovation.

### **3.7 Human Resource Development Plan**

#### **Strengthen Vocational Education in Tourism**

Setting up vocational schools or expanding the current courses is necessary to provide hotel/restaurant operation staff with training. Institute of Commerce and Business and Institute of Tourism Management take charge in training at present. With the increase of leisure tourists, approximately an additional 1,000 cooks and 800 waiters will be needed at hotels and tourist camps by the year 2015. The current courses should be expanded to train more students to satisfy demand.

#### **Strengthen Higher Education in Tourism**

Instructors should be trained for higher education first. Inviting foreign instructors, training instructors in tourism-advanced countries, expanding international education for students, and updating training materials could be done.

The Tourism Department considers that a rearrangement of courses is necessary in order to avoid unnecessary overlaps and introduce necessary subjects. A comprehensive guide course should also be established.

#### **Others**

There is a strong need for re-training, especially for managerial level personnel in the private sector. Establishment of an international training scheme at international institutions, and inviting tourism experts for staff training have been done at some hotels, and should be encouraged.

Training of ger camp staff should be held in winter (low tourism season). Institutions like ITM and ICB in UB can set up short term courses.

### **3.8 Environment Management and Tourism Development**

#### **Environment Management Programs**

Concurrent to tourism development, appropriate management programs are needed regarding the whole country as a protected area. International organizations such as UNDP, WWF, and GTZ have been collaborating for environment management so far. Strategic programs additionally needed for the integration of environment management are as follows:

- National Wildlife Management Program
- National Fossil Management Program
- National Eco-tourism Circuit Program
- International Eco-tourism Circuit Programs
- National Bird Watching Circuit Program
- Safety Management Program for Eco-tourism and Nature Oriented Tour
- Nomadic Land Management Program for Community People

#### **Urgently Needed Projects and Programs**

- Training courses on protected area and environment management and eco-tourism for park rangers, eco-tourism guides, interpreters and communities
- Production of informative brochures for protected areas
- National illustrated checklist of the Alpine plants, wild birds, mammals, reptiles/amphibians, fishes and insects

- Establishment of emergency evacuation plans in case of emergency
- National Bird Watching Circuit Sites

### 3.9 Contribution to Economic Development of Mongolia by Tourism Development

#### Current Situation in Mongolia

In 1997 the receipts solely from leisure tourists were estimated at about 4.0 percent of GDP, catching up with that of Southeast Asian countries, 4.5 percent (1995).

#### Share of "Tourism Receipts"<sup>1</sup> in GDP (at current price basis)

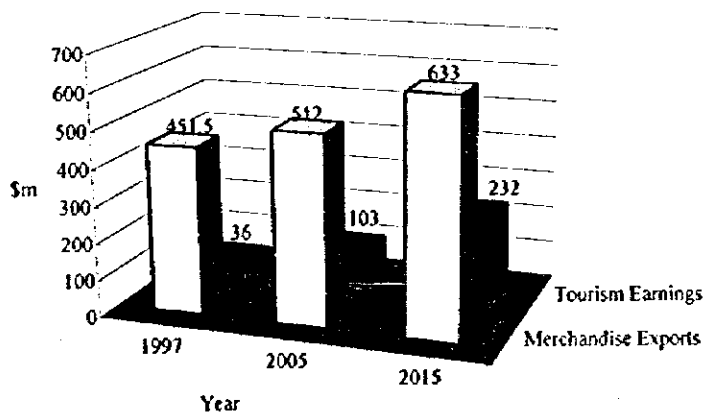
	(Tg m)
	1997
GDP	737,039
Tourism Receipts	29,469
Ratio of tourism value in GDP (%)	4.0%

Source: JICA Study Team

#### Foreign Currency Earnings

Merchandise exports came to \$424.3 million in 1996, in which tourism earnings accounted for \$29 million (6.8%). There has been a rapid growth in share of tourism earnings together with the growth in tourism industry. It is estimated that tourism earnings will exceed \$232 million in 2015.

#### Projection of Merchandise Exports and Tourism Receipts



Source: JICA Study Team

<sup>1</sup> In this section, tourism receipt is only international leisure tourist. And also international transportation fare is excluded from tourism receipts.



### **Contribution to the Employment**

The total employment directly related to tourism is estimated at approximately 2300 in 1997, which accounted for 0.2% of the total workforce (1.12 million). Tourism-related employment is estimated to be 4000 in 2005, 12,000 in 2015. The employment growth rate of the tourism industry is 10% while the population growth rate is 1.4% per year. The tourism sector has good potential to meet the future economic needs in terms of creating job opportunities.

## 4. AREA PLANS

### 4.1 Ulaanbaatar Area

#### 1) Development Concept and Strategies

##### Area Development Concept

- Strengthen the role of the international gateway for Mongolian tourism both by air and surface (rail);
- Reinforce functions of the national center for all forms of urban tourist services and servicing;
- Strengthen all forms of tourist activities: from history, culture, traditional life, cultural entertainment, to business, meeting, fair and conference; and
- Establish varied add-on attractions in suburban UB.

##### Development Strategy

- prepare and establish Ulaanbaatar as Mongolia's sole urban tourism service center;
- introduce modern presentation, visitor information and amenities at major museums and tourist sites;
- rehabilitate historical, cultural and recreational resources (e.g. Bogdhaan Winter Palace, Gandan Monastery, Circus, etc.) into modern tourist products;
- create an attractive tourist quarter (tourist street, plaza, trail and amenities) as a tourism core of Mongolia's gateway city;
- introduce a diversified line of new tourism products (e.g. bird park, horse park, etc.);
- promote and upgrade tourism related industries (souvenir production and sales, restaurant and catering services, etc.);

#### 2) Projected Tourism Demand

The following shows the projected tourism demand in UB

	(Tourists-nights)		
	Leisure-purpose	Business-purpose	Total
Current situation 1997	94,280	216,841	311,121
2005	306,000	438,000	744,000
2015	862,000	955,000	1,817,000

##### Demand for Accommodation

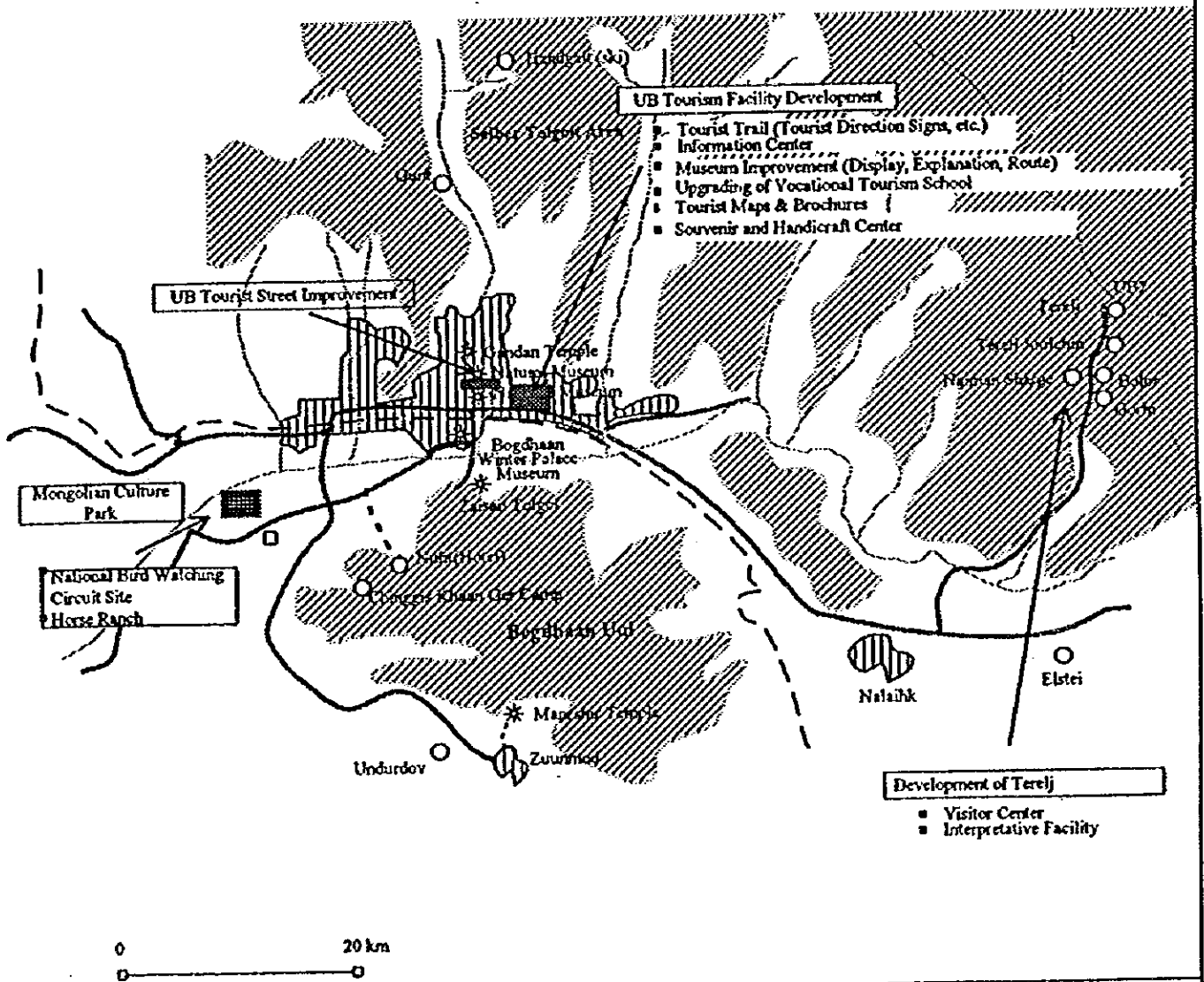
Year 2005: A little more than the current capacity will be needed in the peak season (July and August), while the occupancy rate will be below 50% during the low tourist season.

Year 2015: Three times the current capacity will be needed in July and August.

#### 3) Plan Structure and Land Use

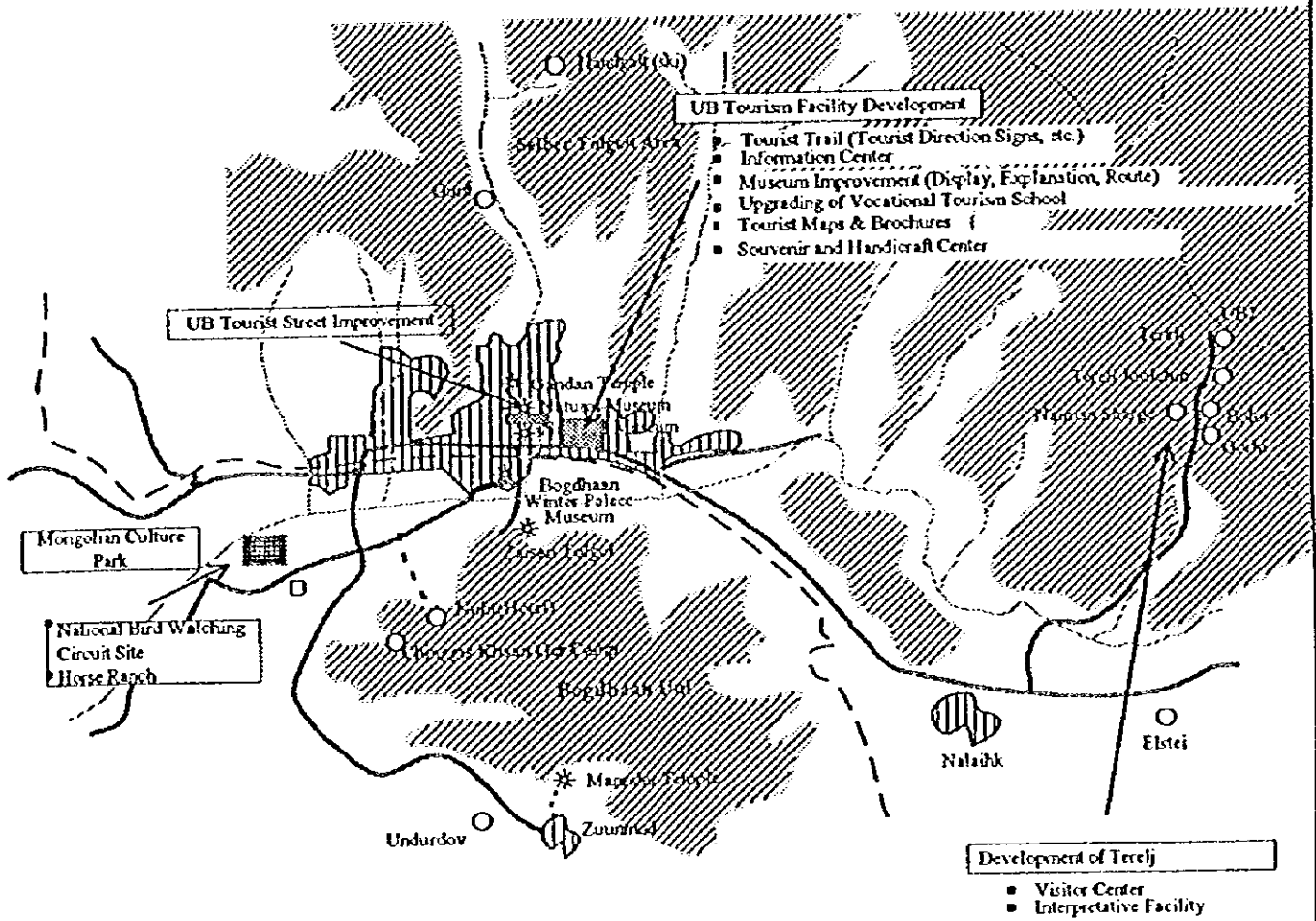
In order to implement the strategies stated above, development plans of UB for 2005 and 2015 are proposed as shown in Figures 4.1 and 4.2 respectively. These figures show the importance of developing tourism attractions in the outskirts of UB, as well as the renewal of tourist facilities within the city.

### Development Concept of Ulaanbaatar Tourism Area (to 2005)



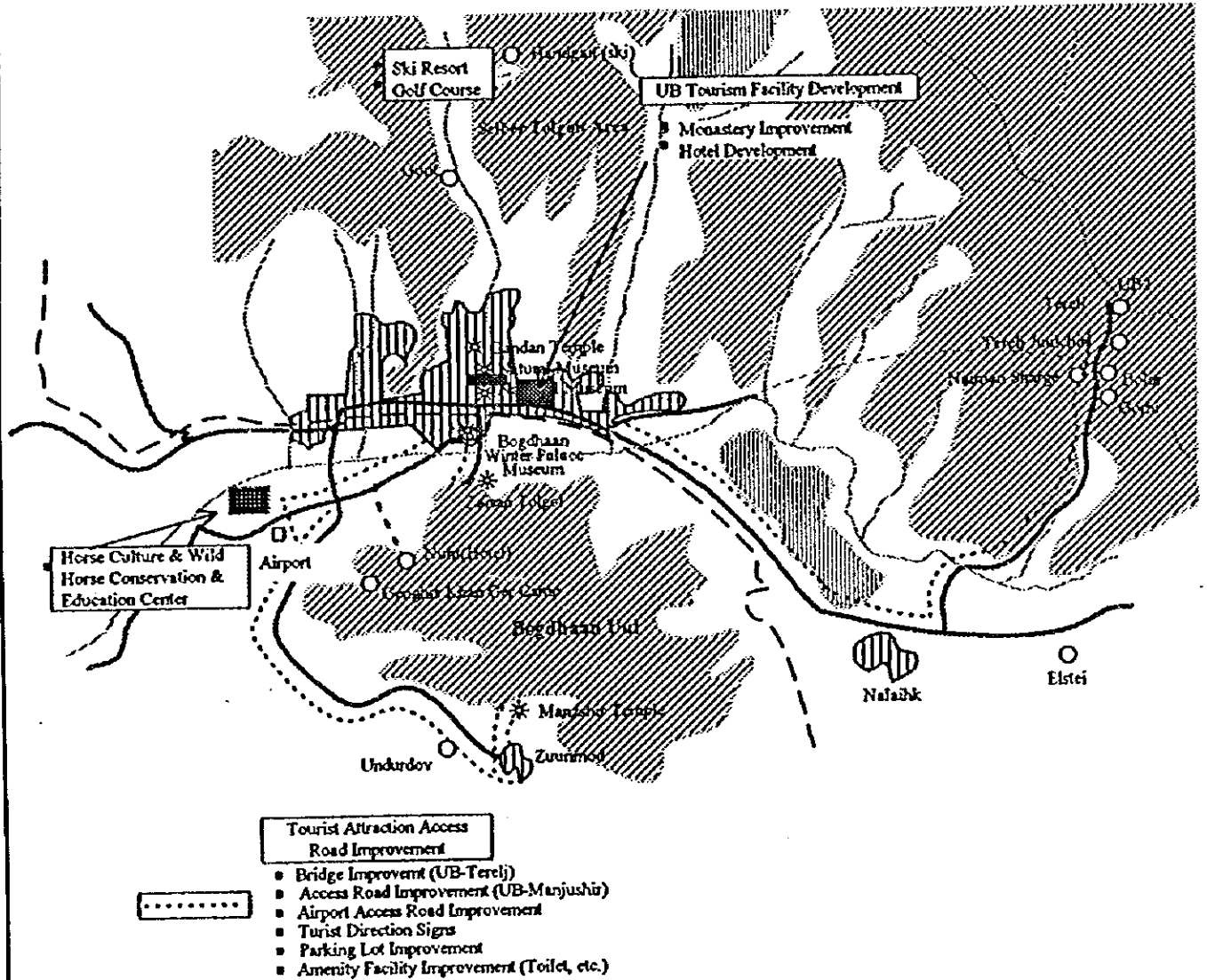
Ministry of Infrastructure Development Mongolia
Japan International Cooperation Agency (JICA)
<b>THE MASTER PLAN ON NATIONAL TOURISM DEVELOPMENT IN MONGOLIA</b>
<b>Figure 4.1</b> Development Concept of Ulaanbaatar Tourism Area (to 2005)
PADECO Co., Ltd / Nippon Koei, Co. Ltd,

### Development Concept of Ulaanbaatar Tourism Area (to 2005)



Ministry of Infrastructure Development Mongolia
Japan International Cooperation Agency (JICA)
THE MASTER PLAN ON NATIONAL TOURISM DEVELOPMENT IN MONGOLIA
Figure 4.1 Development Concept of Ulaanbaatar Tourism Area (to 2005)
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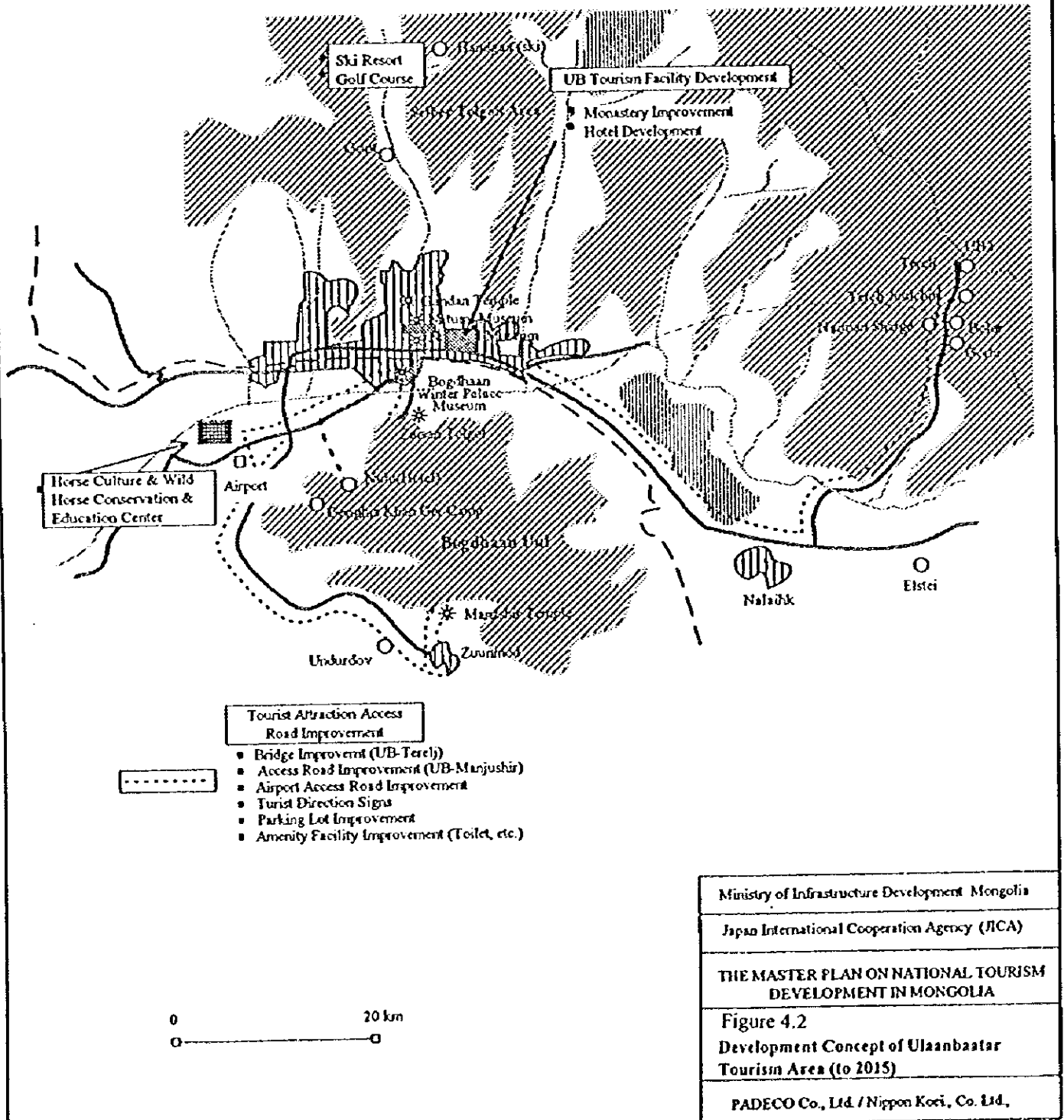
### Development Concept of Ulaanbaatar Tourism Area (to 2015)



0 ————— 20 km

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Figure 4.2 Development Concept of Ulaanbaatar Tourism Area (to 2015)
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### Development Concept of Ulaanbaatar Tourism Area (to 2015)



#### 4) Tourism Product Development

**Tourist Trail:** Arrangement of tour courses in the center of UB City.

**Tourist Street:** The UB city authority is planning a city renewal project called Commercial Street-2005. For the creation of a center to attract tourists, tourist streets are proposed to be developed in the commercial area.

**Bird park (Wild Bird Conservation and Education Park):** Along the Tuul river, which runs from east to west at the south of UB, near the International Airport, there is a place where many migratory birds gather. Using these birds as a natural resource of tourism, or recreation facility for UB residents, creation of a Bird Park is recommended.

**Horse Park:** A combination of museum of live horses and horse riding training school, and a race track.

**Handicraft Center:** A handicraft center is recommended to be set up on the tourist streets to plan, design, and sell souvenirs.

##### **(Historical/Cultural Facilities)**

**Bogdhaan Winter Palace Museum:** Display articles, stores, security system, and administrative facilities should be improved as well as restoring the building for a UB tourism focus point.

**Mongolian Culture Park:** A theme park where people can see and experience nomadic life is recommended to be built on the major trunk road to Harhorin in the outskirts of UB.

##### **(Environmental Facilities)**

New training courses should be established in vocational schools in UB for planning staff of eco-tourism and nature-tourism, guides, and instructors.

#### 5) Supporting Infrastructure Plan

##### **Roads**

- Improvement on the access roads to tourist destinations in the suburbs such as Terelj, and Manjuseel
- Road maps and signs, tourist information signs, and lighting facilities

## 4.2 Harhorin Area

### 1) Development Concept and Strategies

#### Area Development Concept

- the most accessible cultural tourism core of Mongolia (Harhorin);
- varied add-on resources complementing the cultural attractions of Harhorin (Hujirt Spa, Orhon Valley); and
- the most accessible health/curative spa for potential domestic tourism development.

#### Development Strategy

- introduce modern presentation, visitor information and amenities at Erdenezuu;
- upgrade and beautify the whole Harhorin archaeological and cultural complex ( Erdenezuu, Harhorin ruins, Turtle Rocks - new access road, parking, landscaping, sign-posting, etc.);
- introduce modern presentation, visitor information and amenities at Har Balgas and Hoshoo Tsaidam ruins;
- introduce nature tourism program with modern presentation, visitor information and amenities at Orhon Valley;
- introduce soft adventure / activity-oriented products in Burd / Mongol Els sand dune; and
- upgrade Hujirt curative spa facility, particularly for potential domestic tourists.

### 2) Projected Tourism Demand

The following shows the projected tourism demand in Harhorin

	Total (Tourists-nights)
Current situation 1997	25,481
2005	82,000
2015	233,000

#### Demand of Accommodations

Year of 2005: Demand exceeds the current bed capacity by 20% in August.

Year of 2015: About 3 times demand of current bed capacity is to be expected during the peak season.

### 3) Plan Structure and Land Use

In order to implement the strategies stated above, development plans of Harhorin for 2005 and 2015 are proposed as shown in Figures 4.3 and 4.4 respectively. Three large historical assets, such as Erdenezuu at Harhorin, Turkish Monuments at Hoshoo Tsaidam, and Uigur Fort at Har Bargas, will be upgraded together with the connecting road between Harhorin and Hoshoo Tsaidam/Har Bargas by 2005. In the long term, the northern direction tourism route connecting with Horgo Volcano area through Ogii lake, which is famous for the habitat of migratory birds, will be developed. In the southernmost part of the area, in Hangai Range National Park, there are waterfalls along the origin of River Orhon. Tourism core facility as well as the approach road through Hujirt Spa are planned to be developed in the long term.



#### 4) Tourism Product Development

##### **Visitor Center Development:**

Adjacent to Erdenezuu, a visitor center is proposed to be constructed. The visitor center explains the history of Harhorin and displays selected artifacts. It also incorporates functions of maintenance and administration of Erdenezuu.

##### **Erdenezuu Improvement:**

Erdenezuu surroundings should be restored and beautified.

- Improvement of surrounding roads
- Improvement of parking lots
- Improvement of information boards
- Improvement of displays in Erdenezuu

#### 5) Supporting Infrastructure Plan

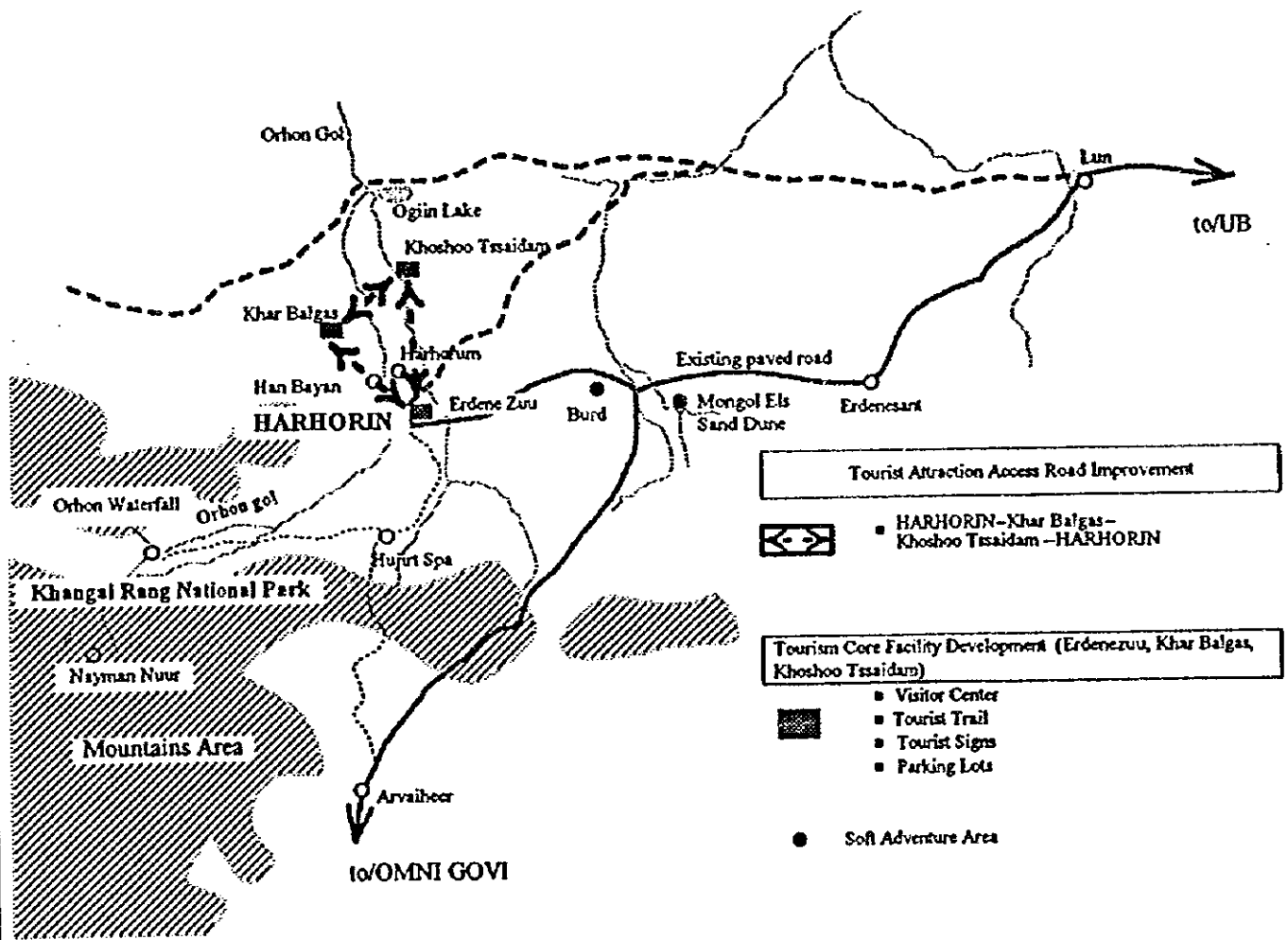
##### **Roads**

- Improvement (upgraded to gravel roads) of access roads (Harhorin-Har Bargas-Hoshoo Tsaidam-Harhorin; Harhorin-Hujirt-Orhon waterfalls)
- Setting up road signs (route information, speed limit, animal warning, etc.)

##### **Domestic Airports**

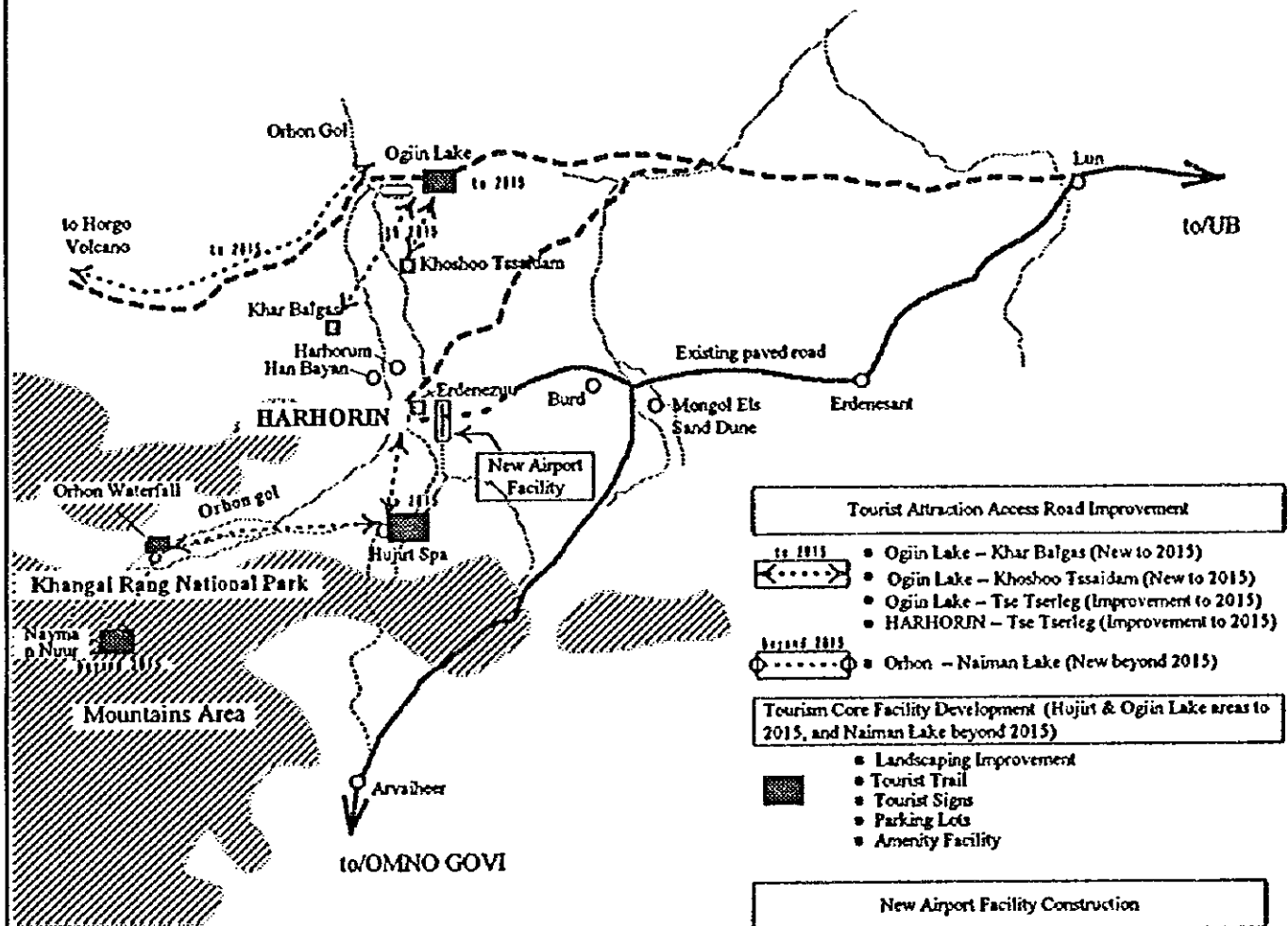
- Improvement of Harhorin Airport

### Development Concept of Harhorum and Harhorin Tourism Areas (to 2005)



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Figure 4.3 Development Concept of Harhorin Tourism Area (to 2005)
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### Development Concept of Harhorum and Harhorin Tourism Areas (to 2015 and beyond)



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 Figure 4.4  
**Development Concept of Harhorin Tourism Area (to 2015 beyond)**  
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## 4.3 Omnogovi Area

### 1) Development Concept and Strategies

#### Area Development Concept

- Strengthen the role as the southern tourism center of Mongolia for nature-oriented tourist experience and activities (the most accessible desert experience for the Japanese market);
- Cater to mostly casual nature-oriented tourist activities; and
- Reinforce the area for SIT tourists (advanced nature tourism, eco-tourism, soft and hard adventure, palaeontology, spelunking, etc.).

#### Development Strategy

- introduce modern presentation, visitor information and amenities at major tourist sites (e.g., Yolyn Am Valley);
- upgrade the natural history museum of Yolyn Am Valley;
- introduce an area-wide nature tourism interpretation program,
- introduce soft adventure / activity-oriented products around major tourist ger camps, and,
- establish functions as the base for long range tour connecting UB, Harhorin and Omnogovi

### 2) Projected Tourism Demand

The following shows the projected tourism demand in Omnogovi

	Total (Tourists-nights)
Current situation 1997	43,318
2005	141,000
2015	396,000

#### Demand for Accommodation

Year 2005: Twice the current capacity will be needed in the peak season (July and August).

Year 2015: Six times the current capacity will be needed in the peak season (July and August) and a little more additional accommodation capacity will be needed in May, June, and September as well.

### 3) Plan Structure and Land Use

In order to implement the strategies stated above, development plans of Omnogovi for 2005 and 2015 are proposed as shown in Figures 4.5 and 4.6 respectively. Upgrading and restoration of the existing tourism destinations should be conducted in the eastern area, where the capital of Aimag Dalanzadgad is located. In Severy area, the central area of Govi Gurvan Saihan National Park, Narandaats area, and the western part of the park should be developed in the long term

### 4) Tourism Product Development

#### Natural Museum (renovaton of the existing múseum)

The Natural Museum located at the gate of Yolyn Amm should be renovated. The following points are principal restoration work.

- Establishment of a visitor center (information center)

- Human resource development at the above mentioned visitor center
- Beautification of architecture and surroundings
- Improvement of Exhibition (Add English explanation, Enrich dinosaurs exhibition)

#### **Tourist Base**

A tourist base for round trips between UB, Omnogovi, and Harhorin is proposed to be established. Four major facilities should be located at the tourist base.

- Service to vehicles: gas station, car repair, information on routes
- Shop: food, drinks, first aid kits,
- Information Center: Information on accommodations, restaurants, cattle breeder's ger (visiting)
- Relay station: camel riding, sky sports, etc.

#### **Others**

Rest facilities (parking, rest rooms, benches) in major tour destinations such as Bayan Zag (Dinosaurs), Moltson Els, Yolyn Amm, Severy, and Narandaats should be established.

### **5) Supporting Infrastructure Plan**

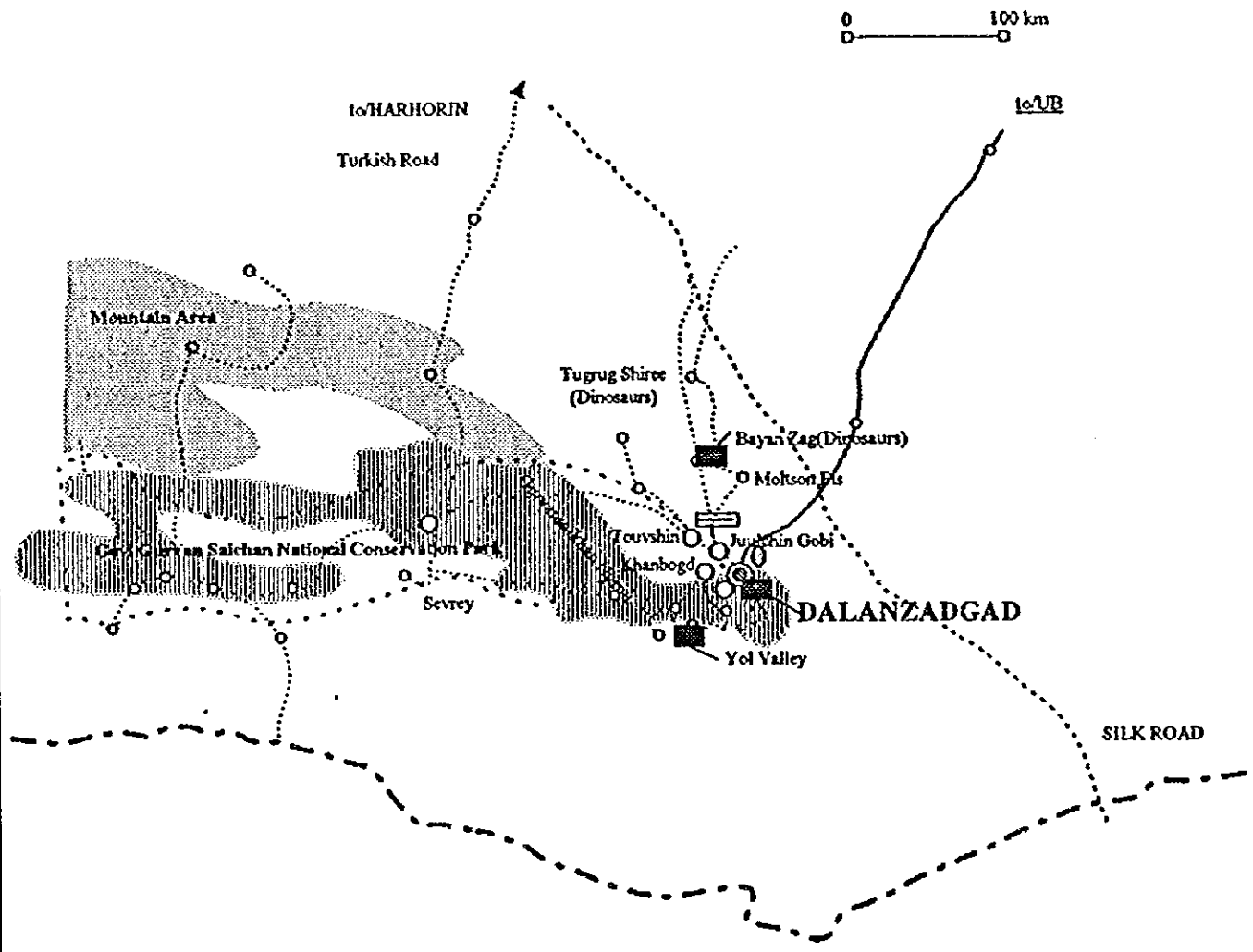
#### **Roads**

- Road construction between Dalanzadgad and Severy (simplified gravel road)
- Setting up road signs (route information, caution signs for animals, etc.) on access roads to major tourist destinations

#### **Domestic Airports**

- Improvement of the ger camp private airport
- New small airports in the western part of Omnogovi (Severy and Narandaats)

### Development Concept of Omnogovi Tourism Area (to 2005)



- | Tourism Core Facility Development (Yol Valley, Bayan Zag, DALANZADGAD) |                    |
|--|--------------------|
| ■  | Visitor Center     |
| ■  | Tourist Signs      |
| ■  | Parking Lots       |
| ■  | Amenity Facilities |

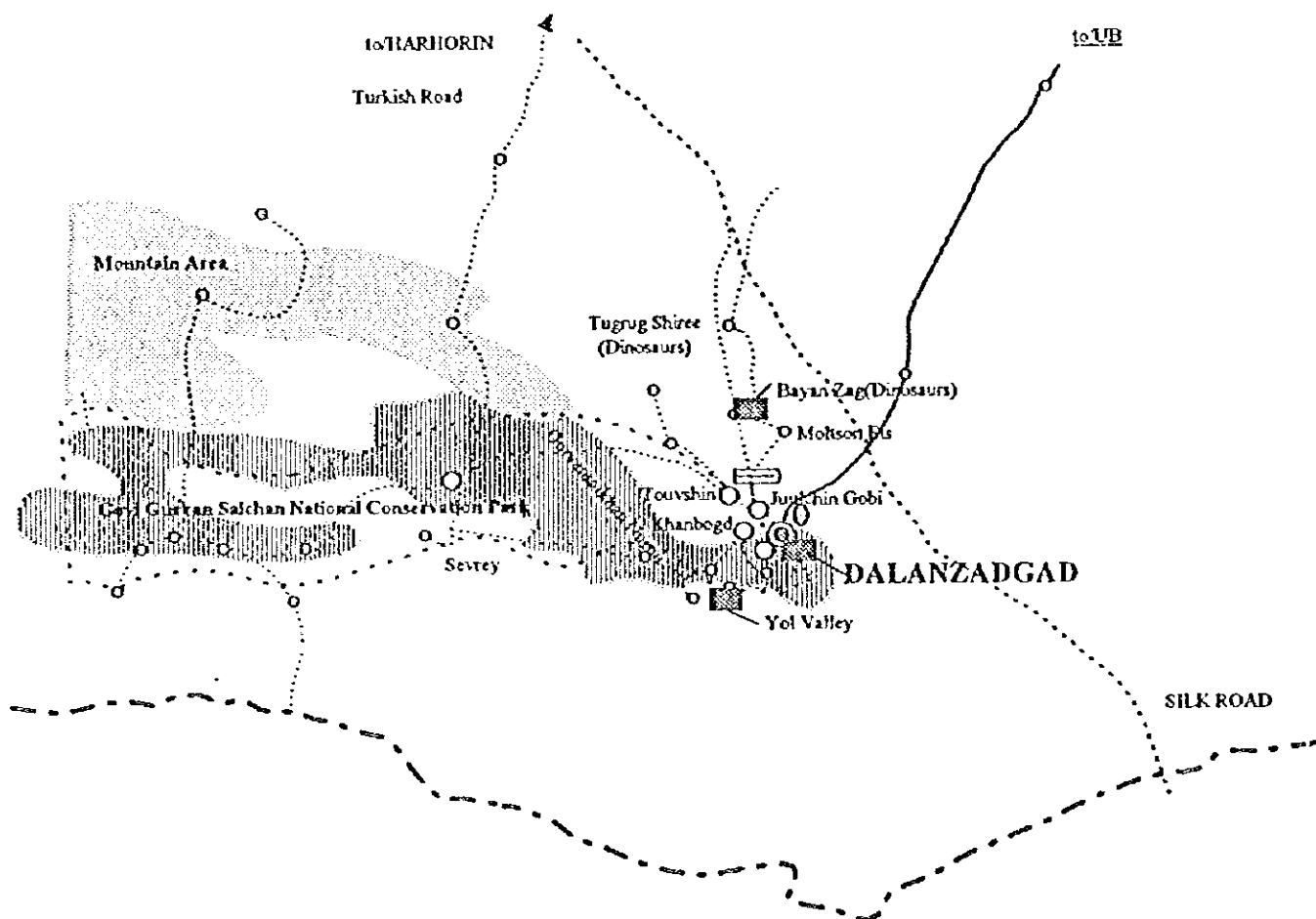
○ Nature Reserve Ranger Training in Dalanzadgad

- | Steppe Air Strip Facility Upgrading |                           |
|-------------------------------------|---------------------------|
| ▬                                   | Improvement of Air Strip  |
| ▬                                   | Instrument Landing System |
| ▬                                   | Reservation System        |
| ▬                                   | Guest Handling Equipment  |

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<b>Figure 4.5</b> <b>Development Concept of Omnogovi Tourism Area (to 2005)</b>
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### Development Concept of Omnogovi Tourism Area (to 2005)

0 100 km



Tourism Core Facility Development (Yol Valley, Bayan Zag, DALANZADGAD)

- Visitor Center
- Tourist Signs
- Parking Lots
- Amenity Facilities

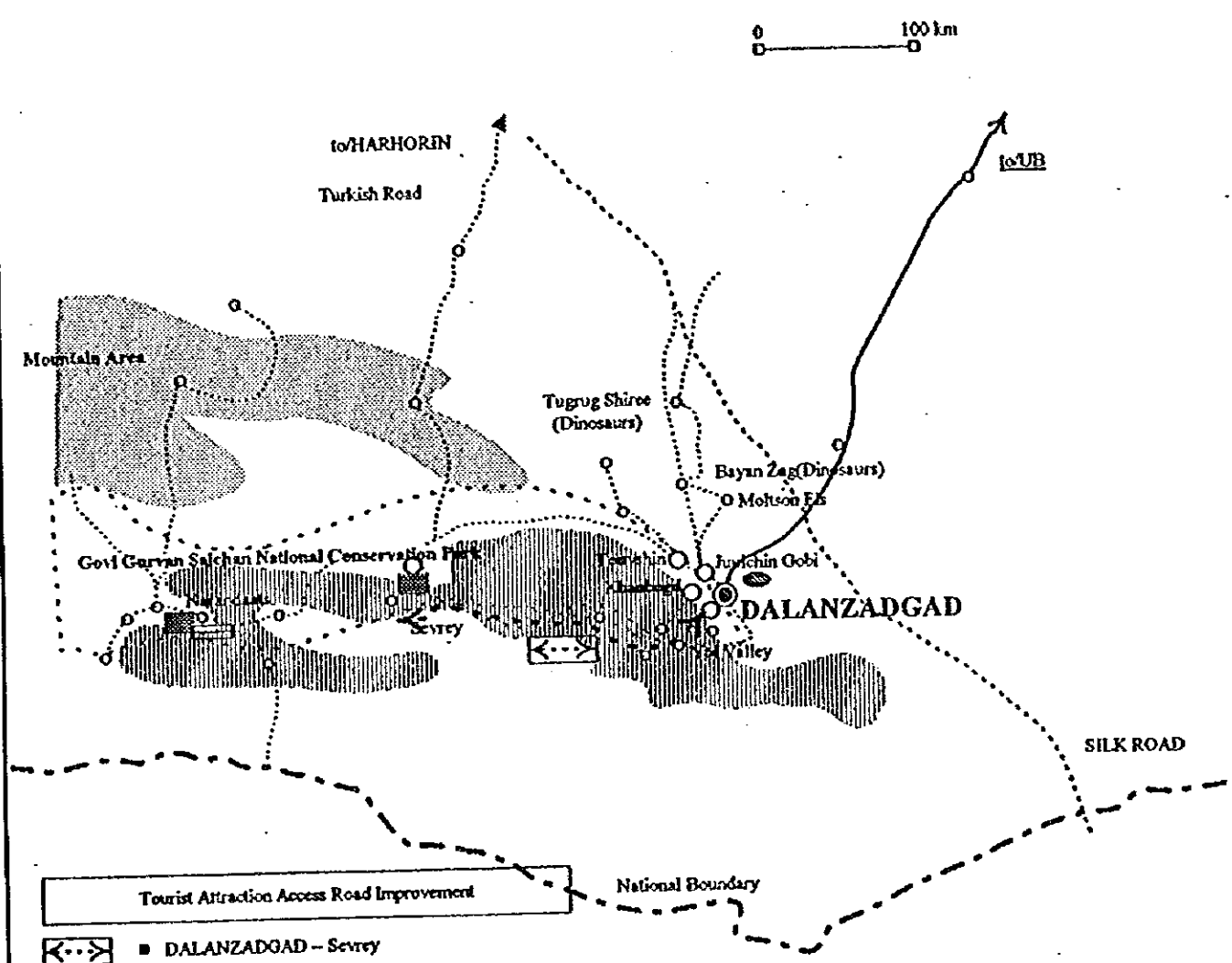
Steppe Air Strip Facility Upgrading

- ▬ Improvement of Air Strip
- ▬ Instrument Landing System
- ▬ Reservation System
- ▬ Guest Handling Equipment

○ Nature Reserve Ranger Training in Dalanzadgad

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Figure 4.5 Development Concept of Omnogovi Tourism Area (to 2005)
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### Development Concept of Omnogovi Tourism Area (to 2015 and beyond)

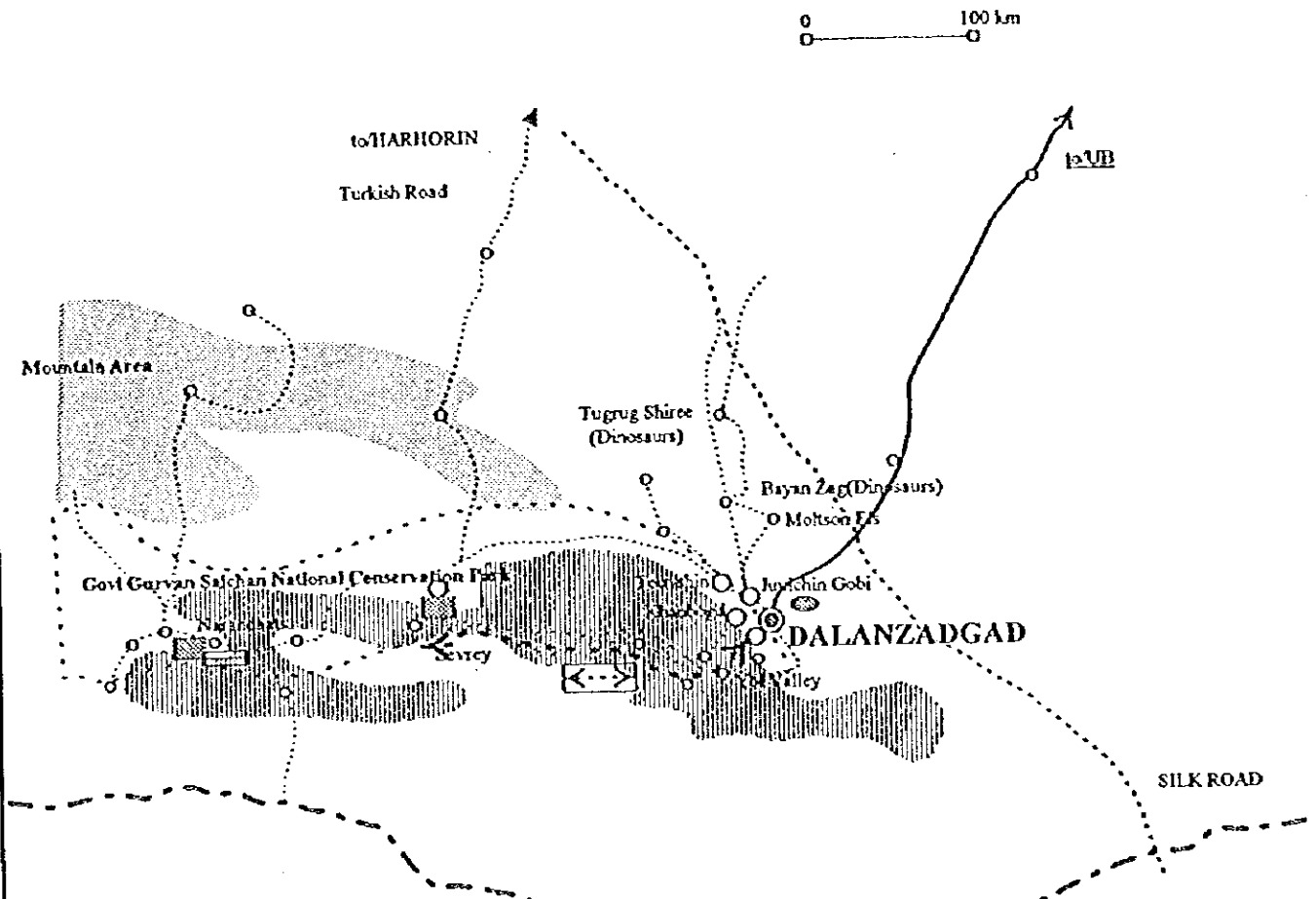


- Tourist Attraction Access Road Improvement
- <...> ■ DALANZADGAD – Sevrey
- Secondary Tourism Core Facility Development (Sevrey & Narandaarts areas)
  - Visitor Center
  - Tourist Trail
  - Tourist Signs
  - Parking Lots
  - Amenity Facilities
- New Narandaarts Private Airport Construction (to 2015)
  - New Air Strip
  - Instrument Landing System
  - Reservation System
  - Guest Handling Equipment
- Dalanzadgad Tourist Base

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Figure 4.6 Development Concept of Omnogovi Tourism Area (to 2015 and beyond)
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### Development Concept of Omnogovi Tourism Area (to 2015 and beyond)



Tourist Attraction Access Road Improvement

◀---▶ ■ DALANZADGAD - Sevrey

Secondary Tourism Core Facility Development (Sevrey & Narandaarts areas)

- Visitor Center
- Tourist Trail
- Tourist Signs
- Parking Lots
- Amenity Facilities

New Narandaarts Private Airport Construction (to 2015)

- ▬ New Air Strip
- ▬ Instrument Landing System
- ▬ Reservation System
- ▬ Guest Handling Equipment

● Dalanzadgad Tourist Base

National Boundary

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Figure 4.6 Development Concept of Omnogovi Tourism Area (to 2015 and beyond)
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## **5. PRIORITY PROJECTS AND PROGRAMS**

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### **5.1 Selection of Priority Projects and Programs**

All projects and programs proposed in the master plan of the national and model areas of tourism development have been evaluated for the purpose of selecting the candidate priority projects in a manner shown below. (A detailed explanation is shown in Chapter 17 of main report.)

#### **(Evaluating Factors)**

**Urgency: Urgency of problems**

**A: Problems should be solved immediately**

**B: Urgent problems up to conditions**

**Necessity: Possibility of substitution**

**A: No substitution**

**B: Substitute measures are available**

**Realizable possibility: Magnitude of development and OM cost as a measure of ease in realization**

**A: Low development, O/M cost, and high viability**

**B: High cost and low viability**

#### **(Evaluation Criteria)**

Projects and programs scored AAA or AAB were ranked first and second priority and selected as the candidate priority projects/programs to be implemented by 2005. The rest of projects/programs are to be implemented between 2005 and 2015 or after 2015.

The candidate priority projects/programs are listed in Table 5.1.

**Table 5.1 Priority Projects/Programs**

Priority Projects/Programs	
<b>A PROGRAMS</b>	
<b>1 Government Administration Strengthening</b>	A-1 Smooth Operation of National Tourism Council A-2 Strengthening of Tourism Administration by Coordination of the Tourism Department and NTC A-3 Strengthening of Aimag Government
<b>2 Human Resource Development</b>	A-4 Upgrading of Tourism Education A-5 Development of Park rangers Training
<b>3 Regulatory Improvement</b>	A-6 Investment Incentive in Tourism Sector A-7 Land Development Control Measures A-8 Licensing System A-9 Safety Standards
<b>4 Development Programs</b>	A-10 Mongolian Culture Preservation Program A-11 Ancient Sites Presentation A-12 Improving International Air Service A-13 Improving Domestic Air Service A-14 Railway Service Upgrading A-15 Nomads Integration System A-16 National Illustrated Checklist and Maps of Archaeological and Wildlife Resources A-17 Production of Information Materials for Eco-Tourism A-18 Surveys for Integrated Environment Management A-19 Overseas Marketing A-20 UB Hotel Development Guidance A-21 Ger Camp Development Guidance by Zones A-22 Development of UB Bus Guidebook A-23 Introduction of Convenient Ticket for Buses and Museum
<b>B PUBLIC SECTOR PROJECTS</b>	
<b>1 Culture Tourism Enhancement</b>	B-1 Improvement of Bogd Khan Museum B-2 Mongolian Culture park B-3 Erdenezuu Surrounding Improvement B-4 Harhorin Visitor Center
<b>2 Development of Gateway Tourism in UB</b>	B-5 UB Tourist Trail Development B-6 UB Tourist Street B-7 UB Souvenir and Handicraft Center
<b>3 Nature Tourism Development</b>	B-8 Terelj Visitor Center B-9 Govi Visitor Center B-10 Bird Watching Site Preparation
<b>4 Other Development</b>	B-11 Harhorin Tourist Road B-12 traffic Sign Facilities along UB-Harhorin Highway B-13 Upgrading of Major Spas B-14 Loan Facility for Tourism Private Sector
<b>C PRIVATE SECTOR PROJECTS</b>	
	C-1 Rest Areas along UB-Harhorin Highway C-2 Upgrading of Ger Camp Facilities C-3 South Govi Air Strip Improvement C-4 Sporting Activities Strengthening C-5 Horse Park

Source: JICA Study Team

## **5.2 Priority Projects and Programs**

### **1) Priority Programs**

#### **Strengthening Government Administration**

##### **A.1 National Tourism Council**

Establishment of the National Tourism Council was approved by Government Resolution No. 192 in October 1998 to manage the related organizations concerning tourism development. The members are as follows.

- Chairman : Minister of Infrastructure Development
- Vice Chairman: Minister of Nature and Environment
- Members: State Secretary of Infrastructure Development; Director of Budget Policy Department of Ministry of Finance; Director of Strategic Management and Planning Department of Ministry of Science, Technology, Education and Culture; Director of the Road and Transportation Department of Ministry of Infrastructure Development; Deputy Director of the Foreign Trade and Economic Cooperation Department of Ministry of External Relations; and Head of Mongolian Tourism Association
- Secretary: Director of the Tourism Department of ministry of Infrastructure Development

##### **A.2 Strengthening of Tourism Administration by coordination of the Tourism Department and NTC**

DOT is to concentrate in policy planning with the establishment of NTC in 1998. It is being considered that DOT would be transferred under a new Department combined with the Transportation Department.

##### **A.3 Strengthening of Tourism Administration in Aimag government**

In order to make a more functional organization to carry out tourism promotion in each district and to promote tourism master plan activities in coordination with the central government, the tourism organization of the local government (aimag) should be strengthened by establishing the Aimag Tourism Council and the arrangement of tourism section. Relevant organizations in priority project areas (UB City, Ovorhangai aimag and Omnogovi aimag) should be implemented in accordance with their implementing schedule by 2005.

#### **Human Resource Development**

##### **A.4 Upgrading of Tourism Education**

Main objectives of the project are to strengthen vocational education at the Institute of Commerce and Business (ICB), a government run training institute, through instructor training (by long & short term foreign instructors, and Mongolian instructors with oversea training) and material development, eventually producing capable operational staff as well as future managers in the fields of Tourism, Restaurant & Hotel Management, Food Service Management, and Cooking/Waiter.

The Institute of Commerce and Business (ICB), which is licensed by The Ministry of Science, Technology, Education and Culture, is a unique national training institute, including both vocational and university courses, and is considered as an appropriate organization for project implementation. It is essential that ICB organizes a council of tourism-related training institutes,

including private ones such as the Institute of Tourism Management, in order to disseminate a positive impact through such activities as international seminars through the course of the Project. Tourism-related vocational schools under the Ministry of Health and Social Welfare would also benefit from being members of the council.

#### **A.5 Development of Park Ranger Training**

The UNDP project produced and distributed a ranger training manual. However, there are no regular and systematic training programs for either park rangers or for state inspectors and rangers. Therefore, regular and systematic training programs for park rangers and state inspectors/rangers should be developed and implemented as soon as possible such as:

- Invite foreign experts for the development of the training program.
- Work together with the experts to study and identify the subjects required in the training.
- Revise the present training manual to be more in tune with the present Mongolian situation.
- Develop training programs in UB (ex. twice a year: before and after the tourism season).
- Develop an on-site training program (ex. Terelj NP, Bogd Khan SPA, Govi Gurvan Saichan NP)

#### **Regulatory Improvement**

#### **A.6 Investment Incentives in Tourism Sector**

New incentives for foreign direct investment (FDI) in the tourism sector should be developed by means of an amendment of the Foreign Investment law for the purpose of encouraging FDI in the tourism sector through income tax exemption and other measures.

- Incentives for winter tourism services
- Hotels and ger camps classified above 3 stars designated by NTC
- Restaurants classified at an international grade by NTC
- Ger camps developed with sustainable energy source
- Ger camps handling the nomads dairy product supplies and/or handicraft souvenirs (sales tax reduction)
- Souvenir shops for international tourists
- Amendment of the Foreign Investment Law for tax exemption measures

#### **A.7 Land Development Control Measures in Tourism Sector**

Land zoning regulations, land development permit system, land rental agreement, and tourism land development guidelines should be improved in order to avoid unregulated and unsustainable land use and development.

#### **A.8 Licensing System**

Licensing system should be adopted to provide qualified instructors (horseback riding, hot air ballooning, etc.), tour guides, and interpreters as the Japanese system for an example.

#### **A.9 Safety Standards**

Establishment of safety standards and rescue system, and introduction of licensing system and protection tools are recommended. Part of the Japanese fire fighting regulations and safety systems have been introduced in Mongolia by the Fire Defense Board. However, such systems, so far, have been fragmentarily introduced and are not functioning effectively. It is necessary to provide fire escape information, assign fire protection personnel, and introduce fire-safety facility qualification certificates.

## **Development Programs**

### **A.10 Mongolian Culture Preservation Program**

Cultural heritage resources in Mongolia have been damaged as a result of natural and human influences:

- Monuments damaged over time under natural influences such as weather.
- Researchers who carried out excavations did not restore areas which were excavated.
- Local people remove stones from the monuments creating additional damage.

Therefore it is recommended to have a fire protection line, to improve education of local people, to post information boards and identification signs, to remove heavily damaged monuments, and so on. Restoration of the Shank Monastery and the Tsogchin temple of the Zaya monastery is urgently needed.

### **A.11 Ancient Sites Presentation**

Presentation with an accurate explanation of the Harbalgas and Turkish monuments is needed. The project "The preservation, conservation and restoration of some Turkish monuments in Mongolia" began in 1957 in order to be implemented between 1997-2001.

A parking area, viewing square, walkways, and information boards are proposed to be built in the Harbalgas at the moment site.

### **A.12 Improving International Air Access**

Improvement of international competitiveness has to be attained through the cooperative air service policy, and better international air transport services.

### **A.13 Improving Domestic Air Access**

The full privatization of domestic flights is scheduled to be completed by the year 2005 observing safe operations based on the basic safety regulations for flight operations stipulated in ICAO Standards. Domestic air transport services also should be improved while introducing safe and reliable aircraft by upgrading the maintenance level and introducing new materials.

### **A.14 Railway Service Upgrading**

Govi (Ulaan Uul) tour has a good potential for further development. Construction of tourist camps near Ulaan Uul station and upgrading railway services such as shortening travel time, delivery services, and provision of a dining car are proposed.

### **A.15 Nomads Integration Projects**

Tourism promotion should not be pursued without contributing to the improvement of life of local people including nomads. Thus, it is necessary to establish a system to distribute the tourism income to nomads.

- Sanitary problems hinder the delivery of milk products from nomads to ger camps. Thus, it is recommended to install an appropriate pasteurization system at ger camps. In addition, it is necessary to strengthen the collection system by the private sector in place of the collapsed milk collection system built under the old regime.
- Souvenir production by nomads: A management system for quality and marketing is necessary to provide nomad souvenirs to tourists. This system should be organized among those concerned from nomads and ger camp owners who would transport the materials to nomads and souvenirs to the UB market, to those who sell the souvenirs at their ger camps

and elsewhere. The proposed handicraft center can participate in the improvement of design and quality and especially with training and technical improvement.

- Tourist attractions based on nomadic culture: A detailed survey is necessary to design new options of tourist attractions. Participatory attractions such as felt-making or other activities of traditional life style of Mongolia may become strong new options.

#### **A.16 National Illustrated Checklist and Maps of Archaeological and Wildlife Resources**

- The comprehensive illustrated checklist and maps of Mongolian archaeological and wildlife are an essential tool for archaeological research and nature conservation and is valuable as informative materials for Mongolian tourism. The needed checklist of Mongolian archaeological and wildlife would be handy for field surveys and tourists but must have essential information such as historical/archaeological background population, distribution, reproduction, distinguishable characteristics, and other information utilizing modern technology such as GIS and multimedia presentation.

#### **A.17 Production of Information Materials for Eco-Tourism**

Gather information regarding the eco-tourism guidelines (rules and regulations), safety standards for eco-tours, brief notes on Mongolian ecosystems, available eco-tours (type, days, tour cost, preferred seasons, additional attractions), a list of the registered eco-tour operators, and so forth.

#### **A.18 Surveys for Integrated Environment Management**

Necessary surveys on the socio-cultural and natural environment including wildlife are to be conducted for the establishment of an integrated environmental management program as soon as possible.

- (1) Survey on wildlife and its utilization for the establishment of a National Wildlife Management Program
- (2) Survey on the socio-cultural environment for the establishment of a National Nomadic Land Management Program.
- (3) Survey on the re-establishment of wildlife hunting zones.

#### **A.19 Overseas Marketing**

Following are recommended to be implemented by 2005.

- Participation in selected major travel trade shows and fairs
- Opening up foreign media/travel trade dialogues and contacts
- Organizing sponsored press/travel trade familiarization (fam) tours
- Declaring "Visit Mongolia Year" in 2005
- Opening contracted tourist representative office in Tokyo and Frankfurt
- Production of various overseas promotional materials and Gateway/On-Site materials
- Creating events and festivals in the longer low tourist season (Oct.-Apr.)

#### **A.20 UB Hotel Development Guidelines**

In order to meet the future demand of tourists, it is required to increase the number of available beds by 40% to 100 %. (About 2,600 beds are available for foreigners at present.)

#### **A.21 Ger Camp Development Guidelines by Zone**

UB suburb: The bed capacity for foreign tourists in the UB suburb is still sufficient by 2005 according to the Study Team's projections.

Harhorin zone: During the peak season, July and August, there will be a shortage of beds, about

2,000 tourist-beds in July (70 beds/day) and 5,000 tourist-beds in August (170 beds/day: 1 ger camp) by 2005.

Omnogovi zone: During the peak season, July and August, there will be a shortage of beds, about 9,000 tourist-beds in July (300 beds/day) and 13,000 tourist-beds in August (400 beds/day: 2 ger camps) by 2005.

DOT should prepare guidelines showing the targeted expansion of hotel rooms and some helpful information concerning hotel development and management such as safety standards, license requirements, etc.

#### **A.22 Development of UB Bus Guidebook**

A tourist guide information system including a guidebook of bus routes, and guidance at bus stops in and around UB should be developed by the UB city.

#### **A.23 Introduction of Convenient Ticket System for Buses and Museums**

A convenient ticket system such as bus tickets valid for an entire day and passes valid for any museum in UB should be introduced by the year 2005.

### **2) Public Sector Projects**

#### **Culture Tourism Enhancement**

##### **B.1 Improvement of Bogd Khan Museum in UB**

- Restoration of the Winter Palace (reconstruction of buildings, building foundation, walls, remaining external ornaments)
- Restoration of the posts of the outside wooden palisades (500m long)
- Repair of the old clay wall surrounding the temples (250m long)
- A new service, office and storage building
- Improvement on the inside and outside museum pavement and squares
- Restoration of the temples (roofs, paint, floors, etc.)
- Ticket offices and information boards

##### **B.2 Mongolian Culture Park**

- The location of the culture park has been selected, 35 km west of UB, where a vast steppe spreads out and only a few cattle breeders exist.
- A symbolic ger in the center surrounded by 7 big gers representing seven typical races in Mongolia. Racial history, climate, life style, etc. should be presented in the gers. On the fringe, there will be medium sized gers which have exhibits grouped by theme, the clothes of Mongolia, Musical Instruments of old Mongolia, Horses and the Peoples of Mongolia.
- Visitors will observe and participate in nomadic life in the nomad's gers located on the outskirts of the cultural park (1.5~3.0 km apart).

##### **B.3 Improvement of Erdenezuu Surroundings**

Building and arranging walkways, inscriptions and stone monuments, benches, lawn and beds of flowers are recommended as well as improving the administration building and repairing the temples.

##### **B.4 Harhorin Visitor Center**

To establish a center (approximately 3,000m<sup>2</sup>) at the entrance of Erdenezuu, where tourists can obtain knowledge on the past history of Mongolia and Harhorin (monuments of the Neolithic,



Turkish, Uighur, Erdenezuu, etc.).

#### **B.5 UB Tourist Trail Development**

It is recommended to develop tourist trails in accordance with the trail design conceived by the TACIS team. An Information Center should be established in Suhbaatar Square, adopting sign system (Guide Boards, Information Boards, Guide Signs) and improving pavement of the Trail.

#### **B.6 UB Tourist Street**

In order to strengthen the role of an international gateway for Mongolia and to reinforce functions of the national center for urban tourist services, an attractive tourist quarter should be created. Tourist Streets and Plazas are proposed to be developed in the "Commercial Street 2005". A new souvenir and handicraft center, restaurants and an outdoor stage should be set up.

#### **B.7 UB Souvenir and Handicraft Center**

The Ulaan Baatar souvenir and Handicraft Center (approximately 960m<sup>2</sup>) should be established in the center of the tourist street as well as workshops, handicraft shops, and design shops.

### **Nature Tourism Development**

#### **B.8 Terelj Visitor Center**

The center should be located at the gate of the Gorhi-Terelj National Conservation Park and preferably designed in the style of a wooden cottage in consideration of easier maintenance. The wooden deck terrace surrounds the cottage, from where visitors can enjoy looking at the outstanding natural beauty. Total floor area of the center is designed to be approximately 130 m<sup>2</sup>.

#### **B.9 Govi Visitor Center**

The center should be located at the entrance of the Yolyn Amm Valley to educate visitors clearly and concisely about the nature of the park, the physiological/biological elements, the guidelines, rules and regulations, and the management of the park. It has been designed through discussions with GTZ considering natural environment such as using horses and oxcarts as a transportation means in the valley.

#### **B.10 Bird Watching Site Preparation**

Convenient bird (especially migratory birds) watching and nature observation sites are proposed in the UB suburbs and Harhorin (Lake Ogii Nuur). It is well-known by eco-tourists (especially in Europe and USA) that Mongolia has abundant kinds of migratory birds. Developing a bird watching site not only offers a new tourism attraction, but also conserves a bird habitat most migratory birds gather mainly in summer.

### **Other Development**

#### **B.11 Harhorin Tourist Roads**

Improvement (to standards of high grade gravel road) of Harhorin-Har Balgas Section (30 km) and Harhorin-Khoshoo Tssaidam Section (47 km) is proposed. The existing access paths to each major tourist site in and around the Harhorin area are really just ruts made by motor vehicles and are too time consuming and uncomfortable.

#### **B.12 Traffic Sign Facilities along UB-Harhorin Highway**

There are no traffic signs along the UB-Harhorin highway at present. Traffic signs such as tourist

direction signs, speed limit signs, and caution signs for animals are expected to bring about more comfortable and safe travel.

### **B.13 Upgrading of Major Spas**

The renewal and renovation of spa facilities in UB, Hujirt, and Shargaljuut are required to respond to the increasing demand of local people.

### **B.14 Loan Facility for Tourism Private Sector Enterprises**

A two-step loan scheme funded by a foreign aid with soft loans is conceivable for the finance arrangement of private companies for the purpose of constructing tourism facilities (ger camps, roadside rest areas, etc.) by small and medium scale enterprises.

## **3) Private Sector Project**

### **C.1 Rest Area along UB-Harhorin Highway**

There are a few rest facilities in very poor condition along the UB-Harhorin highway at present. The provision of rest facilities (restaurants, shops, toilets, gas stations, etc.) is expected to bring about more comfortable and safe travel.

### **C.2 Upgrading of Ger Camp Facilities**

Development of better ger camps; and improvement of power supply facilities, telecommunications, solid waste treatment, and toilets are proposed.

### **C.3 South Govi Airstrip Improvement**

Improvement of the Omnogovi private airport facilities (Airstrip, Navigation System, and Meteorological Observation System) is needed to make travel to Omnogovi convenient and safe.

### **C.4 Strengthening of Sport Activities**

Sport activities (horseback riding, jeep touring, hot air ballooning, sky diving, para-sailing, para-gliding, boating, canoeing, kayaking, rafting, and fishing) are proposed to be added to enhance the attraction of Mongolia tourism while ensuring safety and environmental soundness.

### **C.5 Horse Park**

Establishment of a Horse Park is recommended that includes a museum of horses, a riding school, and a racing course.